

LEASE AGREEMENT

This LEASE AGREEMENT, dated August 15, 2000, by and between THE BALJAT GROUP, a partnership (hereinafter referred to as "LANDLORD"), and Bekco, Inc., dba: New York Burrito Gourmet Wraps, (hereinafter referred to as "TENANT.")

ARTICLE I

DEMISE

LANDLORD, for and in consideration of the rents, covenants and agreements hereinafter reserved, mentioned and contained on the part of TENANT to be paid, kept and performed, has leased, rented, let and demised, and by these presents does lease, rent, let and demise, unto TENANT, and TENANT does hereby take and hire, upon the conditions hereinafter expressed,

That certain real property commonly known as:

4111 South 6th Street, Klamath Falls, OR 97603

more particularly described on Exhibit "A," attached hereto and made a part hereof (hereinafter referred to as "PREMISES").

TOGETHER WITH ALL fixtures, chattels and articles of personal property now or hereafter affixed or attached to the said premises, including walk-in cooler and freezer (no other specific representations therefore being made by the LANDLORD) plumbing fixtures, air conditioning, heating systems

and fixtures of very kind, all of which LANDLORD is, shall become and remain the sole owner (hereinafter referred to as "PREMISES"), in its current "as is" condition together with LANDLORD contributions further described below.

TO HAVE AND TO HOLD the same unto TENANT for a term of ten years, commencing on the earlier of 90 days from execution of this Lease or commencement of business on Premises. TENANT to be given access to the PREMISES upon the execution of Lease for the purpose of obtaining construction bids and to be given full possession of the PREMISES not later than 30 days after full execution of the LEASE.

This Lease is made upon the following covenants, agreements, terms, provisions, conditions and limitations, all of which LANDLORD and TENANT covenant and agree punctually and properly to perform and observe.

ARTICLE II

RENTAL AND RENEWAL

A. Rental:

TENANT promises to pay to LANDLORD as monthly rental for the PREMISES, in advance on the first day of each and every month and continuing through the entire ten year lease term, the following amounts. The second month's rent and security deposit equal to last month's rent in the amount

of: Six thousand three hundred dollars (\$6,300.00) shall be paid upon the execution of this lease. If the beginning date of this lease occurs after the first day of the month of inception then only a prorated portion of rent shall be due for the first month of rent.

1. First Five-Year Period:

The monthly rental or amount which is due each and every month during the first five-year period shall be the sum of Three Thousand Dollars (\$3,000.00).

2. Second Five-Year Period:

The monthly rental or amount which is due each and every month during the second five-year period shall be the sum of Three Thousand Three Hundred Dollars (\$3,300.00).

B. Option to Renew:

Upon the expiration of the original ten year term of this Lease, the TENANT shall have an option to renew the Lease for a period of five years, providing that TENANT shall give the LANDLORD notice in writing at least ninety (90) days prior to the expiration of the term of the Lease. Upon the expiration of the first option period, the TENANT shall have an option to renew the Lease for an additional extension period of five years, providing that TENANT shall give the LANDLORD notice in writing at least ninety (90) days prior to the expiration of the term of the first option period. Upon the expiration of the second option period, the TENANT shall have an option to renew the Lease for an additional extension period of five years, providing that TENANT shall give the

LANDLORD notice in writing at least ninety (90) days prior to the expiration of the term of the second option period. The terms upon the renewal of the Lease shall be the same as contained herein except for the rent and except for the elimination of any additional option periods. The rent for the option periods shall be as follows:

1st Option Period: \$3,600.00
2nd Option Period: \$3,900.00
3rd Option Period: \$4,200.00

ARTICLE III

POSSESSION OF DEMISED PREMISES

A. Acceptance of Premises:

TENANT hereby accepts the PREMISES in their present condition and acknowledges that LANDLORD has made no representations with respect to the condition of said premises.

B. Surrender of Premises:

Upon the expiration or sooner termination of the leasehold interest created hereby, TENANT shall remove its interior and exterior signs and all of its movable trade fixtures and equipment from the PREMISES and repair all damage thereto resulting from such removal, and TENANT shall thereupon surrender the PREMISES and all of LANDLORD's fixtures and machinery located therein in the same condition as they were

on the commencement date, reasonable wear and tear excepted.

