

PACIFIC POWER & LIGHT COMPANY WEATHERIZATION PROGRAM

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INSULATION COST REPAYMENT AGREEMENT AND MORTGAGE (LIMITED WARRANTY)

This agreement is made this 20 day of October, 19 78, between Pacific Power & Light Company ("Pacific") and Robert Payne and Virginia J. Payne ("Homeowners").

1. Homeowners represent that they are the owners or contract vendee of the property at:

1707 Kane St. (Address) Klamath (County) Oregon (State)

which is more particularly described as:

Nly 120' of Lots 75 & 76
Galta Gardens

hereinafter referred to as "the property";

2. Pacific shall cause insulation and weatherization materials to be installed in Homeowners' home as follows:

Storm Windows - 87.50
Weatherstripping - 35.00
Ceiling - 828.00
Floor - 1132.50

The cost of the installation described above, for which Homeowners will ultimately be responsible under this agreement, is \$ 2083.

3. LIMITED WARRANTY PROVISION

Pacific shall contract with an independent insulation and weatherization contractor and will pay for work done as described above. Pacific warrants that the insulation and weatherization materials will be installed in a workmanlike manner consistent with prevailing industry standards. If installation is not installed in a workmanlike manner, Pacific, at no expense to the Homeowners, will cause any deficiencies to be corrected.

If upon completion of installation, Homeowners believe the work is deficient, Homeowners must contact the Manager, Weatherization Services Department, Pacific Power & Light Company, Public Building, 920 S.W. Sixth Avenue, Portland, Oregon 97204, (503) 243-1122, or the District Manager at their local Pacific Power & Light Company district office.

EXCEPT FOR THE WARRANTIES EXPRESSLY DESCRIBED IN THIS AGREEMENT, PACIFIC MAKES NO OTHER WARRANTIES. ALL EXPRESS AND IMPLIED WARRANTIES ARE EXTENDED ONLY TO AND LIMITED TO THE HOMEOWNERS. WILL START UPON COMPLETION OF THE INSTALLATION OF THE INSULATION, AND WILL TERMINATE 90 DAYS FROM THAT DATE. HOMEOWNERS' REMEDIES FOR ANY CLAIM, INCLUDING BUT NOT LIMITED TO EXPRESS OR IMPLIED WARRANTIES, NEGLIGENCE, STRICT LIABILITY OR CONTRACT ARE LIMITED TO THOSE REMEDIES EXPRESSLY DESCRIBED HEREIN, AND IN NO EVENT SHALL PACIFIC BE RESPONSIBLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES TO HOMEOWNERS OR ANYONE ELSE.

NOTE: Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to you. Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitations or exclusion may not apply to you.

This warranty gives you specific legal rights, and you may also have other rights which vary from state to state. Pacific conducts Home Energy Analyses at the request of its customers to determine the cost-effectiveness of insulation and weatherization based upon average consumption patterns and typical local weather conditions. However, because of the variability and uniqueness of individual energy use, it is not possible to precisely predict the savings that will accrue to any particular individual. Therefore, Pacific, by providing information in good faith concerning the anticipated benefits of insulation and weatherization, or by entering into this agreement, does not warrant that the installation of the insulation and weatherization materials provided for in this agreement will result in savings of money or electrical consumption. Pacific may petition the appropriate Oregon Legislature to amend current law to allow the Company, rather than individual owner-occupants, to receive the benefit of any tax credit accruing from the installation of energy saving materials provided for herein.

4. HOMEOWNERS' OBLIGATION TO REPAY

Individual Homeowners (natural persons) shall pay to Pacific, without interest, the actual contract cost of the insulation and weatherization prior to the sale or transfer of any legal or equitable interest in any part of the property, except that in the case of a transfer due to death, such payment shall be due at the time title of the property is deemed to pass to any other person. Homeowners other than natural persons (corporations, trusts, etc.) shall pay to Pacific, without interest, the actual contract cost of the insulation and weatherization within seven years of the date of this agreement. Homeowners may pay such cost to Pacific at any time prior to the time payment is due.

