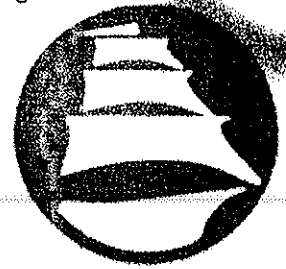




Welcome to BALBOA CAPITAL



Regarding Your Lease Number: **144392-004**

Dear Valued Customer,

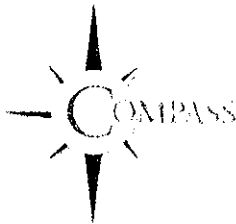
We would like to take this opportunity to welcome and thank you for choosing Balboa Capital as your financial partner. Our goal is to provide you with complete customer satisfaction and to continue to work with you on future financing.

Enclosed for your records is a copy of the executed Lease Agreement. Your first regular monthly lease payment will be due 05/05/12. To view your account and payment information log onto www.balboacapital.com.

In the interim you will receive an invoice from Balboa Capital including any sales tax, prorated rental charges or other closing costs due. You will also be billed for applicable personal property tax as assessed by your county and outlined in this agreement. Balboa uses a monthly bill system to avoid a lump sum payment that may be unexpected at the year end. Please contact us using the toll free number below should you have any questions regarding these charges.

Best Regards,
Balboa Capital Corporation

Online Account Management



Balboa Capital strives to give our customer the best service and cutting-edge technology available. That's why we offer Compass - an online customer service site that allows you to manage your account online. To get started, go to www.balboacapital.com/customercenter.

- Submit Payments Online
- Sign up for Automatic Payments
- Request an Address Change
- View Your Invoices
- Request Information Online
- Apply for a New Lease

Future Financing Needs



BALBOA
CAPITAL

In the near future we will notify you about additional credit lines available to you through Balboa Capital's exclusive *Premier Club*. If you have any immediate needs, please contact your Account Executive who can present you with new solutions such as:

- Business Expansion Financing
- Replacing Obsolete Equipment
- Master Lease Lines of Credit
- Account Receivable Financing
- Merchant Cash Advance

Have Questions



Many of your questions can be answered by logging onto Compass. However we strive to give you the best customer service possible, so please feel free to contact us with any questions you may have regarding your account.

Customer Service
(888) 272-1800
customerservice@balboacapital.com

Your Account Executive
Javier Enriquez
949-553-3458
javiere@balboacapital.com

Manage Your Account and Make Payments Online - With Compass



With Compass you will have access to important detailed account information and other helpful services.

Need to make a payment online or review your current invoice? Its simple and easy with Compass. Our account management system allows you to quickly and safely retrieve account information with a few clicks of a button.

Plus, you will be glad to know that you can find answers to many of your questions regarding your account by simply logging onto Compass.

Start managing your account today:

Sign-Up For Compass

Account Mangement at your finger tips...



Make Payments
Online



View Your Invoice



Sign-up for Auto
Debit Payments



Request a Pay-off



Update Billing
Information



Request Additional
Financing Information





BALBOA
CAPITAL

Going Green By Going Paperless

Important Information About Your Account

Regarding Your Lease Number: **144392-004**

Dear GRANDMA'S, INC. dba Subway

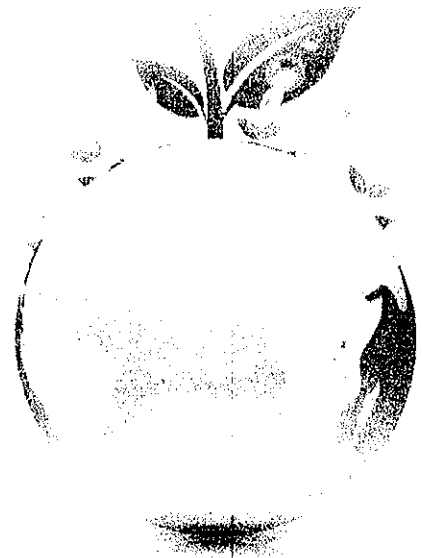
As part of our Go Green program we have adopted electronic invoice delivery as our standard method of billing. Paper invoices will remain available, however there will be a \$5.00 fee assessed for the processing, printing and mailing of each paper invoice.

To ensure you receive your electronic invoices, please make sure you are enrolled into Go Green. If you are a new customer you will need to first register through the customer login screen at www.balboacapital.com. You need to reference your Customer Number **70650**. Current customers can simply log onto their account and click on the Go Green tab. Select the Paperless Invoice box and provide an updated email address. While online, enroll into Automatic Debit Payments. It is safe, secure and another great way to reduce waste.

If you elect not to enroll into Go Green, the invoice fee will be charged on your first paper invoice mailed to you.

Thank you for helping us in our effort to implement environmentally friendly business practices.

Balboa Capital





Insurance Requirement Notification

Lease Agreement Number: 144392-004

Lessee Name: GRANDMA'S, INC. dba Subway

Lessee Address: 700 MAIN ST

Quinton, OK 74561

The subject financing agreement requires you to keep the Equipment insured against all risks of loss or damage in an amount not less than the replacement cost of the Equipment. You will also need to obtain and maintain comprehensive public liability in the amounts of \$300,000/occurrence and \$600,000/aggregate.

