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SAM C. BUCH  
AUDITOR LAKE COUNTY

**LAND CONTRACT FOR CONDITIONAL  
SALE OF REAL ESTATE**

THIS CONTRACT, made and entered into by and between DIANA E. DRUDGE, of Lake County, Indiana (hereinafter called "Seller") and GARY A. GOMEZ and LESLIE A. GOMEZ, HUSBAND AND WIFE, (hereinafter called "Buyer"),

**WITNESSETH:**

Seller hereby agrees to and does sell to Buyer, and Buyer hereby agrees to and does purchase from Seller, the following described real estate (including any improvement or improvements now or hereafter located on it) in Lake County, Indiana, (such real estate, including improvements, being hereinafter called the "Real Estate"):

Lot 23, Block 4, Mid-Village Addition as shown in Plat Book 28, page 3, in Lake County, Indiana,

commonly known as 2320 Burr Street, Gary, Indiana upon the following covenants, terms and conditions:

**SECTION 1. The Purchase Price and Manner of Payment**

1.01 The Purchase Price. As the purchase price for the Real Estate, Buyer agrees to pay to Seller and Seller agrees to accept from Buyer the sum of EIGHTEEN THOUSAND AND NO/100 DOLLARS (\$18,000.00) DOLLARS.

1.02 The Manner of Payment. The purchase price shall be paid in the following manner:

(a) The sum of FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) DOLLARS, was paid by Buyer to Seller on or about September 26, 1994 and the receipt of such sum is hereby acknowledged by Seller, leaving an unpaid balance of the purchase price in the sum of THIRTEEN THOUSAND AND NO/100 (\$13,000.00) DOLLARS. That amount, as it is reduced by payments and expenses of Buyer properly credited under this Contract, and as it is increased by payments and expenses of Seller properly made and incurred under this Contract, is hereinafter called the "Unpaid Purchase Price".

(b) The Unpaid Purchase Price shall bear interest at the rate of TEN PERCENT (10%) per annum during any period of non delinquency, but with interest at the rate of TWELVE PERCENT (12%) per annum during the period of any delinquency or default, together with attorneys fees.

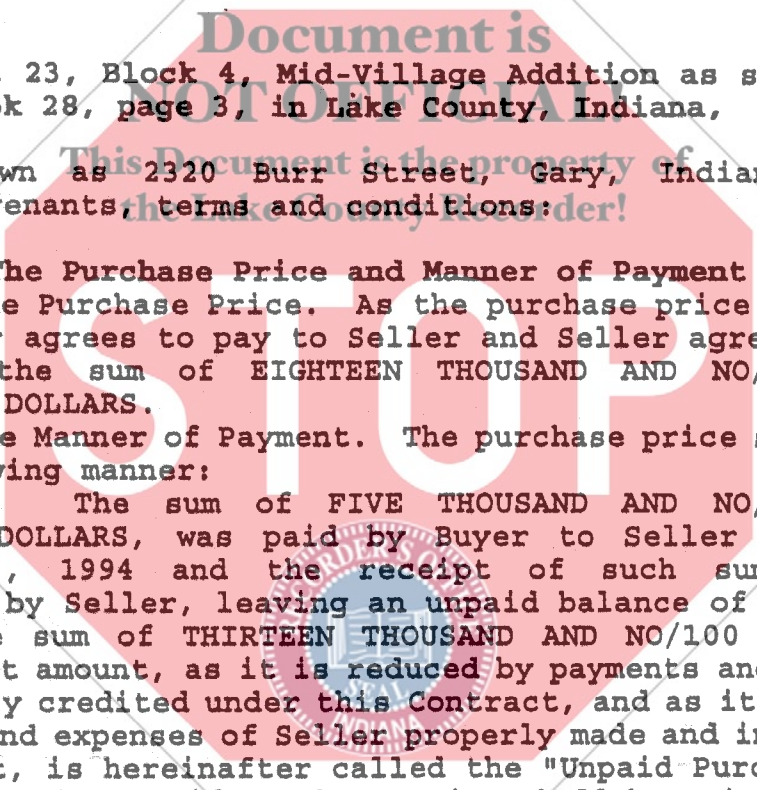
(c) The Unpaid Purchase Price shall be paid in monthly installments in the amount of ONE HUNDRED SEVENTY-ONE AND 52/100 (\$171.52) DOLLARS, commencing October 26, 1994. Subsequent installments shall be paid on the same day of each month thereafter until the Unpaid Purchase Price shall be paid in full.

