

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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2000 MAY 24 AM 9 57

MORRIS W. CARTER  
RECORDER

mail to:

O'Connor Title Services, Inc.  
162 West Hubbard Street  
Chicago, IL 60610

**CONTRACT PURCHASE**

THIS LAND CONTRACT ("Contract") has been executed this the FIRST day of APRIL, 2000, by MR. TOM JONES Seller, ("Vendor") and MICHAEL A. LAMBERT Buyer, ("Purchaser") to be effective for all purposes as of: April 10, 2000.

WITNESSETH that the parties agree as follows:

Vendor hereby sells to Purchaser, and Purchaser hereby purchases from Vendor, 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: 4290 DEER RUN LOT 2 DEER RUN, DEER RUN ESTATES CENSUS TRACT 2960-418

Commonly known as: 4290 DEER RUN CT., LAKE STATION, IN 46405  
all upon the following covenants, terms and conditions:

1. PURCHASE PRICE AND MANNER OF PAYMENT

(A) **PURCHASE PRICE.** The purchase price for the Real Estate and specified contents shall be the sum of ONE HUNDRED FORTY THOUSAND Dollars (\$ 140,000.00) ("Purchase Price"), which Purchaser agrees to pay Vendor in accordance with the terms and conditions of this Contract without relief from valuation and appraisal laws and with reasonable attorney's fees after default and referral to an attorney for collection.

(B) **MANNER OF PAYMENT.** The purchase price shall be paid in the following manner:

1. The sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) shall be paid upon the execution and delivery of this Contract to Purchaser by Vendor and Vendor acknowledges receipt of such payment.

2. The remaining unpaid principal balance of 140,000.00

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29 KM

CHK# 12706

Dollars (\$140,000) ("Contract Balance") shall be paid to Vendor by Purchaser, together with interest at the rate of ~~seven~~, 255 Percent (7,255%) per annum ("Per Annum Rate") as follows:

(i) The remaining Contract Balance, together with per annum rate of interest from date of closing, shall be paid pursuant to a ~~twenty~~ (20) year amortization in monthly installments of ~~ONE THOUSAND~~ ONE THOUSAND DOLLARS (\$1,100) per month, which installments shall commence on the 1<sup>ST</sup> day of MAY, 2000.

(ii) Such payments of \$1,100 shall be due and owing on the 1<sup>ST</sup> day of each succeeding month. To any payment which is late by five (5) days or more, notwithstanding the provisions of paragraph 11 (A) shall be added the sum of \$25.00 as late penalty or late fee.

(iii) Purchaser shall make the monthly payments to Vendor in an amount equal to principal and interest of \$1,100 and the amount necessary to cover the tax and insurance escrow. The monthly tax and insurance payment should be approximately \$ \_\_\_\_\_. Therefore, the total monthly payment for principal, interest and taxes should be ~~one thousand one hundred~~ ONE THOUSAND ONE HUNDRED DOLLARS (\$1,100) per month. Purchaser shall pay the amount required to cover the escrow amounts as they may change.

(iv) Such payments shall continue for 240 consecutive months at which time, the remaining principal Contract Balance shall be due and owing and payable in full. No prepayment penalties apply.

(v) Purchaser may make prepayments of any amount due hereunder at any time 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.

(vi) All payments shall be made to Vendor or Vendor's Escrow Agent, or to such other place or person as Vendor may direct by written notice to Purchaser.

## 2. TAXES AND INSURANCE

(A) TAXES. Purchaser shall be responsible for prorated real estate taxes beginning April 10, 2000, and all real estate taxes thereafter during the terms of this Contract. Vendor shall pay from the prepaid tax monies the real estate taxes as same become due and Purchaser shall forward to Vendor proof of payment. Vendor

covenants and agrees to pay prior to delinquency all assessments, delinquencies, and prior unpaid real estate taxes disclosed by the title insurance or known to Vendor. Purchaser, upon written notice to Vendor and at Purchaser's expense may contest on Vendor's and Purchaser's behalf, any changes of the assessed valuation of the real estate

(B) **ASSESSMENTS.** Purchaser shall pay all assessments for municipal and other improvements becoming a lien after the date of execution of this Contract. Vendor covenants and agrees to pay all such assessments becoming a lien prior to such date. Purchaser shall pay in a timely fashion the sanitary and garbage pickup fees so that they do not become a lien on the property.