You will be contacted for your insurance provider and will need to forward the appropriate Certificates of Insurance to Balboa Capital Corporation after the funding of your Agreement.

Please notify your insurance provider to include the following information on the Certificates of Insurance:

1. Lease Number
2. Address of equipment location(s)
3. Balboa Capital Corporation and/or our assigns names as the sole lender loss payee on the property insurance
4. Balboa Capital Corporation and/or its assigns named as an additional insured on the public liability policy

In the event you do not provide these Certificates of Insurance as required by the time of funding, you agree that we have the right, but not the obligation, to obtain such insurance and charge you a fee and you agree to pay the fee when presented.

Refer to the **INSURANCE** Section of your Agreement, for the specific information related to insurance for this agreement.

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EQUIPMENT FINANCING AGREEMENT

Agreement # 144392-004

"DEBTOR"

Full Legal Name: GRANDMA'S, INC. dba Subway

Debtor Address: 700 MAIN ST
Quinton, OK 74561

County: PILESBURG

Business Phone# 918-469-2286

QUANTITY	FULL DESCRIPTION OF COLLATERAL INCLUDING MODEL, SERIAL NUMBERS	EQUIPMENT COST
As delineated on Exhibit "A", attached hereto and made a part hereof.		
COLLATERAL LOCATION (IF DIFFERS FROM BILLING ADDRESS)		INITIAL PAYMENT (CHECK FOR THIS AMOUNT MUST ACCOMPANY AGREEMENT)
STREET ADDRESS	CITY STATE ZIP COUNTY	SECURITY DEPOSIT: \$1412.78
TERM OF LOAN AND PAYMENTS		LOAN FEE: <u>1%</u>
16 QUARTERLY PAYMENTS OF \$4,238.34		TOTAL AMOUNT DUE: \$1,412.78
COMMENCEMENT DATE		
2/5/2012		

TERMS OF EQUIPMENT FINANCING AGREEMENT

Debtor and Creditor agree as follows:

- SECURITY INTEREST:** Debtor hereby grants Creditor a security under the Uniform Commercial Code in the above property (collectively the "Collateral" and individually an "Item" or "Item of Collateral"). Such security interest is granted to secure performance by Debtor of its obligations hereunder and under any other present or future agreement with Creditor. Debtor shall insure that such security interest is and shall remain a sole first lien security interest. **DEBTOR HEREBY AUTHORIZES CREDITOR TO FILE A COPY OF THIS AGREEMENT AS A FINANCING STATEMENT AND APPOINT CREDITOR OR ITS DESIGNEE AS DEBTOR'S ATTORNEY-IN-FACT TO EXECUTE AND FILE, ON DEBTOR'S BEHALF FINANCING STATEMENTS COVERING THE COLLATERAL.**
- PAYMENTS:** Debtor shall repay creditor the above Total of Payments in the number of quarterly installments of the amount indicated above. The FIRST QUARTERLY installment payment shall be deemed due as of the date indicated above and subsequent installment payments shall be due on the same day of each quarter hereafter until paid. In addition to the payments outlined above, we will charge you a prorata portion based on a daily charge of one-hundredth (1/100) of the installment amount, calculated from the date we issued payment to you (the debtor), to the start of the first quarterly installment shall be due and payable at the commencement date. All other amounts due thereunder shall be due upon Debtor's Receipt of Creditor's Invoice therefor. Advance payments shall be applied to the next installment payments in reverse order until exhausted; provided that if there is a default, any payments under this agreement may be applied to Debtor's obligations to Creditor in such order as Creditor chooses.
- NO AGENCY:** DEBTOR ACKNOWLEDGES THAT NO SUPPLIER OF AN ITEM OR INTERMEDIARY NOR ANY AGENT OF EITHER THEREOF IS AN AGENT OF CREDITOR AND FURTHER THAT NONE OF SUCH PARTIES IS AUTHORIZED TO WAIVE OR ALTER ANY ITEM OR CONDITION OF THIS AGREEMENT. NO REPRESENTATION AS TO ANY MATTER BY ANY SUCH PARTY SHALL BIND CREDITOR OR AFFECT DEBTOR'S DUTY TO PAY THE INSTALLMENT PAYMENTS AND PERFORM ITS OTHER OBLIGATIONS THEREUNDER.
- NON CANCELABLE AGREEMENT; PREPAYMENT, NO OFFSET:** THIS AGREEMENT IS NON CANCELABLE BY DEBTOR FOR ANY REASON WHATSOEVER. DEBTOR MAY REPAY THE INSTALLMENT PAYMENTS ONLY IN ACCORDANCE HERewith. ALL PAYMENTS THEREUNDER ARE TO BE MADE WITHOUT OFFSET.
- FINANCING:** THIS AGREEMENT IS SOLELY A FINANCING AGREEMENT.

