

REAL ESTATE CONTRACT

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THIS REAL ESTATE CONTRACT ("Contract"), executed this 14th day of September, 1992, by Michael P. McCormick ("Seller"), and Deek and Vanessa Proctor ("Purchaser");

WITNESSETH that the parties agree as follows:

Seller hereby sells to Purchaser, and Purchaser hereby purchases from Seller, the following described real estate, together with all improvements thereon or belonging thereto, located in Lake County, Indiana ("Real Estate"); being more particularly described as follows:

Lots 45 and 46 in Block 2 in Broadway Realty and Investment Company's Addition to Gary, Indiana

KEY 41-210-44

FILED

commonly known as: 4509 Connecticut Gary, Indiana all upon the following covenants, terms and conditions: 46408

MAY 7 1993
Clara N. Anton
AUDITOR LAKE COUNTY

1. Purchase Price and Manner of Payment:

(a) Purchase Price: The Purchase Price for the Real Estate shall be the sum of Eighteen thousand Dollars (\$18,000) ("Purchase Price"), which Purchaser agrees to pay Seller in accordance with the terms and conditions of this Contract.

(b) Manner of Payment. The Purchase Price shall be paid in the following manner:

(1) The sum of one thousand Dollars (\$1,000.00) has been paid to Seller by Purchaser and Seller acknowledges receipt of such payment, \$500 in cash, \$1150 in credit for painting and cleanup, and \$350 for the deed on October 1, 1992.

(2) The remaining unpaid principal balance of the Purchase Price ("Contract Balance") shall be paid to Seller by Purchaser, together with interest at the rate of ten Percent (10 %) per annum ("Per Annum Rate"), as follows:

(i) With interest computed from [the date hereof] [Sept. 1, 1992] on the monthly unpaid Contract Balance at the Per-Annum Rate, in equal monthly installments of two hundred seventy and 50/100 Dollars (\$270.50) per month for 60 consecutive months, which installment payments shall commence on September 30, 1992, and shall continue thereafter on the last day of each successive calendar month until August 31, 1997, when the entire Contract Balance, together with all accrued interest thereon, shall be paid in full by means of a "balloon payment" of all unpaid principal and interest.

(ii) The taxes are \$303.17 every month. The tax proration is \$707.30. The balance due therefore is \$16,392.70. The payment is based on a 7 year amortization and a 5 year balloon. The balloon would be approx. \$5,859.80.

(3) Purchaser may make prepayments of any amount due hereunder at any time and without penalty or premium. No partial prepayment of the Contract Balance shall relieve Purchaser from continuing to make scheduled payments as they become due and payable. All payments made by Purchaser, including prepayments, shall be applied first to interest due and payable and the balance, if any, to principal.

(4) All payments shall be made to Seller at: 522 Center St. Hobart Ind. 46342 or to such other place or person as Seller may direct by written notice to Purchaser.

2. Taxes and Insurance.

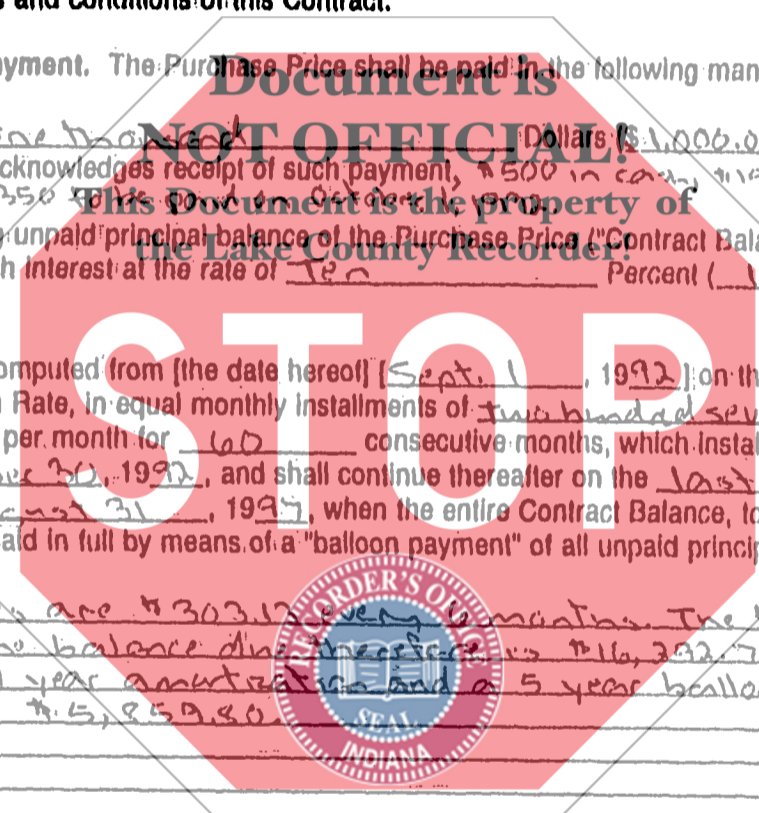
(a) Taxes.