(K) (C) **INSURANCE.** Vendor agrees to procure and maintain liability and replacement value insurance with a responsible insurer upon the real estate. The Required Insurance shall be issued in the names of Purchaser and Vendor as their respective interests may appear. Purchaser agrees to procure and maintain liability insurance protecting herself and the Vendor. Purchaser should purchase contents insurance because Vendor does not provide same.

OR

(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 Vendor, 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 Vendor. Purchaser, at closing shall provide Vendor with an insurance binder and paid receipt showing proof of insurance for one (1) year. Except as otherwise may be agreed in writing, any insurance proceeds received as payment for any 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 Vendor 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 Vendor's option, toward prepayment of the Contract Balance, with any excess to be paid to Purchaser.

(D) **PAYMENT BY VENDOR.** Upon failure of Purchaser to pay taxes or assessments on the real estate or to provide insurance as required under this Contract, Vendor, upon written notice to Purchaser, may pay such taxes or assessments or obtain and maintain

**3. POSSESSION**

Vendor shall give Purchaser full and complete possession of the real estate upon closing.

**4. EVIDENCE OF TITLE**

The Vendor shall deposit with ~~an Escrow Agent~~ <sup>(T.2)</sup> an Escrow Agent, a Warranty Deed executed by the Vendor conveying said Real Estate to the Purchaser and a policy of title insurance insuring Purchaser in an amount not less than the Purchase Price. Vendor shall pay the title insurance premium, Purchaser shall pay the cost of the insurance update, escrow fee, and policy transfer at conclusion of the Contract. Purchaser and Vendor shall divide and pay the service fee of the closing agent. The Escrow agent, upon completion of the terms of said Contract by Purchaser, shall deliver to Purchaser the executed Warranty Deed with the policy of title insurance.

the Lake County Recorder!

OR

**4. EVIDENCE OF TITLE**

The Vendor, upon completion of the terms of said Contract by Purchaser, shall deliver to Purchaser an executed Warranty Deed with a Policy of title insurance.

**5. WARRANTIES OF VENDOR**

Vendor hereby warrants that Vendor 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 Title Commitment No.

(ii) Current real estate taxes not yet delinquent;

→ (iii) Mortgages, liens, encumbrances described as follows: ~~THE~~ NATIONS Credit.

(iv) Vendor further represents and warrants the following as of the date hereof: Vendor has made no contract to sell all or any part of the real estate to any person other than the Purchaser; Vendor has not given any person an option, which is presently exercisable, to purchase all or any part of the real estate; 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 United State or of any Court of the State of Indiana that is or may become a lien on the real estate; and Seller is neither principal or surety on any bond payable to the State of Indiana.

6. VENDOR'S RIGHT TO MORTGAGE REAL ESTATE.

Vendor shall / shall not have the right to encumber the real estate with a mortgage not to exceed the Contract Balance.

OR  
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the Public Order!

6. VENDOR'S RIGHT TO MORTGAGE REAL ESTATE

Vendor shall have the right without Purchaser's consent to encumber the Real Estate with a mortgage. Any such mortgage by its terms shall be subordinated to the rights of Purchaser under this Contract. In all events, the balance due in respect of any such mortgage at no time shall exceed the unpaid balance of the Purchase Price.

If Vendor encumbers the Real Estate by a mortgage, or the Real Estate is on the date of this Contract so encumbered, and Vendor 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. Vendor 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 Vendor. If the real estate or any part thereof is taken or damages 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 Purchaser. Such proceeds shall be applied first to Vendor's balance; said proceeds shall be given full credit toward contract purchase; then at Purchaser's option and without premium, 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 is paid in full, then the balance is the Purchaser's.