5. HOMEOWNERS' OBLIGATION TO NOTIFY

Homeowners shall notify Pacific in writing of the sale or transfer of any legal or equitable interest in any part of the property, whether it is voluntary or involuntary. Such notice shall be sent as soon as Homeowners know that there will be a sale or transfer, and not later than one week before the expected sale or transfer. The notice must include the name of the Homeowners, the address of the property, the name of the person to whom the property is being sold or transferred, and the name of any person or company who is acting as a closing agent for the sale or transfer or is otherwise participating in the transaction. Homeowners authorized Pacific to contact any of the persons so named and authorize and direct such persons to pay Pacific any obligations owing under this agreement from any monies which such persons owe to Homeowners.

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6. SECURITY INTEREST

To secure the Homeowners' obligations herein, Homeowners hereby mortgage to Pacific the property, together with all present and future appurtenances, improvements, and fixtures thereto. This paragraph shall not take effect until that date which is one day prior to the earliest to occur of the following dates:

- (1) the date on which any legal or equitable interest in any part of the property is transferred;
- (2) the date on which any legal or equitable interest in any part of the property which does not exist as of the date of this agreement is created, including without limitation any deed, lien, mortgage, judgment or land sale contract;
- (3) the date on which any action or suit is filed to foreclose or recover on the property or any part thereof for any mortgage, lien, judgment or other encumbrance on the property or any part thereof which existed prior to the recording date of this agreement.

7. PERFECTION OF SECURITY INTEREST

Pacific may record this agreement in the county real property records, and Homeowners shall execute any other documents deemed necessary by Pacific to perfect this security interest.

8. Each Homeowner who signs this agreement shall be individually and jointly responsible for performing the obligations of Homeowners in this agreement. This agreement shall be binding upon the successors and assigns of the parties. Homeowners shall not assign this agreement without the written consent of Pacific.

9. This document contains the entire agreement between the parties and shall not be modified except by a written instrument signed by the parties.

10. HOMEOWNERS' RIGHT TO CANCEL

If this agreement was solicited at a place other than the offices of Pacific, and you do not want the goods or services, you may cancel this agreement without any penalty, cancellation fee or other financial obligation by mailing a notice to Pacific. The notice must say that you do not want the goods or services and must be mailed before 12:00 midnight of the third business day after you sign this agreement. The notice must be mailed to: Pacific Power & Light Company, P.O. Box 728 Klamath Falls, Oregon

However: You may not cancel if you have requested Pacific to provide goods or services without delay because of an emergency and (1) Pacific in good faith makes a substantial beginning of performance of the contract before you give notice of cancellation, and (2) In the case of goods, the goods cannot be returned to Pacific in substantially as good condition as when received by Homeowners.

11. HOMEOWNERS ACKNOWLEDGE THAT THEY HAVE RECEIVED A COPY OF THIS AGREEMENT.

PACIFIC POWER & LIGHT COMPANY

By

William Scholtes

HOMEOWNERS

Virginia J. PayneRobert Payne

STATE OF OREGON

County of

October 20, 1978

Personally appeared the above-named Robert Payne and acknowledge the foregoing instrument to be his voluntary act and deed.

Before me:

Notary Public for Oregon

My Commission Expires:

Arroy A. PoolAugust 20, 1982October 20, 1978

STATE OF OREGON

County of

Personally appeared the above-named Virginia J. Payne and acknowledged the foregoing instrument to be her voluntary act and deed.

Before me:

Notary Public for Oregon

My commission Expires:

Arroy A. PoolAugust 20, 1982

WHEN RECORDED RETURN TO:

PACIFIC POWER & LIGHT COMPANY / ATTENTION: PROPERTY SECTION / 920 S.W. SIXTH AVENUE / PORTLAND, OR 97204
STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 30th day of March A.D., 1979 at 1:17 o'clock P M., and duly recorded in Vol. M79 of Mortgages on Page 7033.

FEE \$6.00

WM. D. MILNE, County Clerk
By Bernetha D. Detsch Deputy