SEE REVERSE SIDE FOR ADDITIONAL TERMS AND CONDITIONS WHICH ARE PART OF THIS AGREEMENT

CREDITOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, OR THAT THE EQUIPMENT IS FIT FOR A PARTICULAR PURPOSE OR THAT THE EQUIPMENT IS MERCHANTABLE. DEBTOR AGREES THAT DEBTOR HAS SELECTED THE SUPPLIER AND EACH ITEM OF EQUIPMENT BASED UPON DEBTOR'S OWN JUDGMENT AND DISCLAIMS ANY RELIANCE UPON ANY STATEMENTS OR REPRESENTATIONS MADE BY CREDITOR. CREDITOR DOES NOT TAKE RESPONSIBILITY FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. THE SUPPLIER IS NOT AN AGENT OF CREDITOR'S AND NOTHING THE SUPPLIER STATES CAN AFFECT DEBTOR'S OBLIGATION UNDER THE AGREEMENT. DEBTOR WILL CONTINUE TO MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST SUPPLIER. This agreement is effective only upon execution by a authorized officer of Creditor following Debtor's execution hereof, and upon execution Creditor shall fund the Equipment Cost/Advance. Debtor hereby authorizes Creditor to Disburse the Equipment Cost/Advance as indicated on the attached Disbursement Authorization. Creditor reserves the right to pay the applicable portion of the Equipment Cost/Advance jointly to any party not specified in the preceding sentence with a security interest in an Item of Collateral.

- LOCATION; INSPECTION; USE:** Debtor shall keep, or, as to an Item which is movable, permanently garage and not remove from the United States, as appropriate, each Item of Collateral in Debtor's possession and control at the Collateral Location or at such other location to which such Item may have been moved with the prior written consent of Creditor. Upon request, Debtor shall advise Creditor as to the exact location of an Item of Collateral. Creditor may inspect the Collateral during normal business hours and enter the premises where the Collateral may be located for such purposes. Each Item shall be used solely for commercial or business purposes and operated in a careful and proper manner so in compliance with all applicable governmental requirements, all requirements of insurance policies carried hereunder and all manufacturer's instructions and warranty requirements.
- ALTERATIONS; SECURITY INTEREST COVERAGE:** Without Creditor's prior written consent, Debtor shall not make any alterations, additions or improvements to an Item of Collateral which detract from its economic value or functional utility. All additions and improvements made to an Item shall be deemed accessions thereto, and shall not be removed if removal would impair the Item's economic value or functional utility. Creditor's security interest shall cover all modifications, accessions, additions to and replacements and substitutions for the Collateral. Debtor will not make any replacements or substitutions without Creditor's prior written consent.
- MAINTENANCE:** Debtor shall maintain the Collateral in good repair, condition and working order. Debtor shall cause all repairs required to maintain the Collateral in such condition to be made promptly by qualified parties. Debtor will cause each Item of Collateral for which a service contract is generally available to be covered by such a contract which provides coverage typical as to property of the type involved and is issued by a competent servicing entity.
- LOSS AND DAMAGE; CASUALTY VALUE:** In the event of loss, theft, destruction or requisition of or damage to an Item of Collateral from any cause Debtor shall give Creditor prompt notice thereof and shall thereafter place the Item in good repair, condition and working order, provided, however, that if such Item is determined by Creditor to be lost, stolen, destroyed or damaged beyond repair or is requisitioned or suffers a constructive total loss under an insurance policy carried hereunder Debtor shall cause the Equipment to be replaced and shall immediately provide Creditor with information necessary to perfect Creditor's security interest in the replacement Equipment, or shall pay Creditor the "Casualty Value" of such Item which shall equal (a) any amounts due at the time of such payment, and (b) each future installment payment due with respect to such Item discounted at six percent (6%) per annum simple interest from the date due to the date of such payment.

<p>(CREDITOR)</p> <p>Name: <u>BALBOA CAPITAL CORPORATION</u></p> <p>Address: <u>2010 Main Street</u> <u>11th Floor</u> <u>Irvine, CA 92614</u></p> <p>By: <u>[Signature]</u> Vice President</p> <p>Date: <u>11/10/11</u></p>	<p>(DEBTOR)</p> <p>Name: <u>GRANDMA'S, INC. dba Subway</u></p> <p>By: <u>[Signature]</u> Name: <u>Linda Cass</u> Title: <u>President</u></p> <p>Date: <u>09/12/11</u> Home Phone: <u>918-695-8018</u></p>
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10. TITLING. If requested by Creditor, Debtor shall cause an Item of Collateral subject to title registration laws to be titled as directed by Creditor. Debtor shall advise Creditor promptly as to any necessary titling. Debtor shall cause all documents of title to be furnished Creditor within sixty (60) days of the date of any titling effected by Debtor.

11. TAXES. Debtor shall when due pay and make filings with respect to all taxes, fees, including registration, fines, penalties and other governmental assessments based on the ownership or use of the Collateral and shall pay as directed by Creditor or reimburse Creditor for all other governmental assessments (including gross receipts taxes but exclusive of Federal and State taxes based on Creditor's net income) related to amounts due hereunder, the Collateral or otherwise related hereto. Filings with respect to such other assessments shall, at Creditor's option, be made by Creditor or by Debtor as directed by Creditor.