C. Abandonment:

TENANT shall not permanently vacate nor abandon the PREMISES at any time during the term hereof; and if TENANT shall abandon, vacate or otherwise surrender the PREMISES, or be dispossessed thereof by process of law or otherwise, the same shall constitute a default of this Lease and, in addition to any other remedy available to LANDLORD, any personal property belonging to TENANT and left in, upon or about the PREMISES for more than thirty (30) days shall be deemed to be abandoned and, shall become the property of LANDLORD.

ARTICLE IV

USE OF DEMISED PREMISES

Rules and Regulations:

TENANT shall at all times during the term and any extension or renewal of the term of this Lease, at its sole cost and expense:

(1) Furnish, install and maintain in the PREMISES all fixtures, equipment and furnishings reasonably necessary for the operation of a restaurant, including for both retail and wholesale vending business and shall at all times operate such a business.

(2) Maintain the PREMISES in a clean, neat, sanitary

and orderly condition (including the outside areas, parking lots, etc.), it being understood that no use shall be made nor permitted of the PREMISES or any part thereof, nor any acts done which shall violate, make inoperative or increase the existing rate of any insurance policy held by or in any way for the benefit of LANDLORD pursuant to any provision of this Lease, or which may endanger any part of the PREMISES or its occupants, business patrons or invitees, without the prior written consent of all insurance companies which have issued any insurance of any kind whatsoever pursuant to any provision hereof.

(3) Except as otherwise herein provided, comply with all governmental rules, regulations, ordinances, statutes and laws now or hereafter in effect pertaining to the PREMISES and/or TENANT's use thereof.

ARTICLE V

REPAIRS AND MAINTENANCE

A. Landlord's Obligations:

LANDLORD shall have no obligation whatsoever to repair or maintain any part of the PREMISES, including without limitations any improvements constructed thereon, any fixtures or systems located in or about the PREMISES.

B. Tenant's Obligations:

TENANT shall, at its sole cost and expense, at all times during the term and any extension or renewal of the term hereof, keep and maintain the PREMISES, the improvements thereon and every part thereof, including but not limited to, store front, entrances and exits, interior walls, ceilings and floors, plate glass, glazing, painting of the interior and exterior of the building, the roof of the building, the plumbing, air conditioning and other systems installed within the building, the exterior walls, paved parking area, shrubbery, planting, flood lights and all other accessories, appurtenances and related equipment of any and every type, in good and sanitary order, condition and repair in compliance with all laws and regulations applicable thereto.

ARTICLE VI

ALTERATIONS

TENANT shall not make nor have made any structural changes, alterations or additions to the PREMISES or any part thereof without prior written consent of LANDLORD. LANDLORD shall have ten days upon receipt of TENANT's written request to respond or such request shall be deemed approved. LANDLORD acknowledges that TENANT may be required to make alterations, additions or improvements to comply with franchisor standards.

Permission for such changes shall not be unreasonably withheld. LANDLORD agrees that in addition to standard New York Burrito decor and design TENANT shall be permitted to make minimal cosmetic alterations to the exterior of the building, including but not limited to painting and facade changes and that such changes shall not be unreasonable restricted. Further, LANDLORD agrees that TENANT shall be permitted to make landscaping changes, including but not limited to outside seating, parking lot alterations, shrubs, and other plants, etc., and that such changes shall not be unreasonably restricted. TENANT may erect standard New York Burrito signage including colors and logo, and may erect maximum signage allowed by local authority. TENANT may use a portion of the outside Premises for an outdoor eating area, complete with tables and umbrellas, so long as such use complies with local zoning codes and ordinances. Any additions, alterations or changes in or to the PREMISES shall be at TENANT's sole cost and expense, other than LANDLORD contributions described in Article XVII below, and except for movable trade fixtures, equipment and furnishings, shall become at once a

part of the realty and be the sole property of LANDLORD.

