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For office use only
Return to PACIFIC POWER & LIGHT COMPANY
Attn: Duke Baker
920 SW Sixth Avenue, 440 PFFC
Portland, OR 97204

Vol. 1195 Page 15500

MEMORANDUM OF AGREEMENT AFFECTING REAL PROPERTY

DATED AS OF: June 30, 1994

BETWEEN: Richard B. Takacs &
Kathleen J. Takacs (OWNER)(S)

AND: PacifiCorp
920 SW Sixth Avenue, 440 PFFC
Portland, Oregon 97204 PacifiCorp

Owner is the owner of that certain real property in Merrill, Klamath County, Oregon, commonly known as Stateline Parts Supply, Inc. and as more particularly described on attached Exhibit A (the "Property"). PacifiCorp is a duly authorized public utility that provides electrical service in the area in which the Property is located.

Owner and PacifiCorp are parties to that certain Energy Services Agreement dated June 30, 1994 (the "Agreement"), the terms and conditions of which are hereby incorporated by this reference and made part of this Memorandum of Agreement Affecting Real Property as if completely set forth herein, pursuant to which PacifiCorp has agreed to provide conservation assistance as described in the Agreement for the purpose of improving the Property through weatherizing and making the structures, fixtures and facilities on the Property more energy efficient. The Agreement provides in part for Owner, Owner's successor or other persons occupying the Property to pay additional charges for conservation assistance provided or to be provided to the Property by PacifiCorp, as authorized by the filed Energy Services Tariff.

The sole purpose of this Memorandum of Agreement is to place on notice any person or persons who may intend to acquire the Property or any interest in the Property that Owner is a party to the Energy Services Agreement, and that any person acquiring the Property or any interest in the Property, which intends to receive electrical service from PacifiCorp at the Property, will become obligated to pay the charges when they become due under the Agreement. Neither the Agreement nor this Memorandum of Agreement shall create any lien of any type against the Property.

The Agreement also provides that PacifiCorp may discontinue any and all such services, including the provision of electricity to the Property, if Owner, Owner's successor or other person occupying the Property ceases or fails to make such additional payments as scheduled.

The provisions of the Agreement shall bind Owner and each successive owner of the Property or assignee of Owner's interest in the Energy Service Agreement and shall bind and inure to the benefit of PacifiCorp and its successors and assigns.

All persons acquiring or intending to acquire any interest in or to the Property during the effective period of this Memorandum should direct a written inquiry to PacifiCorp at the address shown above.

All such inquiries must include the name of the owner and street address of the Property, and be signed by such owner authorizing release of such information to the person making the request.

Owner: Richard B. Takacs
Title: OWNER

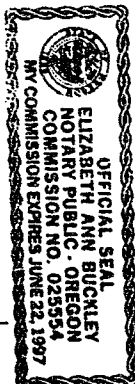
PacifiCorp: [Signature]
Title: Director, Strategic Acct

STATE OF Oregon)
County of Klamath) ss.

This instrument was acknowledged before me on
June 30, 1994,
by Richard & Kathleen Takacs of
Stateline Parts Supply, Inc.

Elizabeth A. Buckley
(Notary Signature)

NOTARY PUBLIC FOR
My Commission Expires: 6-22-97

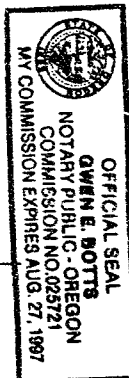


STATE OF Oregon)
County of Multnomah) ss.

This instrument was acknowledged before me on
6/30, 1994, by
Carl Ertel as
Director, Strategic Account
PacifiCorp, an Oregon corporation.

Charles E. Bitts
(Notary Signature)

NOTARY PUBLIC FOR Oregon
My Commission Expires: 9/27/97



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Stateline Parts Supply, Inc.
 Richard B. Takacs
 Kathleen T. Takacs
 22301 Stateline Rd.
 Malin, OR 97632

MAILING ADDRESS:
 PO Box 944
 Merrill, OR 97633

EXHIBIT A

The following described real property located in the County of Klamath, State of Oregon:

The S1/2 N1/2 NW1/4 and S1/2 NW1/4 and SW1/4 of Government Lot 14; and Government Lot 20, all in Section 15, Township 41 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM beginning at a point 50 feet North of the SE corner of Lot 20 on the Oregon-California State Line marked by a half inch by one inch iron rod driven into the ground; thence 330 feet Northerly along the East boundary of said Lot 20 and the North-South mid-dividing line of Lot 14 to a 3/4 inch iron pipe driven into the ground; thence Westerly 132 feet to a 3/4 inch iron pipe driven into the ground; thence 330 feet Southerly to a 3/4 inch iron pipe driven into the ground on the North boundary of a 20 foot wide irrigation ditch right of way; thence 132 feet Easterly to the point of beginning, all lying within U.S. Reclamation Bureau Farm Unit "Q" and Section 15, Township 41 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of PP&L the 13th day
 of June A.D., 19 95 at 10:10 o'clock A M., and duly recorded in Vol. M95,
 of Deeds on Page 15500.

FEE \$15.00

Bernetha G. Detsch, County Clerk
 By [Signature]