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Vol. 196 Page 24240



THIS AGREEMENT, Made and entered into this 7th day of August, 1996, by and between Daniel Lee Eddy dba Klamath View Estates hereinafter called the first party (whether singular or plural), and Kenneth Padilla, hereinafter called the second party,

WITNESSETH: In consideration of the covenants herein contained to be kept and performed by second party, first party does hereby lease, demise and let unto the said second party the following described premises situated in the City of Klamath Falls, County of Klamath, Oregon, to-wit:

1 1995 Skyline manufactured home and rights to occupy the lot such home is situated on for a period of 2 years rent free.

known as 1663 Greensprings Dr. #10, Klamath Falls, OR 97601, term beginning 8/15/1996, and ending at midnight on 8/15/1998, at and for a rental of \$618.00 per month during said term, payable in advance in lawful money of the United States to the order of the first party at the following address 1663 Green springs Dr. #37, Klamath Falls, OR 97601, as follows:

Payments to begin on or before August 15, 1996.

Second Party to pay lease deposit of \$6,500.00 on or before August 6, 1996.

Lease/Option Agreement to expire August 15, 1998; on or before such time second party will pay first party a sum in sufficient value to pay in full 1st and 2nd mortgage under said home.

Original 1st \$30,734.40 Original 2nd \$16,665.00

This lease/option agreement is negotiable between first and second parties for payoff of 2nd mortgage only by or on August

The respective parties hereto agree to the following terms and conditions: 15, 1998 in favor of first party.

(a) At the beginning of this lease, the said premises shall be equipped at first party's expense with electric wiring and plumbing facilities capable of producing hot and cold running water and adequate heating facilities.

(b) The second party expressly agrees to pay said rents at the times and place aforesaid; to use said premises for residential purposes and no other purpose without first party's consent; to make no unlawful or offensive use of said premises; not to suffer or permit any waste or strip thereof; not to make any alterations or improvements upon said premises or assign this lease or sublet said premises or any part thereof, or permit any other person to occupy the same without first party's written consent first obtained; to comply with all laws, ordinances and regulations of any public authority respecting the use of said premises; promptly to pay for all heat, light, water, power and other services or utilities (including garbage disposal) used on said premises; to keep said premises, including all exposed plumbing, heating equipment and apparatus at all times in good repair and to pay for all repairs on said premises during the term of this lease except those which the first party hereinafter specifically agrees to make; to keep the roof of the building on and the sidewalks surrounding said premises free of snow, ice, rubbish and debris during the term hereof; not to commit, permit or create any nuisance on said premises; promptly to replace all glass which may be broken, cracked or damaged in the windows and doors of said premises with glass of as good or better quality than that now in use; to permit entry to the premises to those persons, at such times, for such purposes and upon such notices as set forth under ORS 90.335; to keep said premises free of all mechanic's liens and upon the expiration of said term, or any termination hereof, to quit and deliver up said premises and all future additions to the same, broom-clean, to the first party, peaceably, quietly and in as good order and condition, reasonable use and wear thereof, damage by fire and elements alone excepted, as the same are now in. During the term of this lease the first party agrees to maintain the structure of the building and the building shall be kept in good order and repair. The first party shall be responsible for the maintenance and repair of the building and the second party shall be responsible for the maintenance and repair of the contents of the building. The first party shall be responsible for the maintenance and repair of the building and the second party shall be responsible for the maintenance and repair of the contents of the building.

(c) In the event of the destruction of the building on said premises from any cause, either party may terminate this lease after ten days written notice of the other, effective as of the date of said destruction; provided, however, that if the damage to said building is more than 0 per cent of its sound value, the first party may or may not elect to restore said building; written notice of first party's said election shall be given the second party within fifteen days after the occurrence of said damage; if such notice is not so given, the first party conclusively shall be deemed to have elected not to restore the building, and the second party forthwith may terminate this lease as of the date of said damage. If the damage to said building does not amount to the extent last indicated, or if the first party elects to restore said building as aforesaid, then the first party shall repair said building with all convenient speed and during said repairs there shall be such an abatement of rent as the nature of the damage and its interference with the occupancy of said leased premises shall warrant.