ARTICLE VII

TAXES

TENANT shall be liable for and shall pay before delinquency all taxes levied or assessed against all of TENANT's trade fixtures, equipment, furnishings, merchandise and other personal property or whatsoever kind situate or installed in or upon the PREMISES, whether or not affixed to the realty. TENANT shall pay all sales and use taxes due as a result of business conducted on the PREMISES and shall further pay any personal property taxes assessed against the personalty situated on the PREMISES. TENANT shall also pay when due any and all real estate taxes levied against the subject property including any local improvement district assessments.

ARTICLE VIII

UTILITIES

TENANT shall pay all charges for water, gas, heat, electricity, power and sewer services charged or attributable

to the PREMISES, during the term and any extension or renewal of the term of this Lease.

ARTICLE IX

INSURANCE

A. Public Liability Insurance:

TENANT shall at all times during the term of this Lease and any extension or renewal of the term hereof, at its sole cost and expense, procure and maintain in force and effect a policy or policies of comprehensive public liability insurance issued by an insurance carrier approved by LANDLORD, insuring against loss, damage or liability for injury to or death of persons and loss or damage to property occurring from any cause whatsoever in, upon or about the PREMISES. Said liability insurance shall be in an amount of not less than One Million (\$1,000,000.00) Dollars for bodily injuries to or death of any one person whomsoever, and not less than Two Million (\$2,000,000.00) Dollars for bodily injuries to or death of any two or more persons whomsoever arising from the same occurrence, and Two Hundred Fifty Thousand (\$250,000.00) Dollars for damage to property, including property of TENANT. LANDLORD and/or any other person, corporation or firm designated by LANDLORD shall be the named or additionally named assured under each such policy of liability insurance.

B. Tenant's Insurance:

TENANT shall at all times during the term of this Lease and any extension or renewal of the term hereof, at its sole cost and expense, procure and maintain in force and effect adequate standard form fire and extended coverage insurance covering TENANT's personal property and the personal property of others in TENANT's possession in, upon or about the PREMISES, in an amount equal to not less than the actual cash value thereof. TENANT agrees to replace any broken glass at its own cost and expense. TENANT hereby waives any and all rights of recovery from LANDLORD, its officers, agents, and employees, for any loss or damage, including consequential loss or damage caused by any peril (including negligent acts) enumerated in the standard form fire insurance policy and extended coverage endorsement. In addition to the foregoing, each such policy or policies of TENANT's said insurance shall contain an express waiver of any and all right of subrogation thereunder whatsoever against LANDLORD, its officers, agents, and employees, if obtainable; provided, however, in the event such waiver of subrogation is not obtainable, then each said policy or policies shall, in the alternative, expressly name LANDLORD and/or any other person, firm, or corporation designated by LANDLORD as additionally named assured or assureds thereunder.

C. Fire Insurance:

TENANT shall at all times during the term of this Lease or any extension or renewal of the term hereof, at its

sole cost and expense, maintain in force by advance payment of premiums extended coverage insurance, including fire insurance and wind damage insurance, on all buildings and improvements in an amount not less than one hundred percent (100%) of the replacement cost of the improvements. TENANT further agrees that it will replace any improvement built upon the PREMISES within one hundred eighty (180) days after the destruction, either total or in part, of said improvement, providing that said destruction does not occur within three hundred sixty (360) days before the expiration of this Lease.

D. Certificate of Insurance:

A certificate issued by the insurance carrier for each policy of insurance required to be maintained by TENANT hereunder shall be delivered to LANDLORD with ten (10) days after the date hereof, and thereafter as to policy renewals, within thirty (30) days prior to expiration of the term of each such policy. Each said certificate of insurance and each policy of insurance required to be maintained by TENANT hereunder shall expressly evidence insurance coverage as required under this Lease, including express waiver of subrogation thereunder against LANDLORD, if applicable, and shall contain an endorsement or provision requiring not less than ten (10) days written notice to LANDLORD prior to cancellation or reduction of coverage or amount of the particular policy in question.