12. INSURANCE. During the term of this Agreement, Debtor agrees to maintain, at Debtor's expense, "Special Form" property insurance protecting the Equipment for its full replacement value, naming Lessor as a loss payee on a "Lender's Loss Payable" endorsement, and public liability insurance, in amounts acceptable to Creditor, naming Creditor as an additional insured (together "Required Insurance"). Debtor must provide Creditor satisfactory written evidence of Required Insurance within thirty (30) days of the commencement date of this Agreement or of any subsequent written request. If Debtor does not do so, Creditor may obtain insurance from an insurer of Creditor's choosing in such forms and amounts as Creditor deems reasonable to protect Creditor's interests ("Agreement Insurance"). Agreement Insurance covers the Equipment and Creditor; it does not name Debtor as an insured. Debtor agrees to pay Creditor periodic charges for Agreement Insurance ("Insurance Charges") that include: a premium that may be higher than if Debtor maintained Required Insurance separately; a finance charge of up to 1.5% per month on any premium advances made by Creditor or Creditor's agents; and billing and processing fees; each of which may generate a profit to Creditor and Creditor's agents. If Debtor fails to pay billed Insurance Charges within 30 days of their due date, Creditor may pay them by applying funds paid under the Agreement or debiting Debtor's account under any previously authorized automatic payment. Creditor shall discontinue billing Insurance Charges upon receipt of satisfactory evidence of Required Insurance. Debtor agrees to arbitrate any dispute with Creditor or Creditor's agents regarding Agreement Insurance or Insurance Charges under the rules of the American Arbitration Association in Los Angeles, California; provided however, such agreement does not authorize class action arbitration.

13. CREDITOR'S PAYMENT. If Debtor fails to perform any of its obligations hereunder, Creditor may perform such obligation, and Debtor shall (a) reimburse Creditor the cost of such performance and (b) pay Creditor the service charge contemplated in paragraph 20.

14. INDEMNITY. Debtor shall indemnify, defend and hold Creditor harmless against any claim, action, liability or expense, including attorneys' fees and court costs, incurred by Creditor related to this agreement. While it is not anticipated that Debtor will have any liability for torts related to the Collateral, this indemnity covers tort proceedings including any strict liability claim, any claim under another theory related to latent or other defects and any patent, trademark or service mark infringement claim.

15. DEFAULT. Any of the following constitutes an event of default hereunder: (a) Debtor's failure to pay any amount hereunder, within three (3) business days of when due; (b) Debtor's default in performing any other obligation hereunder or under any agreement between Debtor and Creditor; (c) death or judicial declaration of incompetency of Debtor, if an individual; (d) the filing by or against Debtor of a petition under the Bankruptcy Code or under any other insolvency law or law providing for the relief of debtors, including, without limitation, a petition for reorganization, agreement or extension; (e) the making of an assignment of a substantial portion of its assets by Debtor for the benefit of creditors, appointment of a receiver or trustee for Debtor or for any Debtor's assets, institution by or against Debtor of any other type of insolvency proceeding or other proceeding contemplating settlement claims against or winding up of the affairs of Debtor, Debtor's cessation of active business affairs or the making by Debtor of a transfer of a material portion of Debtor's assets of inventory not in the ordinary course of business; (f) the occurrence of an event described in (c), (d), or (e) as a guarantor of other surety of Debtor's obligations hereunder; (g) any misrepresentation of a material fact in connection herewith by or on behalf of Debtor; (h) Debtor's default under a lease or agreement providing financial accommodation with a third party or (i) creditor shall in good faith deem itself insecure as a result of a material adverse change in Debtor's financial condition or otherwise.

16. REMEDIES. Upon the occurrence of an event of default Creditor shall have the rights, options, duties and remedies of a secured party, and Debtor shall have the rights and duties of a Debtor, under the Uniform Commercial Code (regardless of whether such Code or a law similar thereto has been enacted in the jurisdiction wherein the rights or remedies are asserted) and in connection therewith Creditor may: (a) declare the Cashable Value or such lesser amount as may be set by law immediately due and payable with respect to any or all items of Collateral without notice or demand to Debtor; (b) take possession of and, if deemed appropriate, render unusable any or all items of Collateral, without demand or notice, wherever located, without any process of law and without liability for any damages occasioned by such taking of possession including damages to contents; (c) require Debtor to assemble any or all items of Collateral at a location in reasonable proximity to their designated location hereunder; (d) upon notice to Debtor required by law, sell or otherwise dispose of any items of Collateral, whether or not in Creditor's possession, in a commercially reasonable manner at public or private sale and apply the net proceeds of such sale after deducting all costs of such sale, including, but not limited to, costs of transportation, repossession, storage, refurbishing, advertising and brokers fees, to the obligations of Debtor hereunder with Debtor remaining liable for any deficiency and with any excess being returned to Debtor or (e) utilize any other remedy available under the Uniform Commercial Code or otherwise to Creditor. All remedies are cumulative. Any sale may be adjourned by announcement at the time and place appointed for such sale without further published notice, and Creditor may if permitted by law bid and become the purchaser at any such sale.

17. LITIGATION EXPENSES. Debtor shall pay Creditor its costs and expenses not offset as provided in paragraph 16, including repossession and attorneys' fees and court costs, incurred by Creditor in enforcing this agreement. This obligation includes the payment of such amounts whether an action is filed and whether an action which is filed is dismissed.