Purchaser shall pay the taxes on the Real Estate beginning with the real estate taxes for 1992, due and payable in 1992, and all installments of taxes payable thereafter. Seller covenants and agrees to pay, prior to delinquency, all prior real estate taxes on the Real Estate. Purchaser, upon written notice to Seller and at Purchaser's expense, may contest on Seller's and Purchaser's behalf, any changes of the assessed valuation of the Real Estate. Seller shall forward or cause to be forwarded to Purchaser a copy of all statements for real estate taxes on the Real Estate payable by Purchaser, as received, and Purchaser shall provide to Seller upon request evidence of payment of such taxes.

X The Real Estate taxes shall be prorated. Seller shall pay real estate taxes which are payable during the year in which this Contract is signed and taxes payable during the succeeding year, prorated to the date of execution of this Contract. Purchaser shall assume and pay all subsequent taxes.

(b) Assessments. Purchaser shall pay all assessments for municipal and other improvements becoming a lien after [the date of execution of this Contract] [, 1992]. Seller covenants and agrees to pay all such assessments becoming a lien prior to such date.

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(c) **Insurance.** Purchaser agrees to procure and maintain fire and extended coverage insurance with a responsible insurer upon all improvements on the Real Estate, in an amount not less than the Contract Balance or the full extent of Purchaser's insurable value, whichever is less ("Required Insurance"). The Required Insurance shall be issued in the names of Purchaser and Seller, as their respective interests may appear, and shall provide that the insurer may not cancel or materially change coverage without ten (10) days' prior written notice to Seller. Purchaser shall provide Seller with such proof of insurance coverages as Seller from time to time shall reasonably request. Except as otherwise may be agreed in writing, any insurance proceeds received as payment for a loss of or damage to the Real Estate covered by Required Insurance shall be applied to restoration and repair of the loss or damage in such fashion as Seller reasonably may require, unless such restoration and repair is not economically feasible or there exists an uncured Event of Default by Purchaser under this Contract on the date of receipt of such proceeds, in either of which events, the proceeds may be applied, at Seller's option, toward prepayment of the Contract Balance, with any excess to be paid to Purchaser.

(d) **Utilities.** Seller shall pay all charges for utility services furnished the Real Estate while Seller was in possession. Purchaser shall pay all charges for utility services furnished the Real Estate beginning with the date of Purchaser's possession of the Real Estate and thereafter.

(e) **Payment by Seller.** Upon failure of Purchaser to pay utilities, taxes or assessments on the Real Estate or to provide insurance as required under this Contract, Seller, upon written notice to Purchaser, may pay such taxes, utilities or assessments or obtain and maintain such insurance and add the costs thereof to the Contract Balance.

3. **Possession.** Seller shall give Purchaser full and complete possession of the Real Estate, and the right to any rental income therefrom (which shall be prorated as of the date of possession), on or before 9-1-92. Once in possession, Purchaser may make such improvements and repairs to the Real Estate as Purchaser deems appropriate provided the same will not result in a decrease in the market value of the Real Estate.