ARTICLE XEMINENT DOMAIN

TENANT covenants and agrees that if the building or buildings on the PREMISES, or any part thereof, is taken or condemned under the laws of eminent domain for public or quasi-public use, then as to such parts as are taken or condemned, this Lease shall forthwith terminate and the rental reserved in this Lease shall abate proportionately. In the event that (a) all of the PREMISES, or (b) in the event that TENANT cannot reasonably continue the operation of its business as herein contemplated, then this Lease shall terminate. In the event of any other partial taking, the monthly rental shall abate in proportion to the amount of the building or buildings taken, such abatement to commence at such time as the government authority responsible for the condemnation shall actually take possession of the part of the PREMISES condemned, and this Lease shall otherwise remain in full force and effect as to the remainder of said PREMISES. Any award made in any condemnation proceedings for the taking of any part of or the whole of the PREMISES, equipment and fixtures or other installations of the LANDLORD shall be the sole property of and paid to LANDLORD. TENANT to be compensated from condemnation award in an amount equal to cost expended by TENANT for leasehold improvements.

ARTICLE XIASSIGNMENT AND SUBLETTINGA. General Limitation:

Except as otherwise provided herein, TENANT shall not assign, mortgage, or encumber this Lease or leasehold interest created hereby or sublet the PREMISES or any portion thereof, without the prior written consent of LANDLORD, which shall not be unreasonably withheld, delayed or conditioned. Except that such restrictions shall not apply if TENANT sells the Franchise to a buyer approved by Franchisor and who satisfactorily completes all Franchisor training courses. If such default occurs in the care of a Transferee, LANDLORD shall cooperate with TENANT in obtaining an eviction of said Transferee and allow TENANT to retake possession of the Premises and the business. In the absence of an express agreement in writing to the contrary, no assignment, mortgage, or subletting shall act as a release of TENANT from any of the obligations and agreements on its part to be kept and performed hereunder.

B. Effect of Violation:

Except as expressly hereinabove provided, any mortgage, assignment, or subletting of this Lease, the leasehold estate created hereby or the PREMISES, either voluntary or involuntary, whether by operation of law or otherwise, without the prior written consent of LANDLORD shall be null and void and shall, at the option of LANDLORD, terminate this Lease.

ARTICLE XIIRIGHT OF ACCESSNotices, Inspection and Liability:

LANDLORD, its authorized agents and representatives shall be entitled to enter the PREMISES at all reasonable times during normal operating hours with 24 hours notice to TENANT for the purpose of serving, posting or keeping posted thereon notices as LANDLORD may deem necessary or appropriate for the protection of LANDLORD, its interests or the PREMISES, which posting shall be done in a manner that will not unreasonably detract from the appearance of the entrance or exits of the PREMISES or otherwise unreasonably interfere with the business operation being conducted by the TENANT; and/or for the purpose of making any necessary repairs to the PREMISES and performing any work thereon which may be required hereunder or which may be necessary to comply with any laws, ordinances, or regulations of any public authority or any applicable standards that may be established by the Nation Board of Fire Underwriters, the National Fire Protective Association or any similar body, or which LANDLORD may deem necessary to prevent waste loss, damage or deterioration in connection with the PREMISES. Nothing herein shall imply any duty upon the part of LANDLORD to do any work of repair or maintenance which under any provision of this Lease may be required on the part of TENANT to be performed, and the

performance thereof by LANDLORD shall not constitute a waiver of TENANT's default in failing to perform the same.

ARTICLE XIII

DEFAULT

A. Notice and Termination:

In the event TENANT shall default in the payment of any sum required to be paid hereunder and the continuance of such default for ten (10) days after written notice thereof from LANDLORD, or in the event of default by TENANT in the performance of any other covenant or agreement on the part of TENANT to be kept and performed hereunder and the continuance of such default for thirty (30) days after written notice thereof from LANDLORD, then and in either such event and in addition to all other rights and remedies it may have according to this Lease or by law provided, LANDLORD, at its option, shall have the right to terminate this Lease and/or shall have the immediate right of re-entry, except that LANDLORD shall allow NYB Foods, Inc. to take possession of the Premises and the business for the sole purpose of replacing TENANT with a certified NYB Franchisee. Pursuant to said right of re-entry, LANDLORD may remove all persons and property from the PREMISES, and such property may be stored in a public warehouse or elsewhere at the cost and for the account of TENANT. Notwithstanding any such re-letting

without termination LANDLORD may at any time thereafter terminate this Lease for such previous default.