(d) Buyer shall have a grace period of seven (7) days from the due date on any installment required under this Contract within which to pay such installment. If such installment is not actually received by Seller within the grace period, then a late

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charge in the sum of \$10.00 shall accrue and be immediately due and payable.

(e) Each installment received by Seller shall be applied: first to accrued late charges, then to interest accrued to the due date of such installment, and then to the reduction of the Unpaid Purchase Price. Interest shall be computed monthly.

(f) Any and all payments hereunder shall be made to the Seller at 2824 Gibson Street, Lake Station, Indiana, 46405 or at such other place as Seller may designate in writing.

## SECTION 2. Prepayment of the Purchase Price

2.01 Buyer shall have the privilege of paying without penalty, at any time, any sum or sums in addition to the payments herein required. It is agreed that no such prepayments, except payment in full, shall stop the accrual of interest on the amount so paid until the next succeeding computation of interest after such payment is made. Interest shall not accrue after the date on which Buyer makes any payment that constitutes full payment of the Unpaid Purchase Price.

## SECTION 3. Taxes, Assessments, Insurance, and Condemnation.

3.01 Taxes. Buyer agrees to assume and timely pay the taxes on the Real Estate beginning with the installment payable November 1994 and all installments of real estate taxes due and payable thereafter, and Seller agrees to pay all taxes on the Real Estate due prior to said installment.

Buyer agrees to apply Buyer's annual federal tax refund to liquidate any installment of real estate taxes due and payable. If the tax refund amount is insufficient to liquidate the real estate tax installment or if the tax refund is not received prior to the date on which the tax installment is due then Buyer shall apply an alternative financial resource to liquidate, in a timely fashion, any real estate taxes which are due.

Buyer, upon written notice to Seller, and at Buyer's expense, may contest on behalf of the parties any changes in the assessed value of the Real Estate. Buyer shall forward or cause to be forwarded to Seller, when received, a copy of all statements for taxes and any assessments on the Real Estate which are payable by the Buyer hereunder, and Buyer shall provide to Seller, a copy of paid tax receipt as evidence of timely payment of such taxes and assessments.

3.02 Assessments. Buyer agrees to pay any assessments or charges upon or applying to the Real Estate for public or municipal improvements, or for services which, after the date of this Contract, are assessed or charged to the Real Estate. Seller agrees to pay any other assessments or charges, to and including the date of this Contract.

3.03 Penalties. The Parties agree to pay any penalties, whether in the form of interest or otherwise, in connection with the late or untimely payment of such taxes, assessments or charges, for which they are responsible under this Contract.

3.04 Insurance. At all times during the period of this Contract, Buyer shall: (a) keep the improvements located upon the Real Estate insured under fire and extended coverage policies in an amount not less than the Unpaid Purchase Price, and (b) obtain standard liability insurance with coverage in amounts not less than Fifty Thousand Dollars (\$50,000.00) per occurrence, and (c) pay premiums on such insurance policies as they become due. Such policies of insurance shall be carried with State Farm Insurance Company or a company pre-approved by Seller and properly authorized by the State of Indiana to engage in such business. Such policies of insurance shall be issued in the name of the Seller and Buyer, as their respective interests shall appear, and shall provide that the insurer may not cancel or materially change coverage without at least ten (10) days prior written notice to Seller. No later than 72 hours after the insurance premium due date, Buyer shall provide Seller with a copy of a paid receipt as evidence of timely payment of the insurance premium. Except as otherwise agreed in writing, any insurance proceeds received as payment for any loss of, or damage to, the Real Estate covered by such insurance, shall be applied to restoration and repair of the loss or damage in such fashion as Seller may reasonably require, unless such restoration and repair is not economically feasible, or there exists an uncured Event of Default by Buyer under this Contract on the date of receipt of such proceeds. In either of such events, the proceeds may be applied, at Seller's option, toward prepayment of the Unpaid Purchase Price, with any excess to be paid to Buyer.