18. ASSIGNMENT. Without the prior written consent of Creditor, Debtor shall not sell, lease or create or allow any lien other than Creditor's security interest against an item of Collateral or assign any of Debtor's obligations hereunder. Debtor's obligations are not assignable by operation of law. Consent to any of the foregoing applies only in the given instance. Creditor may assign, pledge or otherwise transfer any of its rights but none of its obligations hereunder without notice to Debtor. If Debtor is given notice of any such assignment, Debtor shall acknowledge receipt thereof in writing and shall thereafter pay any amounts due hereunder as directed in the notice. The rights of an assignee to amounts due hereunder shall be free of any claim or defense Debtor may have against Creditor, and Debtor agrees not to assert against an assignee any claim or defense which Debtor may have against Creditor. Subject to the foregoing, this agreement inures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors and assigns of the parties.

19. MARKINGS; PERSONAL PROPERTY. Debtor shall mark the Collateral or its location as requested by Creditor to indicate Creditor's security interest. As between the parties the Collateral shall at all times be deemed personal. Debtor will provide Creditor any real property waivers requested by Creditor as to the real property where an item of Collateral is or is to be located.

20. LATE PAYMENT. If Debtor fails to pay any amount to be paid hereunder within Five (5) days of when due, you agree to pay us (a) fifteen percent (15%) of each such late payment (to the extent permitted by law) (b) amounts Lessor pays others in connection with the collection of the payment and (c) interest on such unpaid amount from the date due until paid at the lesser of eighteen percent (18%) per annum or the highest rate permitted by applicable law. No more than a single charge under subparagraph (a) will be due in any given month.

21. SECURITY INTEREST RELEASE. At such time as there is no outstanding obligation secured hereby (including obligations under other agreements contemplated under paragraph 1) Creditor shall provide Debtor such termination statements related to the Collateral as Debtor shall reasonably request. Debtor shall be responsible for the filing of each such termination statement.

22. ADDITIONAL DOCUMENTS. Debtor shall provide to Creditor such financing statements and similar documents as Creditor shall request. Debtor authorizes Creditor where permitted by law to make filings of such documents without Debtor's signature. Debtor further shall furnish Creditor (a) a fiscal year end financial statement including balance sheet and profit and loss statement within one hundred twenty (120) days of the close of each fiscal year and (b) such other information and documents not specifically mentioned herein relative to this agreement as Creditor may request. Debtor shall reimburse Creditor for all search and filing fees incurred by Creditor related hereto.

23. NOTICES. Notices shall be in writing, and sufficient if mailed to the party involved, United States mail first class postage prepaid, at its respective address set forth above or at such other address as such party may provide on notice in accordance herewith. Notice so given shall be effective when mailed. Debtor shall promptly notify Creditor of any change in Debtor's address.

24. GENERAL. This agreement constitutes the entire agreement of the parties as to the subject matter and shall not be amended, altered or changed except by a written agreement signed by the parties. Any waiver by Creditor must be in writing, and forbearance shall not constitute a waiver. Whenever the content of this agreement requires, the gender includes the masculine or feminine and the singular includes the plural. If there is more than one Debtor named in this agreement, the liability of each shall be joint and several. The titles to the paragraphs of this agreement are solely for the convenience of the parties and are not an aid in the interpretation. This agreement shall be governed by the law of the State of California. Venue for any action related to this agreement shall be in an appropriate court in Orange County, California or the home county and state of anyone holding Creditor's interest as it may be assigned from time to time, to which Debtor consents, or in an appropriate court in another jurisdiction selected by Creditor which has jurisdiction over the parties. Any provision declared invalid shall be deemed severable from the remaining provisions which shall remain in full force and effect. Time is of the essence of this agreement. The obligations of Debtor shall survive the release of the security interest in the Collateral.

25. DEBTOR'S WARRANTIES, DEBTOR CERTIFIES AND WARRANTS: (a) THE FINANCIAL AND OTHER INFORMATION WHICH DEBTOR HAS SUBMITTED, OR WILL SUBMIT, TO CREDITOR IN CONNECTION WITH THIS AGREEMENT IS, OR SHALL BE AT TIME OF SUBMISSION, TRUE AND COMPLETE; (b) THIS AGREEMENT HAS BEEN DULY AUTHORIZED BY DEBTOR AND UPON EXECUTION BY DEBTOR SHALL CONSTITUTE THE LEGAL, VALID AND BINDING OBLIGATION, CONTRACT AND AGREEMENT OF DEBTOR ENFORCEABLE AGAINST DEBTOR IN ACCORDANCE WITH ITS TERMS; AND (c) EACH SHOWING PROVIDED BY DEBTOR IN CONNECTION HERewith MAY BE FULLY RELIED UPON BY CREDITOR NONWITHSTANDING ANY TECHNICAL DEFICIENCY IN ATTESTATION OR OTHERWISE. THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF DEBTOR WARRANTS THAT PERSON'S DUE AUTHORITY TO DO SO. DEBTOR FURTHER WARRANTS THAT EACH ITEM OF COLLATERAL SHALL AT THE TIME CREDITOR FUNDS THE TOTAL ADVANCE BE OWNED BY DEBTOR FREE AND CLEAR OF LIENS OR ENCUMBRANCES AND BE IN GOOD CONDITION AND WORKING ORDER.