B. Right to Re-Let PREMISES:

In the event LANDLORD elects to re-enter the PREMISES as hereinabove provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, LANDLORD may, at its option, either terminate this Lease or it may from time to time without terminating this Lease re-let the PREMISES or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as LANDLORD in its sole discretion may deem advisable. In addition to the foregoing, LANDLORD shall have the right to make such alterations and repairs to the PREMISES as may be required or occasioned by said re-letting. Upon each said re-letting, LANDLORD shall have the following options:

(1) TENANT shall be immediately liable to pay to LANDLORD, in addition to any rent due hereunder and in addition to any indebtedness other than rent due hereunder, the cost and expense of said re-letting and of such alterations and repairs incurred by LANDLORD in connection therewith, plus the amount, if any, by which the monthly rental reserved in this Lease for the period of said re-letting (up to but not beyond the term hereof) exceeds the amount agreed by the new tenant to be paid as rent for the PREMISES for the period of said re-letting; or,

(2) Rents received by LANDLORD from said re-letting may be applied as follows:

(a) First, to the payment of any costs and expenses os said re-letting, including Court costs, costs of recovering the PREMISES, costs of repairs and alterations in connection therewith, and reasonable attorney's fees;

(b) Second, to the payment of any indebtedness other than rent due hereunder from TENANT to LANDLORD;

(c) Third, to the payment of rent and any other payments on the part of TENANT due and unpaid hereunder; and,

(d) Fourth, the residue, if any, shall be held by LANDLORD and applied in payment of future rent and other payments on the part of TENANT as the same may become due and payable hereunder.

If TENANT shall have been credited with any rent to be received by said re-letting under B.(1) above and such rent shall not be promptly paid to LANDLORD by the new tenant, or if the rentals received from said re-letting under B.(2) above during any month be less than that to be paid during such month on the part of TENANT hereunder, TENANT shall immediately pay any such deficiencies to LANDLORD. Such deficiencies, if any, shall be calculated and paid monthly.

C. Damages on Termination:

Should LANDLORD at any time terminate this Lease for any default, breach or failure of TENANT hereunder, then in addition to any other remedy available to LANDLORD at law or hereunder, LANDLORD may recover from TENANT all damages and

expenses it may incur by reason of such default, breach or failure, including the cost of recovering the PREMISES and including the worth at the time of such termination of the excess, if any, of the total monthly rental and other charges reserved in this Lease for the remainder of the stated term hereof, over the then reasonable rental value of the PREMISES for the remainder of the state term hereof, which amounts shall be immediately due and payable to LANDLORD by TENANT.

D. Waiver of Default:

The waiver of LANDLORD of any default or breach of any term, covenant or condition contained herein shall not be construed to be a waiver of any preceding or subsequent breach of the same or any other term, covenant or condition contained herein. The subsequent acceptance of rent or other sum hereunder by LANDLORD shall not be construed to be a waiver of any preceding breach by TENANT of any term, covenant or condition of this Lease, other than the failure of TENANT to pay the particular rental or other sum or portion thereof so accepted, regardless of LANDLORD's knowledge of such preceding breach at the time of acceptance of such rent or other sum.

E. TENANT's Rights of Cancellation and Termination:

If TENANT is not able, upon a good faith first application, to obtain permits and approvals to construct and operate a New York Burrito restaurant within the premises, or if TENANT is not given possession of the PREMISES within 30 days of the execution of the Lease, TENANT may at its option, cancel the Lease without further obligation of the Lease and

LANDLORD shall refund all monies paid by TENANT upon execution of this Lease Agreement.

ARTICLE XIV

INSOLVENCY OF TENANT

A. Breach of Lease:

The filing of any petition in bankruptcy, or the adjudication of TENANT as a bankrupt or insolvent, or the appointment of a receiver or trustee to take possession of all or substantially all of the assets of TENANT, or a general assignment by TENANT for the benefit of creditors, or any action taken or suffered by TENANT under any State or Federal insolvency or Bankruptcy Act, and continuance of any of the same for a period of thirty (30) days, shall constitute a breach of this Lease by TENANT and in such event LANDLORD may, at its option, terminate this Lease upon written notice to TENANT.