3.05 Rights of Parties to Perform Other's Covenants.

(a) If one of the parties hereto (hereinafter called "Responsible Party") fails to perform any act or to make any payment required under this Section 3, the other party (hereinafter called "Nonresponsible Party") shall have the right at any time and without notice, to perform any such act or to make any such payment, and in exercising such right, to incur necessary and incidental costs and expenses, including attorney fees. Nothing in this provision shall imply any obligation on the part of the Nonresponsible Party to perform any act or to make any payment required of the Responsible Party under the terms of this Contract.

(b) The exercise of such right by the Nonresponsible Party shall not constitute a release of any obligation of the Responsible Party under this Section 3 or a waiver of any remedy available under this Contract; nor shall such exercise constitute an estoppel to the exercise by a Nonresponsible Party of any right or remedy of her/his for a subsequent failure by the Responsible Party to perform any act or make any payment required under this Section 3.

(c) Payments made and all costs and expenses incurred by a Nonresponsible Party in connection with the exercise of such right shall, at the Nonresponsible Party's option, either (i) be paid to her by the Responsible Party within 30 days after written demand therefore; or (ii) on the date the next installment payment is due under this Contract, following written notice, be added to the Unpaid Purchase Price, if Buyer is the Responsible Party, or

applied to reduce the Unpaid Purchase Price, if Seller is the Responsible Party.

(d) In the event a Nonresponsible Party makes any such payments or incurs any such costs and expenses, the amount thereof shall bear interest at the rate provided under Section 1 of this Contract, from the respective dates of making the same, until paid in full, or to the date such amounts are added to, or applied against, the Unpaid Purchase Price.

3.06 Condemnation. From the date hereof, Buyer shall assume all risk of loss or damage by reason of condemnation or taking of all or any part of the Real Estate for public or quasi-public purposes, and no such taking shall constitute a failure of consideration or cause for rescission of the Contract by Buyer. Should all or any part of the Real Estate be Condemned and sold by court order, or sold under threat of condemnation to any public or quasi-public body, the net amount received for the damage portion shall be retained by Buyer, and the net amount received for the Real Estate Value shall be paid to Seller and applied as a reduction of the Unpaid Purchase Price. The authority and responsibility for negotiation, settlement, or suit shall be Buyer's. If Buyer incurs expenses for appraisers, attorneys, accountants or other professional advisors, whether with or without suit, such expenses and any other applicable costs shall be deducted from the total proceeds to calculate the "net amount" and shall be allocated proportionately between the amount determined as damages and the amount determined for value of the Real Estate. If no determination is made of separate amounts for damages and Real Estate Value, then the net amount shall be divided equally between Buyer and Seller, with Seller's amount to be applied as a reduction of the Unpaid Purchase Price.

#### SECTION 4. Possession.

4.01 Delivery of Possession. On September 27, 1994, Seller delivered to Buyer possession of the Real Estate with continued possession contingent upon the execution of this agreement within 30 days. In the event Buyer fails to execute this agreement within 30 days, Buyer's rights shall be automatically converted to a month to month tenancy with Seller entitled to reasonable monthly rental. Seller shall deliver to Buyer full and complete possession of the Real Estate on the date of execution of this Agreement. Buyer's right of possession shall continue until terminated pursuant to Section 9. All Utilities shall be paid by Seller to and including September 26, 1994 and thereafter shall be the sole responsibility of Buyer.

#### SECTION 5. Evidence of Title.

5.01 Evidence of Title. Any evidence of title requested or required by Buyer shall be at the expense of Buyer, provided, however, that the cost of additional title evidence necessitated by the acts or omission of Seller shall be borne by Seller.

5.02 Conveyance of Title. Seller covenants and agrees that upon payment of all sums due under this Contract and the prompt and

full performance by Buyer of all Covenants and agreements herein made, Seller will convey or cause to be conveyed to Buyer, by Warranty Deed, the above described Real Estate, subject to restrictions and easements of record as of the date of this Contract and all taxes and assessments which are Buyer's obligations.

**SECTION 6. Assignment of Contract or Sale of Interest.**

6.01 Assignment or Sale. Buyer may not sell or assign this Contract, Buyer's interest therein, or Buyer's interest in the Real Estate, without the prior written consent of Seller and subject to all such terms and conditions as Seller may impose.