### 8. MECHANIC'S LIEN

Purchaser shall not 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. If such Statement of Intention to hold a Mechanic's Lien shall be filed, Vendor, at Vendor's option, may compel the prosecution of an action for the foreclosure of such Mechanic's Lien by the lienor. If any such Statement of Intention to hold a Mechanic's Lien shall be filed and an action commenced to cause the lien to be released at Purchaser'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 Purchaser 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. INDEMNIFICATION AND RELEASE

Regardless of whether or not separate, several, joint or concurrent liability may be imposed upon Vendor, Purchaser shall indemnify and hold harmless Vendor from and against all damages, claims and liability arising from or connected with Purchaser's control or use of the real estate, including, without limitations, any damage or injury to person or property. This indemnification shall not include any matter for which the Vendor is effectively protected against by insurance. If Vendor without fault, shall become a party to litigation commenced by or against Purchaser, then Purchaser shall indemnify and hold Vendor harmless. The indemnification provided by this paragraph shall include all legal costs and attorney fees incurred by Vendor in connection with any such claim, action or proceeding. Purchaser hereby releases Vendor from all liability for any accident, damage or injury caused to person or property on or about the real estate excepting liability of Vendor for Vendor's negligence and notwithstanding whether such acts or omissions be active or passive.

**10. USE OF THE REAL ESTATE BY PURCHASER; VENDOR'S RIGHT OF INSPECTION; PURCHASER'S RESPONSIBILITY FOR ACCIDENTS**

(A) Purchaser, at Purchaser's expense, shall use the real estate; and the improvements thereof carefully and shall keep and maintain same in good repair. Purchaser is responsible for all regular and non-routine repairs and maintenance including major replacement, if required, such as mechanical, roof, etc. Purchaser shall not commit or permit waste on the real estate, shall comply with all laws ordinances and regulations of any governmental authority having jurisdiction thereof.

(B) **VENDOR'S RIGHT OF INSPECTION.** Until the Purchase Price and all interest thereof is paid in full, Vendor from time to time and at reasonable times, peacefully may enter and inspect the real estate.

(C) **PURCHASER'S RESPONSIBILITY FOR ACCIDENTS.** Purchaser hereby assumes all risk and responsibility for accident, injury or damage to person and property arising from Purchaser's use and control of the real estate and the improvements thereon. Purchaser shall insure such risk by carrying standard liability insurance in the amount of \$500,000.00, insuring the Vendor's liability as well as the Purchaser's.

(D) Purchaser shall not sell the land or buildings on contract or in any way transfer any legal or equitable interest in this Contract.

**11. DEFAULT AND ACCELERATION**

It is expressly agreed by Purchaser that time is of the essence of this Contract. Upon the occurrence of any event of default, as hereinafter defined, and at any time thereafter, the entire Contract Balance, and all accrued unpaid interest thereof, shall, at the option of Vendor, become immediately due and payable without any notice of protest, or other notice of dishonor or demand of any kind, all of which are hereby expressly waived by Purchaser, and Vendor shall have the right to pursue immediately any and all remedies, legal or equitable, as are available under applicable law to collect such Contract Balance and accrued interest, to foreclose this Land Contract, and as may be necessary or appropriate to protect Vendor's interest under this Contract and in and to the real estate. The following shall each constitute an "Event of Default" for purposes of this Contract.

(A) Default by Purchaser for a period of sixty (60) 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) Lease or encumbrance of the real estate or any part thereof, other than as expressly permitted by this Contract, or the making of any levy, seizure or attachment thereof or thereon or a substantial, uninsured loss of any part of the real estate;

(D) Sale, transfer, assignment, conveyance or other disposition of Purchaser's interest in the real estate, or any part thereof, without Vendor's prior written consent; unless Vendor is removed from the mortgage indebtedness.

