

**INSULATION COST REPAYMENT AGREEMENT AND MORTGAGE
(LIMITED WARRANTY)**

This agreement is made this 8 day of July, 19 81, between Pacific Power & Light Company ("Pacific") and Donald H. Karsch and Susan K. Karsch ("Homeowners").
I, Homeowners represent that they are the owners or contract vendees of the property at: Klamath (state) 97601 (zip code)
Route 3 Box 287 Klamath Falls (address) (county)

which is more particularly described as:

See exhibit "A" attached hereto:

hereinafter referred to as "the property."

2. Pacific shall cause insulation and weatherization materials checked below (subject to notations) to be installed in Homeowner's home pursuant to current Company Specifications.

- Storm Windows: Install _____ window(s) totalling approximately _____ sq. ft.
- Storm Doors: Install _____ doors.
- Weatherstrip _____ doors.
- Sliding Doors: Install _____ doors.
- Ceiling Insulation: Install insulation from an estimated existing R- 22 to an estimated R- 38, approximately 1780 sq. ft.
- Floor Insulation: Install insulation from an estimated existing R- 0 to an estimated R- 19, approximately 1780 sq. ft.
- Duct Insulation: Install duct insulation to an estimated R- _____.
- Moisture Barrier: Install moisture barrier in crawl space.
- Other: Wrap exposed pipes.

The cost of the installation described above, for which Homeowners will ultimately be responsible under this agreement, is \$1,040.00

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.

4. HOMEOWNERS' OBLIGATION TO REPAY W.D. 7101027

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 for consideration of any legal or equitable interest in any part of the property. 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 for consideration 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 for consideration, 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 (OREGON STATUTE)

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, OR 97601

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.

HOMEOWNER'S RIGHT TO CANCEL. (FEDERAL STATUTE). You, the Homeowner, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.

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

PACIFIC POWER & LIGHT COMPANY

By

W.D. Schull

HOMEOWNERS

Donald H. Karsch
Susan K. Karsch
July 8, 1981

STATE OF OREGON)

) ss.

County of Klamath)

Personally appeared the above-named Donald H. Karsch and acknowledge the foregoing instrument to be his voluntary act and deed.

Before me:

Echo Dianne Sandall
Notary Public for Oregon
My Commission Expires: 3-4-85

July 8, 19 81



Personally appeared the above-named Susan K. Karsch and acknowledged the foregoing instrument to be her voluntary act and deed.

Before me:

Echo Dianne Sandall
Notary Public for Oregon
My commission Expires: 3-4-85

D. Korsch

18695

EXHIBIT A

24209

PARCEL 1

A tract of land located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ and the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22, Township 39 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the quarter corner common to Sections 22 and 23; thence due South 43.0 feet; thence South 61° 24' West, 376.45 feet; thence North 4° 14' 10" West, 390.0 feet; thence South 79° 43' West, 497.95 feet; thence North 14° 44' West, 1255.85 feet; thence North 89° 25' 45" East, 1168.7 feet to a 3/4" galvanized iron pipe; thence South along the section line between Sections 22 and 23, 1303.0 feet to the point of beginning.

PARCEL 2

Beginning at a point on the North line of the Klamath Falls-Ashland Highway 1627.9 feet Southwesterly from the intersection of the North line of said highway with the East line of the SW $\frac{1}{4}$ of NW $\frac{1}{4}$ of said Section 23, said point being the Southwest corner of a tract of land conveyed to John H. Sundquist, et ux., recorded February 11, 1948 in Volume 216 at page 507, Deed Records of Klamath County, Oregon; thence North 40° 00' West 400 feet to a point; thence Southwesterly parallel to and 400 feet distance from the North line of said highway, to a point on the West line of said Section 23; thence South tracing the West line of Section 23 to a point on the North line of the said Klamath Falls-Ashland Highway; thence North-easterly tracing the North line of said highway to the point of beginning, all in Section 23, Township 39 South, Range 8 East of the Willamette Meridian.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Pacific Power & Light Co.

this 27th day of October A. D. 19 81 at 11:30 clock AM., and

duly recorded in Vol. M-81, of Mortgages on Page 18693

EVELYN BIEHN, County Clerk,

By J. A. [Signature]

Fee \$12.00