B. Operation of Law:

TENANT agrees that neither this Lease nor any interest herein or hereunder, nor any estate created hereby, shall pass by operation of law under any State or Federal insolvency or Bankruptcy Act to any trustee, receiver, or assignee for the benefit of creditors or any other person whatsoever without the prior written consent of LANDLORD. Any transfer in violation of the provisions of this sub-paragraph B shall constitute a

breach of this Lease and in such event LANDLORD may, at its option, without notice, declare this Lease terminated.

ARTICLE XV

LIENS

A. Indemnification:

TENANT shall at all times indemnify, save and hold LANDLORD and the PREMISES free, clear and harmless from any claims, liens, demands, encumbrances, litigation and/or charges arising directly or indirectly out of any occupancy, use or activity of TENANT or out of any work performed, material furnished or obligations incurred by TENANT in, upon, about or otherwise in connection with the PREMISES, including any easement areas for ingress and egress.

B. Satisfaction of Liens:

TENANT shall within fifteen (15) days after the filing of any lien for record, fully pay and satisfy the same and TENANT shall reimburse LANDLORD upon demand for any and all loss, damage and expense, including reasonable attorney's fees, which LANDLORD may suffer or incur by reason thereof. However, nothing herein shall be construed to prevent either TENANT or LANDLORD at the cost and for the account of TENANT, from satisfying such lien or from obtaining and filing a bond to secure the payment of such lien or encumbrance in the event

TENANT fails to satisfy the same within such fifteen (15) day period.

C. Notice of Non-Responsibility:

LANDLORD may record a Notice of Non-Responsibility as provided by applicable local law for any alterations or repairs or any labor done or any materials furnished to the PREMISES.

ARTICLE XVI

Option to Buy FIRST RIGHT OF REFUSAL

the exclusive

LANDLORD hereby grants to TENANT an option to purchase the PREMISES under the following terms and conditions:

1. During the first five year period of this Lease, the purchase price for the PREMISES shall be \$325,000.00 plus the amount of LANDLORD's contributions.
2. During the second five year period of this Lease, the purchase price for the PREMISES shall be \$357,500.00 plus the amount of LANDLORD's contributions.
3. TENANT shall give LANDLORD written notice of its intent to exercise the option.
4. The closing of the purchase must be completed within 90 days of the written notice of intent to exercise.
5. LANDLORD shall provide and deliver to TENANT a standard coverage owner's policy of title insurance.
6. All other closing costs shall be split between

LANDLORD and TENANT.

7. There shall be no pro-rations except for rent.
8. LANDLORD shall pay applicable sales and use taxes.

ARTICLE XVII

LANDLORD' CONTRIBUTIONS

LANDLORD hereby agrees to fund up to \$21,360.00 to be used for leasehold improvements. Upon commencement of TENANT's operations and the payment of monthly rent, TENANT shall submit to LANDLORD invoices detailing leasehold improvements. Within 10 days of receipt of such invoices, LANDLORD shall pay directly to vendors or contractors or if applicable reimburse to TENANT an amount up to \$21,360.00.

ARTICLE XVIII

LATE PAYMENT PENALTY

TENANT agrees that in the event any monthly rental payment is postmarked after the 15th of the month for which the monthly payment is due, then a late payment penalty equal to 10% (Ten Percent) of the current monthly rental payment amount shall be immediately assessed and shall be due and

payable along with the overdue monthly rental payment.

ARTICLE XIX

PERSONAL GUARANTY

TENANT's principal, Kevin Moore, does hereby personally guaranty the obligations specified under this Lease agreement and hereby indemnifies LANDLORD against any deficiencies incurred as a result of a breach or default of TENANT.

ARTICLE XX

FORCE MAJEURE

If either party hereto shall be delayed or prevented from the performance of any act required hereunder by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental regulations or laws or other cause without fault and beyond the control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay; provided, however, nothing in this Article XX contained shall

excuse TENANT from the prompt payment of any rental or other charge required of TENANT hereunder except as may be expressly provided elsewhere in this Lease.