4. **Evidence of Title.** Seller ^{will furnish} has furnished to Purchaser, at Seller's expense, a binder for an owner's policy of title insurance ("Title Binder") issued by Lawyer's Title by which such title insurance company has agreed to insure, in the full amount of the Purchase Price, merchantable title to Purchaser as a contract purchaser upon execution and delivery of this Contract to Purchaser by Seller. Upon execution of this Contract by Purchaser and Seller, Seller shall pay all unpaid premiums for such title insurance. Any further evidence or assurance of title shall be obtained by Purchaser at Purchaser's expense. ^{To be issued when contract is paid}

5. **Warranties of Seller.** Seller hereby warrants that Seller has good and merchantable title to the Real Estate; free and clear of any and all liens, leases, restrictions and encumbrances, except as follows:

(i) Easements and restrictions of record as disclosed in the Title Binder, provided the same do not prohibit the use of the Real Estate for small family residence, and that such easements and restrictions of record will not result in forfeiture of title;

(ii) Current real estate taxes not yet delinquent; and

(iii) a mortgage in the ^{allocated} original sum of \$ 16,000.00 given by the Seller to Commerce Bank as of _____. The present unpaid balance is \$ DVA

(iv) Other: - NONE -

Seller further represents and warrants the following as of the date hereof: Execution of this Contract will not violate any contract or agreement to which Seller is a party, including the mortgage, if any, listed above, or any "due on sale clause" contained therein. Seller has made no contract to sell all or a part of the Real Estate to any person other than the Purchaser; Seller has not given to any person an option, which is presently, or in the future, exercisable to purchase all or any part of the Real Estate; there are no unpaid claims for labor done upon or materials furnished for the Real Estate in respect of which liens have been or may be filed; the improvements upon the Real Estate are all located entirely within the bounds of the Real Estate, and there are no encroachments thereon; there are no existing violations of zoning ordinances or other restrictions applicable to the Real Estate; there is no judgment of any court of the State of Indiana or of any court of the United States that is or may become a lien on the Real Estate; Seller is neither principal nor surety on any bond payable to the State of Indiana; and Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate, nor acting directly or indirectly, in any capacity whatsoever for any foreign country or national thereof.

Further, Seller represents and warrants that the Real Estate:

(i) is not located in an area designated as a flood zone;

^{W.P.C.} (ii) ~~does not contain any facilities that are subject to reporting requirements under Section 812 of the Federal Emergency Planning and Community Right to Know Act of 1986 (42 U.S.C. 11022);~~

^{W.P.C.} (iii) ~~is not the site of any underground storage tanks for which notification is required under 42 U.S.C. 6991(a) and I.C. 13-7-20-13(a)(8); and~~

^{W.P.C.} (iv) ~~is not listed on the Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) list in accordance with Section 116 of CERCLA (42 U.S.C. 9616).~~

6. **Seller's Right to Mortgage Real Estate.** Seller shall not have the right, without Purchaser's consent to encumber the Real Estate with a mortgage other than the mortgage listed in paragraph 5. In the event of Purchaser's

consent, any additional mortgage must, by its terms, be subordinated to the rights of Purchaser under this Contract. In all events, the balance due in respect of any such mortgage shall at no time exceed the unpaid balance of the Purchase Price. If Seller encumbers the Real Estate by a mortgage, or the Real Estate is on the date of this Contract so encumbered, and Seller defaults thereunder, Purchaser shall have the right to cure such default and to deduct the cost thereof from the next payment or payments due under this Contract. Seller shall pay all amounts due under any such mortgage when due and shall pay, discharge and obtain the release of any such mortgage upon Purchaser's payment in full of the Contract Balance and all interest accrued thereon.

7. **Transfer of Purchaser's Interest - Condemnation.** Purchaser's interest in this Contract and Purchaser's interest in the Real Estate may not be sold, assigned, pledged, mortgaged, encumbered or transferred by Purchaser without the written consent of Seller, which consent shall not be unreasonably withheld. If the Real Estate or any part thereof is taken or damaged pursuant to an exercise or threat of exercise of the power of eminent domain, the entire proceeds of the award or compensation payable in respect of the part so taken or damaged are hereby assigned to and shall be paid directly to Seller. Such proceeds shall be applied, at Purchaser's option, in part or entirely as a prepayment of the Contract Balance or to restoration of the Real Estate; provided, however, that if by electing to apply part of any such award or compensation against the Contract Balance, the Contract Balance is paid in full, then Seller shall pay the balance to Purchaser.