26. Counterparts and Facsimile Signatures. If this Agreement was sent electronically, Debtor hereby warrants that this Agreement has not been altered in any way. Any alteration or revision to any part of this Agreement or any attached documents will make all alterations and revisions non-binding and void. Only one counterpart of this Agreement and of each Schedule, Addenda, or Exhibit attached hereto shall bear our ink signed signature and shall be marked "Original". To the extent that any Equipment Financing Agreement, Schedule, Addenda or Exhibit hereto constitute charted paper (as that term is defined by the Uniform Commercial Code), a security interest may only be created in this Agreement, Schedule, Addenda or Exhibit that bears our ink signed signature and is marked "Original".

Handwritten initials "JC" in a circle.

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GRANDMAS:

PAGE 01



COMMENCEMENT AGREEMENT

Lease Agreement # 144392-004

The undersigned acknowledge(s) it is not Balboa Capital Corporation's normal policy to fund any portion of the equipment subject to a lease agreement unless full and satisfactory delivery and installation of all equipment subject to such lease agreement has been made to the lessee

To facilitate completion of the above referenced lease and purchase of the related equipment, we request Balboa Capital Corporation to disburse payment as follows. The undersigned understands the full terms and conditions of the lease will commence upon this partial/full funding even though the equipment described below is not anticipated to be delivered until: _____

<u>Vendor</u>	<u>Invoice/Quotation #</u>	<u>Date</u>	<u>Cost</u>
DOCTOR'S ASSOCIATES INC	242374		\$50,770.96

If the undersigned should ultimately fail to take delivery of any equipment covered by the subject agreement or installation of any equipment covered by the subject lease agreement should fail to be completed due to dispute or dissatisfaction with the vendor, supplier, manufacturer, installer of this equipment or other party, the undersigned agree(s) to make all payments called for under the lease agreement and to seek recourse only against vendor, supplier, manufacturer, installer or other party and the undersigned hold Balboa Capital Corporation and/or its assignee(s) harmless from any subsequent claim which might be made by the vendor, supplier, manufacturer, installer or other party against Balboa Capital Corporation and/or its assignee(s).

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

LESSEE: GRANDMA'S, INC. dba Subway



By: Linda M Cass

Name: Linda Cass

Title: President

DATE: 11/04/11

BC289

09/19/2031 11:15

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GRANDMAS:

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PERSONAL GUARANTY

Equipment Financing Agreement # 144392-004

THIS PERSONAL GUARANTY CREATES SPECIFIC LEGAL OBLIGATIONS. When we use the words you and your in this Personal Guaranty, we mean the Personal Guarantor (s) indicated below. When we use the words we, us and our in this Personal Guaranty, we mean **BALBOA CAPITAL CORPORATION**, its successors and assigns

In consideration of our entering into the equipment financing agreement above ("EFA"), you unconditionally and irrevocably guarantee to us, our successors and assigns, the prompt payment and performance of any and all obligations of the Customer ("Debtor") under the EFA and any other financial transaction of any kind whatsoever, whether now existing or hereafter arising with us. You agree that this is a guaranty of payment and not of collection, and that we can proceed directly against you without first proceeding against the Debtor or against the Equipment covered by the EFA or against any collateral or security held by us. You waive all defenses and notices, including those of protest, presentment and demand. You agree that we can renew, extend or otherwise modify the terms of the EFA and you will be bound by such changes. If the Debtor defaults under the EFA, you will immediately perform all obligations of the Debtor under the EFA, including, but not limited to, paying all amounts due under the EFA. You will pay to us all expenses (including attorneys' fees) incurred by us in enforcing our rights against you or the Debtor. This is a continuing guaranty that will not be discharged or affected by your death and will bind your heirs and personal representatives. You waive any rights to seek repayment from the Debtor in the event you pay us. If more than one personal guarantor has signed this Personal Guaranty, each of you agree that your liability is joint and several. You authorize us or any of our affiliates to obtain credit bureau reports regarding your personal credit, and make other credit inquiries that we determine are necessary.

THIS PERSONAL GUARANTY IS GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA. YOU CONSENT TO THE JURISDICTION OF THE COUNTY OF ORANGE IN THE STATE OF CALIFORNIA. YOU HEREBY EXPRESSLY WAIVE THE RIGHT TO TRIAL BY JURY.

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

Nicole Fitzner

Nicole Fitzner
Name

09/12/11
Date

801 NK
Quinton OK 74561

Home Street Address, City, State, Zip Code

349686194
Social Security Number

918-470-0038
Phone Number

EFA251

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PERSONAL GUARANTY

Equipment Financing Agreement # 144392-004

THIS PERSONAL GUARANTY CREATES SPECIFIC LEGAL OBLIGATIONS. When we use the words you and your in this Personal Guaranty, we mean the Personal Guarantor (s) indicated below. When we use the words we, us and our in this Personal Guaranty, we mean BALBOA CAPITAL CORPORATION, its successors and assigns.

