

NOTICE OF RETENTION OF COLLATERAL

1
 2 NOTICE IS HEREBY GIVEN that pursuant to the provisions of ORS 79.5050,
 3 KONO, INC., as secured party, gave notice to Gary E. Boling and Ellen K. Boling
 4 that KONO, INC. intended to retain the collateral described in the purchase
 5 money security agreement dated September 11, 1982, between KONO, INC., an
 6 Oregon Corporation, and Gary E. Boling and Ellen K. Boling in full satisfaction
 7 of the obligations owed to KONO, INC. by Gary E. Boling and Ellen K. Boling,
 8 pursuant to the terms of the purchase money security agreement. The Notice of
 9 Intention to Retain Collateral was mailed to Gary E. Boling and Ellen K. Boling
 10 on November 30, 1990, certified mail, return receipt requested. The return
 11 receipt was returned to William L. Sisemore, attorney for KONO, INC., signed
 12 by Gary Boling. KONO, INC. did not receive written notice of a claim of interest
 13 in the collateral from any other party. No objections were received by KONO, INC.
 14 to the retention of the collateral in satisfaction of the obligation; therefore,
 15 KONO, INC. declares, pursuant to the provisions of ORS 79.5050, that it is the
 16 sole owner and is entitled to possession of the personal property described on
 17 Exhibit 1 attached hereto.

Dated this 4th day of January, 1991.

KONO, INC.

By Eugene E. Konopasek, Pres.
 Eugene E. Konopasek, President

21 STATE OF OREGON)
 22 County of Klamath)

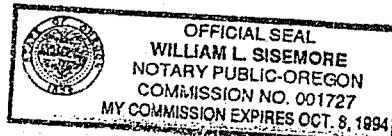
23 On this 4th day of January, 1991, personally appeared the above-named
 24 Eugene E. Konopasek, who, being duly sworn, did say that he is the president of
 25 KONO, INC., and said instrument was signed in behalf of said corporation by
 its authority of its board of directors; and he acknowledged said instrument to be
 its voluntary act and deed. Before me:

(SEAL)

William L. Sisemore
 Notary Public for Oregon
 My Commission Expires: oct 8, 1994

WILLIAM L. SISEMORE
 Attorney at Law
 540 Main Street
 KLAMATH FALLS, ORE.
 97601

503/882-7229
 O.S.B. #70133



21 JAN 9 AM 11 12

- 3 MAPLE TOP TABLES 60" X 30"
- 1 SINGLE COMPARTMENT STAINLESS STEEL SINK
- 1 KALT WALK-IN WITH 3 REACH IN DOORS
- 1 3/4 HP WATER COOLED COMPRESSOR
- WIRE SHELVING
 - 4 18x75 standards
 - 2 24x75 standards
 - 4 24x60
 - 10 18x60
 - 5 18x48
 - 5 18x42
- 1 STAINLESS STEEL, DOUBLE COMPARTMENT, 2 DRAINBOARD, SINK
- WIRE SHELVING
 - 5 12x75 standards
 - 5 12x60
 - 5 12x36
 - 5 12x48
- STAINLESS STEEL DISH TABLES WITH 2 STAINLESS STEEL SHELVES BELOW AND ONE 12"
- STAINLESS STEEL SHELF ABOVE
- 1 15 KW HOT WATER BOOSTER TANK
- 1 CHAMPION DISHWASHER WITH 5 KW HEATER IN TANK THERMOSTAT LOW WATER CUT-OFF DOOR LOCK SAFETY SWITCH
- 1 COMMERCIAL DISPOSAL
- 1 DIPPER WELL
- 1 ICE CREAM CABINET WITH STAND
- 1 ICE MAKER WITH A 600 LB. BIN
- 1 SOUP WARMER
- 2 UPRIGHT COLDSPOT FREEZERS
- 1 12' STAINLESS STEEL QUEST CLEANAIR VENTILATING HOOD SYSTEM WITH BUILT IN FIRE PROTECTION
- 1 HOOD CONTROL PANEL FOR AUTOMATIC WASH DOWN, FIRE CONTROL, AND EXHAUST TURN ON AND OFF
- 1 FIRE SYSTEM FOR FRENCH FRYERS
- 1 1 1/2 HP HOOD FAN
- 2 FIRE EXTINGUISHERS 1 CO2/1 DRY CHEMICAL
- 1 LANG DOUBLE OVEN WITH A 36" GRILL ON TOP (4 BURNERS ON TOP)
- 1 36" MERCO WARMER
- 1 CONNERTON DOUBLE BROILER
- 3 WELLS FRYERS
- 1 3 DRAWER POTATO AND BUN WARMER
- 1 FRY WARMER
- AN ALL STAINLESS COOKS BACKING AREA
- 3 MICROWAVES
- 1 CASH REGISTER
- 1 60" REFRIGERATED PIE AND SALAD DISPLAY AREA
- 1 10' FORMICA FINISHED CONDIMENT STAND WITH CABINET BELOW
- 1 REFRIGERATED WATER COOLER
- 1 60" LIGHTED, FREE STANDING SALAD BAR
- 1 60" ICED DISPLAY TABLE WITH 2 SHELVES BELOW
- 1 GLOBE SLICER
- 1 GENERAL MEAT GRINDER
- 1 KIRBY VACUUM
- 1 METAL DESK
- 1 FILING CABINET
- 1 CALCULATOR
- 1 3-M BACKGROUND MUSIC MACHINE WITH MIKE SYSTEM
- 6 SPEAKERS, 2 WITH CONTROLS
- 1 SPEAKER SYSTEM TO COOKS AREA
- 8 METAL SHELVES 72" HIGH 36" WIDE

- 1 4 HEAD REFRIGERATED SOFT DRINK DISPENSER
- 1 BUSSING CART
- 1 EMPLOYEE CUBBYHOLE LOCKER AND METAL STAND
- 1 CHEST FREEZER
- 1 BACK UP STOVE
- 1 REFRIGERATOR WITH FREEZER ON TOP
- 6 HIGH CHAIRS
- 3 BOOSTER CHAIRS
- 78 WOODEN CHAIRS WITH UPHOLSTERED SEATS
- 19 30"x30" TABLES
- 9 30"x48" TABLES
- 1 60" ROUND TABLE
- ALL WALL BENCHING
- 1 CARPET SWEEPER
- 2 WOODEN TABLES WITH 6" LEGS FOR FOOD STORAGE
- 2 HOT WATER TANKS
- 2 48" ROUND TABLES
- 6 BOOTHS WITH 48" TABLES
- ALL LIGHTS IN DINING ROOM AND FOYERS
- 1 DOLLY
- 1 20' FREE STANDING SIGN
- 11 WOODEN WHEELED SUPPLY HOLDERS
- ALL SMALL WARES IN USE

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Wm. J. Sisemore the 4th day
of Jan. A.D., 19 91 at 11:12 o'clock AM., and duly recorded in Vol. M91
of Miscellaneous on Page 130.

FEE \$15.00

Evelyn Biehn County Clerk
By *Dorlene Muelenders*