ARTICLE XXI

HOLDING OVER

In the event TENANT shall hold over or remain in possession of the PREMISES with the consent of LANDLORD after the expiration of the stated term of any written extension or renewal of the term of this Lease, such holding over or continued possession shall create a tenancy from month to month only, upon the same terms and conditions as are in this Lease set forth so far as applicable.

ARTICLE XXII

ATTORNEY'S FEES

In the event that any dispute between the parties arises due to a breach or an alleged breach of any obligation required under this Lease, the prevailing party shall be entitled to receive from the other reasonable attorney's fees, court costs, and any other applicable fees or costs.

ARTICLE XXIIINOTICES

All notices and other instruments under this Lease shall be in writing and shall be sufficiently given if delivered to the addresses in person, or if mailed, postage prepaid, as follows: If to LANDLORD:

Kevin Moore, Bekco Inc.
1120 S. Spring Street, Klamath Falls, OR 97601

NYB Foods, Inc.
955 E. Javelina, Suite 114, Mesa, AZ 85204

NYB Franchise Services Corp.
760 NE 17th, Gresham, OR 97030

If to TENANT:

Jason Tanner, The BALJAT Group
5225 Alvera Circle, SLC, UT 84117

ARTICLE XXIVSUCCESSORS, ASSIGNS AND LIABILITY

The terms, covenants and conditions herein contained shall apply to, bind and inure to the benefit of the successors and assigns of the TENANT. In the event LANDLORD sells the PREMISES or assigns its interest therein, LANDLORD shall be entirely freed and relieved of all liability

under this Lease and the assignee or purchaser of LANDLORD's interest shall be deemed to have assumed and agreed to carry out LANDLORD's obligations under this Lease.

ARTICLE XXV

TIME OF THE ESSENCE

Time is of the essence of this Lease and of all of the terms, covenants and conditions hereof.

ARTICLE XXVI

TIME IS OF THE ESSENCE - PARTIAL INVALIDITY

Time is of the essence of this Lease and of all of the terms, covenants and conditions hereof.

If any term, covenant, condition or provision of this Lease be held by a Court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

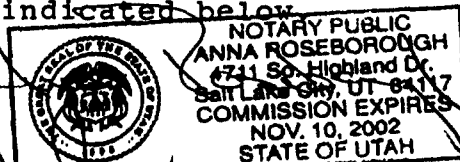
IN WITNESS WHEREOF, LANDLORD and TENANT have executed
this Lease Agreement on the day and year as indicated below.

LANDLORD: The BALJAT Group

Jason Tanner, Gen Partner

Dated: August 31st 2000

By: _____



TENANT: Bekco, Inc.

Kevin Moore, Principal

Dated: 8/29/00

By: _____

INDIVIDUAL ACKNOWLEDGMENT

State of Oregon }
County of Klamath } ss.

On this the 29th day of August 2000,
before me, Pamela J. Spencer,

Name of Notary Public

the undersigned Notary Public, personally appeared

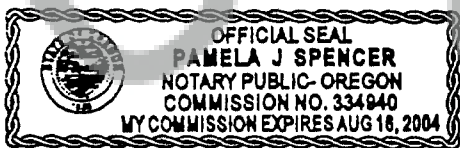
KEVIN MOORE

Name of Signer(s)

☐ personally known to me
☒ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed
to the within instrument, and acknowledged that
he/she/they executed it.

WITNESS my hand and official seal.



Pamela J. Spencer
Signature of Notary Public

OPTIONAL

Though the information in this section is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: LEASE Agreement

Document Date: 8/29/2000 Number of Pages: 28

Signer(s) Other Than Named Above: _____

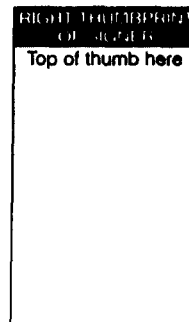


EXHIBIT A

Lots 105 and 106 of Bunnell Addition to Balsiger Tracts
according to the official plat thereof on file in the
records of Klamath County, Oregon.

OC/ Return to Kevin Moore

State of Oregon, County of Klamath
Recorded 10/19/00, at 2:49 p. m.
In Vol. M00 Page 38148
Linda Smith,
County Clerk Fee \$ 161⁰⁰