In consideration of our entering into the equipment financing agreement above ("EFA"), you unconditionally and irrevocably guarantee to us, our successors and assigns, the prompt payment and performance of any and all obligations of the Customer ("Debtor") under the EFA and any other financial transaction of any kind whatsoever, whether now existing or hereafter arising with us. You agree that this is a guaranty of payment and not of collection, and that we can proceed directly against you without first proceeding against the Debtor or against the Equipment covered by the EFA or against any collateral or security held by us. You waive all defenses and notices, including those of protest, presentment and demand. You agree that we can renew, extend or otherwise modify the terms of the EFA and you will be bound by such changes. If the Debtor defaults under the EFA, you will immediately perform all obligations of the Debtor under the EFA, including, but not limited to, paying all amounts due under the EFA. You will pay to us all expenses (including attorneys' fees) incurred by us in enforcing our rights against you or the Debtor. This is a continuing guaranty that will not be discharged or affected by your death and will bind your heirs and personal representatives. You waive any rights to seek repayment from the Debtor in the event you pay us. If more than one personal guarantor has signed this Personal Guaranty, each of you agree that your liability is joint and several. You authorize us or any of our affiliates to obtain credit bureau reports regarding your personal credit, and make other credit inquiries that we determine are necessary

THIS PERSONAL GUARANTY IS GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA. YOU CONSENT TO THE JURISDICTION OF THE COUNTY OF ORANGE IN THE STATE OF CALIFORNIA. YOU HEREBY EXPRESSLY WAIVE THE RIGHT TO TRIAL BY JURY.

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

sign x Linda M. Cass

Linda Cass Name 09/12/11 Date

300 Etchewawan RP
QUINCY, OR 97150
Home Street Address, City, State, Zip Code

357585163 Social Security Number 918-695-8618 Phone Number

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GRANDMAS:

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DISBURSEMENT AUTHORIZATION

TO: Balboa Capital Corporation

The undersigned hereby certifies that all the property described below (the "Equipment"), which is to be financed for the undersigned pursuant to the Equipment Financing Agreement No. 144392-004, dated as of 9/12/11, (the "Agreement") between Balboa Capital Corporation and the undersigned, as Debtor, has been furnished to the undersigned, that delivery and installation has been fully completed and that the Equipment is acceptable in all respects to the undersigned.

In view of the above, the undersigned hereby authorizes and requests you to pay for the Equipment in accordance with the terms of any purchase orders the undersigned may have issued for the same and/or to pay the undersigned the advance amount to the extent the undersigned has previously paid for the Equipment, as appropriate. The undersigned acknowledges that you are relying upon this executed Delivery and Acceptance Certificate in so doing Debtor hereby authorizes Creditor to disburse the Total Advance as follows:

<u>Payee Name</u>	<u>Amount</u>
DAI	\$50,770.96
_____	_____
_____	_____
Total Amount to be Disbursed	<u>\$50,770.96</u>

EQUIPMENT - SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

The undersigned recognizes that by executing this Delivery and Acceptance Certificate the undersigned's non-terminable installment payment obligation under the Agreement will commence. The undersigned reaffirms its understanding that the Agreement is solely a financing agreement and that, accordingly, you have made no express warranties as to the Equipment of any other matter and that there are no related implied warranties created by law and further that, accordingly, the undersigned's obligation to pay amounts due under the Agreement will not be affected by any problems the undersigned experiences with the Equipment or any similar or dissimilar occurrence as also set forth in the Agreement.

Date Equipment accepted by Debtor ("Acceptance Date")
11/8/11 (Date)

I hereby authorize _____ to orally verify my/our acceptance of the equipment subject to Equipment Finance Agreement # 144392-004 in my absence

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Debtor Name: GRANDMA'S, INC. dba Subway

By: Linda M. Cass
Name: Linda Cass
Title: President

Date: 09/12/11

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EXHIBIT 'A'
EQUIPMENT DESCRIPTION

The following invoice(s) are referenced, and hereby incorporated, for the purpose of describing the equipment subject to Equipment Financing Agreement ("Agreement") Number 144392-004. By signing below, I, the debtor, acknowledge that I choose to finance the equipment listed on the invoice(s) per the payment schedule and the terms and conditions set out in the agreement, which is the governing document to this equipment financing regardless of the price and terms (if any) indicated on the invoice(s).

EQUIPMENT DESCRIPTION	INVOICE #	INVOICE DATE	VENDOR NAME
<p>"See invoices attached hereto as EXHIBIT "A1" and incorporated herein by this reference"</p>			

Equipment Financing Agreement Number 144392-004

Debtor Name GRANDMA'S, INC. dba Subway

By: *Linda Cass*
Name: Linda Cass
Title: President

Date: 09/12/11

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"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

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GRANDMAS:

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Company Resolution

I Nicole Fitzer, the duly elected and qualified Vice President of GRANDMA'S, INC. dba Subway (the "Company"), hereby certify that Company's exact legal name, state of incorporation/organization, location of its chief executive office and/or its place of residence, as applicable, have been correctly identified to Balboa Capital Corporation, and that at a duly constituted meeting of the Board of Directors/Officers/Members/Partners of the Company, the Board resolved that the following individuals:

Name	Title
<u>Linda Cass</u>	<u>President</u>

is/are authorized for, on behalf of and in the name of this Company, to negotiate, procure and execute such Equipment Financing Agreements and any other documents in connection with same, which in his/her opinion are necessary or advisable to effectuate the most favorable interests of the Company, and the execution of such documents by said officer shall be conclusive evidence of his/her approval thereof.