6.03 Liability. No assignment, attempt to assign, or sale shall operate to relieve either party from liability herein.

**SECTION 7. Use of the Real Estate; Seller's Right to Inspection.**

7.01 Use. The Real Estate may not be leased or occupied by persons other than Buyer without prior written consent of Seller, which consent shall not be unreasonably withheld.

7.02 Improvements. Buyer may materially alter, change, or remove any improvements now or hereafter located on the Real Estate, or make any additional improvements, only with prior written consent of Seller, which consent shall not be unreasonably withheld. Buyer shall not create, or allow any mechanics, laborers, materialmen, or other creditors of Buyer or an assignee of Buyer to obtain, a lien or attachment against Seller's interest herein. Buyer agrees that the Real Estate and any improvements thereon are, as of the date of this Contract, in good condition, order, and repair, and Buyer shall, at his own expense, maintain the Real Estate and any improvements in as good order and repair as they are in on the date of this Contract, ordinary wear and tear, and acts of God, or public authorities excepted. Buyer shall not commit waste on the Real Estate, and, with respect to occupancy and use, shall comply with all laws, ordinances and regulations of any governmental authority having jurisdiction thereof.

7.03 Inspection. Seller shall have the right to enter and inspect the Real Estate at any reasonable time.

7.04 Buyer's Responsibility for Accidents. Buyer assumes all risk and responsibility for injury or damage to person or property arising during Buyer's possession of the Real Estate or improvements thereon or during the term of this contract. Further, Buyer agrees to indemnify Seller for any and all costs, including reasonable attorney fees, incurred as a result of any such injury or damage to person or property.

**SECTION 8. Buyer's Default and Seller's Remedies.**

8.01 Time. Time is of the essence of this Contract.

8.02 Buyer's Default. Upon the occurrence of any Event of Default, as hereinafter defined, Seller shall have the right to pursue immediately any remedy available under this Contract as may be necessary or appropriate to protect Seller's interest under this Contract and in the Real Estate.

8.03 Event of Default. The following shall each constitute an Event of Default for purposes of this Contract:

(a) Failure by Buyer for a period of sixty (60) days to pay any payment required to be made by Buyer to Seller under this Contract when and as it becomes due and payable.

(b) Lease or encumbrance of the Real Estate or any part thereof by Buyer, other than as expressly permitted by this Contract.

(c) Buyer causing or permitting the making of any levy, seizure or attachment of the Real Estate or any part thereof.

(d) Occurrence of an uninsured loss with respect to the Real Estate or any improvement or part thereof.

(e) Institution of insolvency proceedings against Buyer, or the adjustment, liquidation, extension or composition or arrangement of debts of Buyer; or for any other relief under any insolvency law relating to the relief of debtors; or, Buyer's assignment for the benefit of creditors or admission in writing of his inability to pay his debts as they become due; or, administration by a receiver or similar officer of any of the Real Estate.

(f) Desertion or abandonment by Buyer of any portion of the Real Estate.

(g) Actual or threatened alteration, demolition, waste or removal of any improvement now or hereafter located on the Real Estate, except as permitted by this Contract.

(h) Failure by Buyer, for a period of thirty (30) days after written notice is given to Buyer, to perform or observe any other covenant or term of this Contract.

8.04 Seller's Remedies. Upon the occurrence of an Event of Default, Seller shall elect his remedy under Subsection 8.041 or 8.042 (unless Subsection 8.043 is applicable).

8.041. Seller may declare this Contract forfeited and terminated, and upon such declaration, all right, title and interest of Buyer in and to the Real Estate shall immediately cease and Buyer shall then be considered as a tenant holding over without permission and Seller shall be entitled to re-enter and take immediate possession of the Real Estate and to eject Buyer and all persons claiming under him. Further, Seller shall have the right to institute legal action to have this Contract forfeited and terminated and to recover from Buyer all or any of the following:

(a) possession of the Real Estate;

(b) any payment due and unpaid at the time of filing of the action and becoming due and unpaid from that time until possession of the Real Estate is recovered;

(c) interest on the Unpaid Purchase Price from the last date to which interest was paid until judgment or possession is recovered by Seller, whichever shall occur first; provided, however, that this shall not be construed as allowing Seller to recover any interest which would be included under Subsection 8.041

(b) above;