8. **Mechanic's Liens.** Neither Seller nor Purchaser shall permit any Statement of Intention to hold a Mechanic's Lien to be filed against the Real Estate nor against any interest or estate therein by reason of labor, services or materials claimed to have been performed or furnished to or for Purchaser or Seller, as the case may be. If any such Statement of Intention to hold a Mechanic's Lien shall be filed and an action commenced to foreclose the lien, the party permitting the filing of such lien shall cause the lien to be released at that party's expense by the filing of a written undertaking with a surety approved by the Court and obtaining an order from the Court releasing the property from such lien. Nothing in this instrument shall be deemed or construed to constitute consent to, or a request to any party for, the performance of any labor or services or the furnishing of any materials for the improvement, alteration or repairing of the Real Estate; nor as giving either party the right or authority to contract for, authorize or permit the performance of any labor or services or the furnishing of any material that would permit the attaching of a valid mechanic's lien.

9. **Default.** It is expressly agreed by Purchaser that time is of the essence of this Contract. Upon thirty (30) days written notice to Purchaser of the occurrence of any Event of Default, as hereinafter defined, Seller shall have the right to cancel this Contract and retain all payments made by Purchaser toward the Purchase Price, it being agreed by the parties that forfeiture of said payments by Purchaser is Seller's sole remedy for an Event of Default, and that Seller shall have no other remedy, legal or equitable, upon the occurrence of an Event of Default. The following shall each constitute an "Event of Default" for purposes of this Contract:

(a) Default by Purchaser for a period of thirty (30) days in the payment of (i) any installment of the Purchase Price when due under the terms of this Contract, (ii) any installment of real estate taxes on the Real Estate or assessment for a public improvement which by the terms of this Contract are payable by Purchaser, or (iii) any premium for insurance required by the terms of this Contract to be maintained by Purchaser;

(b) Default, for a period of thirty (30) days after written notice thereof is given to Purchaser, in the performance or observation of any other covenant or term of this Contract;

(c) Purchaser (i) institutes or consents to any proceedings in insolvency or bankruptcy, or for the adjustment, liquidation, extension or arrangement of debts or for any other relief under any insolvency law or laws relating to the relief or reorganization of debtors, (ii) files an answer admitting bankruptcy or insolvency or in any manner is adjudged insolvent, or (iii) makes an assignment for the benefit of creditors or admits in writing inability to pay debts as they become due;

(d) Any part of the Real Estate or all or a substantial part of the property or assets of Purchaser is placed in the hands of any receiver, trustee or other officers or representatives of any court, or Purchaser consents, agrees or acquiesces to the appointment of any such receiver or trustee;

In the event of Seller's cancellation upon such default by Purchaser, all rights and demands of Purchaser under this Contract and in and to the Real Estate shall cease and terminate and Seller shall have the right to retain all amounts paid by Purchaser toward the Purchase Price as an agreed payment for Purchaser's possession of the Real Estate prior to such default.

10. **Additional Covenants and Representations of Seller.** Upon payment by Purchaser of the Purchase Price in full, with all interest accrued thereon, and the performance by Purchaser of all covenants and conditions which by the terms of this Contract are to be performed by Purchaser, Seller agrees and covenants to convey the Real Estate to Purchaser by warranty Deed, subject only to easements and restrictions of record as of the date of this Contract; to the rights of persons in possession; to the lien of all taxes and assessments payable by Purchaser hereunder; and to any other encumbrances which, by the terms of this Contract, are to be paid by Purchaser. In the case of a Corporate Warranty deed, such deed shall either certify that there is no Indiana gross income tax due as a result of the conveyance or shall contain an endorsement by the County Treasurer or by stamps that the Indiana Gross Income Tax has been paid. Together with the executed warranty Deed, Seller shall deliver to Purchaser an executed Vendor's Affidavit in the form attached hereto as Exhibit A, which affidavit shall include a certification of non-foreign status under the Foreign Investment in Real Estate Property Tax Act ("FIRPTA") of the Internal Revenue Code. If Seller refuses to perform as required, Purchaser may pursue all available legal and equitable remedies, including specific performance.

11. **General Agreement of Parties.** This Contract shall extend to and be binding upon the heirs, personal representative, successors and assigns of the parties, and shall be interpreted under the laws of the State of Indiana. This Contract contains all of the agreements of the parties, all prior negotiations, understandings, and agreements having been merged into it. Amendments to this Agreement shall not be effective unless made in writing and signed

