

45972

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RESCISSION AGREEMENT

THIS AGREEMENT is made this 8th day of February, 1985, HARVEY BEENEY, hereafter called "Beeney", and DON M. KINSEY and VERDA M. KINSEY, hereafter called "Kinseys":

WITNESSETH:

By Conditional Sales Security Agreement dated December 1, 1984 Beeney agreed to sell and Kinseys agreed to purchase the business known as the Drumstick Tavern located at 1038 East Main Street, Klamath Falls, Oregon including the inventory, personal property and fixtures more particularly described on said Security Agreement.

By letter dated December 20, 1984, a copy of which is attached hereto, the Kinseys rescinded the above said transaction. Beeney does hereby agree to the rescission of the said transaction upon the terms set forth hereinafter:

1. Possession of the premises will be delivered to Beeney upon the execution of this Agreement.
2. Kinseys will execute a Bill of Sale in lieu of foreclosure, a copy of which is attached hereto.
3. All of the terms and conditions of this Agreement are contingent upon Beeney obtaining a license from the OLCC to operate the tavern and upon Beeney being able to cure the default and reinstate lease of the building in which the business is located.
4. Upon meeting contingencies set forth in paragraph (3) Beeney will transfer all utility charges out of Kinseys' name and into his own name.
5. Upon execution of this Agreement Beeney will tender the sum of \$2,000.00 to William M. Ganong to be held in his client trust account. In the event both of the contingencies set forth in paragraph (3) above are met,

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Ganong will tender said \$2,000.00 to the Kinseys. In the event that either or both of said Contingencies are not met Beeney will return possession of the premises to Kinseys, together with a comparable amount of inventory and all of the personal property described in the Bill of Sale attached hereto, and Ganong will tender said \$2,000.00 to Beeney, and this Agreement will be null and void.

6. Upon the reversion of ownership to Beeney and upon Beeney's full and complete performance of this Agreement Kinseys agree to execute any and all documents necessary to vest ownership of the business name to Beeney.

7. Upon reversion of the business to Beeney, Beeney agrees to reassume, pay and perform, and hold Kinseys harmless from the terms of the Lease of the premises in which the business is located and that certain Note and Security Agreement dated November 22, 1979 wherein Richard Jorgusen and Vicki Jorgusen are the Secured party-payees, and Terry A. Walters is the debtor-maker.

8. It is the intent of the parties hereto that this Agreement replace any prior Agreements between the parties and that both parties be and hereby released from performing according to the terms of any and all pre-existing Agreements between the parties.

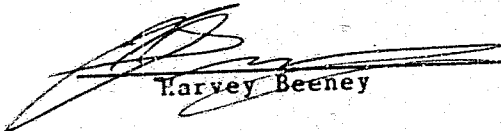
9. Nothing in this Agreement shall be construed as an admission of wrong doing by either party. Each party does hereby release the other from any and all claims or liability arising out of the sale of the Drumstick Tavern from Beeney to Kinsey and the reversion of ownership to Beeney. The parties mutually agree to refrain from filing any complaints, formal or otherwise, with any governmental

regulatory agency concerning any matter arising from the above said transaction.

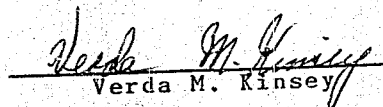
10. In the event that suit or action is brought to enforce any provision of this Agreement, the prevailing party shall be entitled to a judgment, in addition to any other relief awarded by the Court, against the other party for his or her reasonable attorney's fees, including attorney's fees incurred in any appeal or proceeding in Appellate Court.

11. This Agreement has been prepared by William M. Ganong, attorney for the Kinseys, and Beeney does hereby acknowledge that he has been advised by his own legal Counsel, Mel Kosta.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate as of the 8th day of February, 1985.

  
Harvey Beeney

  
Don M. Kinsey

  
Verda M. Kinsey

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I acknowledge that Harvey Beane  
has provided information to the Real  
Estate Commissioner concerning the  
events leading up to ~~and~~ the sale  
and closing of the sale of the Drumm  
Stick Tavern on December 1, 1984, but that  
he has not filed a formal  
Complaint.

2-8-85 Wm M. Jones

Ret. Don Kinsley  
Box 1703  
KFO 97601

STATE OF OREGON, )

County of Klamath )

Filed for record at request of

on this 15th day of February A.D. 19 85  
at 4:02 o'clock P M, and duly  
recorded in Vol. M85 of Misc.  
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EVELYN BIEHN, County Clerk

By Ron Smith DeputyFee 17.00