(d) due and unpaid real estate taxes, assessments, charges and penalties which Buyer is obligated to pay under this Contract;

(e) premiums due and unpaid for insurance which Buyer is obligated to provide under this Contract;

(f) the reasonable cost of repair of any physical damage or waste to the Real Estate other than damage caused by ordinary wear and tear and acts of God or public authorities; and

(g) any other amounts which Buyer is obligated to pay under this Contract; or

8.042. Seller may declare all of the sums secured by this Contract to be immediately due and payable, and Seller may institute legal action to recover same. When all of such sums are paid to Seller, Seller shall convey or cause to be conveyed to Buyer, by Warranty Deed, the Real Estate subject to restrictions and easements of record as of the date of this Contract and all taxes and assessments which are Buyer's obligation.

8.043. In the event Buyer has substantial equity in the Real Estate when an Event of Default occurs, then this Contract shall be considered the same as a promissory note secured by a real estate mortgage, and Seller's remedy shall be that of foreclosure in the same manner that real estate mortgages are foreclosed under Indiana law and Seller may not avail himself of the remedies set forth in Subsection 8.041 or 8.042. If this Subsection 8.043 is applicable, then Seller may declare all of the sums secured by this Contract to be immediately due and payable, and Seller may immediately institute legal action to foreclose this Contract and Buyer's interest in the Real Estate. The parties agree that after Buyer has paid \$ 18,000.00 of the purchase price (which price means the original purchase price set forth in Subsection 1.01), then Buyer shall have substantial equity in the Real Estate.

8.05. Seller's Additional Remedies. In addition to the remedies set forth above, upon the occurrence of an Event of Default, Seller shall be entitled to:

(a) Retain (without prejudice to his right to recover any other sums from Buyer, or to have any other remedy under this Contract), as an agreed payment for Buyer's use of the Real Estate prior to the Event of Default, all payments made by Buyer to Seller and all sums received by Seller as proceeds of insurance or as other benefits or considerations pursuant to this Contract.

(b) Request that a receiver be appointed over the Real Estate in accordance with Indiana law providing for real estate mortgage foreclosures.

(c) Enforce any right without relief from valuation or appraisal laws.

#### SECTION 9. Seller's Default and Buyer's Remedies.

9.01 If Seller fails to convey the Real Estate as required by this Contract, Buyer may institute legal action against Seller for specific performance, in which case Seller hereby acknowledges that an adequate remedy for default in such case does not exist at law; or Buyer may pursue such other remedy as is available at law or in equity.

9.02. If, after sixty (60) days notice from Buyer, Seller fails to make any payment required of him under this Contract or to

perform or observe any other of his covenants or agreements, Buyer shall be entitled to institute legal action against Seller for such relief as may be available at law or in equity. Nothing in this subsection shall interfere with or affect Buyer's right to any reduction, set-off or credit to which Buyer may be entitled in the event of Seller's failure to pay amounts required of him pursuant to this Contract.

**SECTION 10. General Agreements.**

10.01. As Buyer consists of more than one person, the persons signing this Contract as Buyer shall be jointly and severally bound.

10.02. Use of the masculine gender in this Contract shall comprehend, as appropriate, the feminine gender as well.

10.03. Each party is entitled to recover his reasonable attorney fees, costs, and expenses incurred by reason of enforcing his rights hereunder, including the expenses of preparing any notice of delinquency, whether or not any legal action is instituted.

10.04. The failure or omission of either party to enforce any of his right or remedies upon any breach of any of the covenants, terms or conditions of this Contract shall not bar or abridge any of his rights or remedies upon any subsequent default.

10.05. Any notices to be given hereunder shall be in writing and deemed sufficiently given when (1) served on the person to be notified, or (2) placed in an envelope directed to the person to be notified at his last known address and deposited in a United States Post Office mail box, postage prepaid.

**SECTION 11. Additional Covenants.**

11.01. Buyer accepts the property from Seller in its present condition, "as is".

IN WITNESS WHEREOF, the Seller and Buyer have executed this instrument in duplicate on this 30 day of December, 1994.

SELLER:

BUYER:

Diana E. Drudge  
DIANA E. DRUDGE

Gary A. Gomez  
GARY A. GOMEZ

Leslie A. Gomez  
LESLIE A. GOMEZ