In the event Purchaser deserts or abandons the real estate or commits any other willful breach of this Contract which materially diminishes the security intended to be given to Vendor under any by virtue of this Contract, then it is expressly agreed by Purchaser that, unless Purchaser shall have paid more than Fifteen Thousand Dollars (\$15,000.00) of the principal contract balance, Vendor may, at Vendor's option, cancel this Contract and take possession of the real estate and remove Purchaser therefrom, or those holding or claiming under Purchaser without any demand and to the full extent permitted by application of law. In the event of the Vendor's cancellation upon such default by Purchaser, all rights and demands of Purchaser under this Contract and in to the real estate shall cease and terminate and Purchaser shall have no further right, title or interest, legal or equitable, in and to the real estate and Vendor 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, for any failure to pay taxes or insurance, for failure to maintain the real estate at any time, for waste committed thereon or for any other damages suffered by Vendor, including reasonable attorney fees incurred by Vendor in enforcing any right hereunder or in removing any encumbrance on the real estate made or suffered by Purchaser.

All of Vendor's remedies shall be cumulative and not exclusive. Failure of Vendor to exercise any remedy at any time shall not operate as a waiver of the right of Vendor to exercise any remedy for the same or any subsequent default at any time thereafter.

## 12. ADDITIONAL COVENANTS AND REPRESENTATIONS

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, Vendor 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 event of Vendor's default on terms and conditions set forth herein, Purchaser shall be entitled to costs, damages and reasonable attorney fees for enforcement of said Contract.

13. GENERAL AGREEMENT OF PARTIES

This Contract shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the parties. When applicable, use of the singular form of any work also shall mean or apply to the plural. Any notices to be given hereunder shall be deemed sufficiently given when (a) actually served on the person to be notified, or (b) placed in an envelope directed to the person to be notified at the following address and deposited in the United States mail by certified or registered mail, postage prepaid.

14. RECORDING

A memorandum of this Contract may not be recorded.

15. CONTENTS

Vendor and Purchaser acknowledge that there are two (2) residences on the land. Purchaser has inspected the real estate and accepted both homes in their present "As Is" condition.

16. ESCROW AGREEMENT

Attached hereto and made a part of this Land Contract is an Escrow Agreement if required.

17. RENTS

If there are rent pro-rations and security deposits, they shall be disclosed and divided at the closing.

18. CONSTRUCTION

This Contract contains all of the terms and provisions of the parties' agreement for sale of the Property, and no oral statements

or representations have served as an inducement to the parties to enter into this Contract.

Section titles have been included in this Contract as a matter of convenience, and do not limit, define, or construe the contents of the sections.

In the event that any part of this Agreement is construed or declared unenforceable, the remainder shall continue in full force and effect as though the unenforceable portion or portions were not included herein. This Contract shall be construed according to the laws of the State of Indiana.

19. ATTORNEYS.

This Contract has been prepared by Vendor's attorney, and Purchaser has read same in its entirety and has had ample opportunity to submit same to his attorney for consideration. No rule of law or evidence construing a document against the preparer thereof shall be invoked or applied in the event that the meaning of any of the terms and provisions herein set forth becomes disputed.

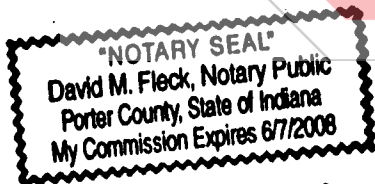
IN WITNESS WHEREOF, Vendor and Purchaser have executed this instrument this the 10<sup>th</sup> day of April, ~~2000~~ 2000 (A)

  
\_\_\_\_\_  
Vendor

  
\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Vendor

\_\_\_\_\_  
Purchaser



Date 4-10-00


  
my Commission Expires 6-7-08  
County of Residence PORTER State of Indiana

EXHIBIT "A"

LOT 2, DEER RUN ESTATES, AND ADDITION TO THE CITY  
OF LAKE STATION, AS PER PLAT THEREOF, RECORDED IN  
PLAT BOOK 84, PAGE 75, IN THE OFFICE OF THE  
RECORDER OF LAKE COUNTY, INDIANA.

PIU : 14 - 19 - 0139 - 0002