(d) The parties hereby agree that this instrument is not a land sale contract, that time is of the essence of this lease, and that if said rents shall be in arrears for ten days, or if the second party shall neglect or fail to do or perform any of the covenants herein contained, then the first party, at first party's option and after proper written notice, may at any time while said default continues, terminate this agreement and take possession of said premises in the manner provided in ORS 105.105 to 105.168.

(e) All repairs, additions, improvements and alterations in and to said premises made by the second party shall be and become the property of the first party as soon as made. Any holding over by the second party after the expiration of this lease shall be deemed a tenancy from month to month only, terminable in the manner provided by law by either party hereto.

(OVER)

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1-800-4-A-STAR (427272) or visit www.4a-star.org

ADDENDUM

This Addendum is pursuant to Lease/Option Agreement and
Note between Daniel Eddy and Kenneth Padilla .

All requirements of Original documents are valid and binding
as is Addendum requirments.

- 1) Lendee, Kenneth Padilla, has paid initial payment of
\$6,501.00 towards Lease/Option Agreement.
Amount due and payable at option date is soley for
balalnce due of First and Second Mortgages ,(after
monthly payments made).Original debt of First and
Second Mortgages are as follows:
South Valley State Bank\$30,734.40
Daniel Eddy\$16,665.00
- 2) All Rents(PAYMENTS) made by second party during Lease
term of Lease/Option Agreement are subject to 11.25%
interest which is included in payment amount. These pay-
ments are credited to First And Second Mortgage monthly
and mrtgace balances will decline accordingly.
- 3) In the event of the demise of either party, all heirs
and successors are legally bound to follow the condi-
tions and terms of all agreements pertaining to First
and Second party for Lease/Option to purchase said home.

Cynthia Postlethwait
attn: Cynthia Postlethwait
Daniel Eddy, Lessor

Kenneth Padilla
Kenneth Padilla, Lessee
and Lessor

Su Ann D. Padilla
Michelle Eddy, Witness
Su Ann D. Padilla

10872 10872 10872 10872

8/7/96

Please return all doc's to
Cynthia Postlethwait
1515 Mallard Ln.
K. Fall, OK 97601

SASAS

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ADDENDUM

This Addendum is pursuant to Lease/Option Agreement and
 Note between Daniel Eddy and Kenneth Padilla.
 All requirements of Original documents are valid and binding
 as is Addendum requirements.

Contract For Note
 Klamath Falls, OR 97601, August 5, 1996, 19
 I (or if more than one maker) we, jointly and severally, promise to pay to the order of
Daniel Lee Eddy
 at 1663 Greensprings Dr. #37, Klamath Falls, OR
Sixteen Thousand Six Hundred and Sixty Six ^{FIVE THOUSAND} DOLLARS,
 with interest thereon at the rate of 11.25% percent per annum from August 15, 1996 until paid, payable in
24 with Balloon installments of not less than \$ 264.05 in any one payment; interest shall be paid and
 * ~~is included in~~ the minimum payments above required; the first payment to be made on the 15th day of August
19 96, and a like payment on the 15th day of each month thereafter, until the whole sum, principal and
 interest has been paid; if any of said installments is not so paid, all principal and interest to become immediately due and collectible at the
 option of the holder of this note. If this note is placed in the hands of an attorney for collection, I/we promise and agree to pay holder's
 reasonable attorney's fees and collection costs, even though no suit or action is filed hereon; however, if a suit or an action is filed, the
 amount of such reasonable attorney's fees shall be fixed by the court, or courts in which the suit or action, including any appeal therein,
 is tried, heard or decided. This note will mature on August 15, 1998 at such
 * Strike words not applicable. time balance will be due and payable in full. This
payment is included in Lease/Option Agreement.

FORM No. 217—INSTALLMENT NOTE. SN

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Daniel Lee Eddy the 8th day
 of August A.D., 1996 at 11:17 o'clock AM., and duly recorded in Vol. M96
 of Miscellaneous on Page 24240

FEE \$20.00

Bernetha G Letsch, County Clerk

By Cheryl J. [Signature]

at 1663 Greensprings Dr.
 Klamath Falls, OR
 97601
 WFP 10/22/96