IN WITNESS WHEREOF, I have affixed my name as Vice President of the Company on 09/12/11.

"Delivery of this document bearing a facsimile signature or signatures shall have the same force and effect as if the document bore an original signature."

Legal Name of Company: GRANDMA'S, INC. dba Subway

By: *Nicole Fitzer*
Name: Nicole Fitzer
Title: Vice President

Date: 09/12/11

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GRANDMAS:

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 **BALBOA**
CAPITAL **Hold Harmless Letter Agreement**

Equipment Finance Agreement # 144392-004

This Hold Harmless Letter Agreement has been written in "Plain English". When we use the words you or your, we mean you, our customer, which is the Debtor described in the Equipment Financing Agreement referenced above. When we use the words we, us and our, we mean the Creditor, Balboa Capital Corporation.

Normally we do not pay any equipment supplier until all of the Equipment (as described in the Equipment Financing Agreement) has been delivered and installed. You are requesting we pay your supplier(s) prior to delivery and installation of all of the Equipment subject to your Equipment Financing Agreement.

Your signature below authorizes us, in our sole and absolute discretion, to make payment(s) to all of your supplier(s):

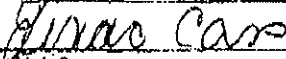
You shall pay us interim rent from the date of the prefund verbal verification based on the aggregate amount of our payment(s) to your supplier(s) multiplied by the daily equivalent agreement rate. (The daily equivalent Equipment Financing Agreement rate is equal to 1/30th of the quotient that results when dividing the monthly rental payment of your Equipment Financing Agreement by the aggregate invoice amounts.) Once all of the Equipment has been delivered and installed, you shall sign, date and return our Disbursement Authorization form. Interim rent shall continue to accrue from the date of such Disbursement Authorization form through the first day of the following month.

Our payment to your supplier(s) prior to delivery and installation of all of the Equipment is being made as an accommodation to you. If you are dissatisfied with the Equipment, or you fail to take delivery of it, or installation is not satisfactory, you still agree to make all payments called for in your Equipment Financing Agreement. You hereby acknowledge and understand that by signing this Agreement, you agree that you shall be responsible for taking delivery/installation of the Equipment subject to your Equipment Financing Agreement, and that you shall hold us, and our assignees, harmless for any failure to take delivery/installation of the Equipment, and shall seek recovery against the supplier(s) and/or manufacturer(s) of the Equipment only, and not us or any of our assignees. You further agree that you will remain absolutely responsible to us, or our assignees, for all payments required under the Equipment Financing Agreement, and waive any and all claims against us, or our assignees, arising out of the failure of the Equipment to be delivered, installed, and/or operational in a timely or acceptable manner, or at all.

In the event you do not sign, date and return our Disbursement Authorization form within thirty (30) days of our first payment to your supplier(s), the term of your Equipment Financing Agreement shall commence, at our sole option, and payments will become due as described in the Agreement. If for any reason we, in our sole and absolute discretion, decide not to commence the term of the Equipment Financing Agreement within thirty (30) days after we pay your supplier(s) and instead cancel the Agreement, then you agree to pay us all amounts we have paid to the supplier(s) within two (2) business days of our written demand for repayment, together with interest at eighteen percent (18%) per annum or such other amount of interest as may be allowed by law if the law does not allow 18% interest.

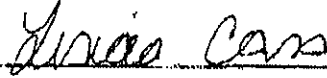
We both agree as Debtor and Creditor under the Equipment Financing Agreement that this Agreement shall be binding when accepted in writing by Creditor at our offices. This Agreement shall be governed by the laws of the State of California. We both further agree as Debtor and Creditor under the Equipment Financing Agreement and we both consent to the jurisdiction of the courts of Orange County, California for the determination of all disputes arising under or relating to this Hold Harmless Letter Agreement. In the event of litigation concerning the terms of this Hold Harmless Letter Agreement, you shall pay all of our reasonable attorneys fees and costs incurred in connection with the enforcement, administration, defense, and/or interpretation of the terms and conditions of this Hold Harmless Letter Agreement and the Equipment Financing Agreement. This Agreement and the other agreements mentioned herein contains the entire agreement between you and us, and it may not be altered, amended, modified, terminated or otherwise changed except in writing and signed by both you and us. A limiting endorsement on a check or other form or payment will not be effective to modify any of the other terms and conditions of this Agreement, and we may apply any payment received without being bound by such limiting endorsement. Delivery of this Hold Harmless Letter Agreement bearing a facsimile signature or signatures shall have the same force and effect as if the documents bore an original ink signature.


Debtor: GRANDMA'S, INC. dba Subway

By: 
Name: Linda Carr
Date: 09/12/11

Title: President

By execution below, the undersigned Guarantor(s) unconditionally guarantee to Creditor performance when due of all obligations of Debtor under this Hold Harmless Letter Agreement and Equipment Finance Agreement # 144392-004.

By: 
Name: Linda Carr, Guarantor

By: 
Name: Nicole Fitzer, Guarantor

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