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LAND CONTRACT

2000 040781

THIS LAND CONTRACT ("Contract") has been executed this 3 day of March, by Lloyd & Joyce Geary, ("Seller"), and Gregory & Joyce Karras, ("Purchaser"):

WITNESSETH that the parties agree as follows:

Key No. 26-36-0138-28

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:

STAFFORD & TRANKLES GROVE ADD. ALL L. 33 AND ALL L. 34.

commonly known as 907 Michigan Street, Hammond, Indiana 46320, 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 shall be the sum of Forty Thousand Dollars (40,000), ("Purchase Price"), which Purchaser (jointly and severally, if more than one) agrees to pay Seller in accordance with the terms and conditions of this contract, without relief from valuation and appraisal laws and with reasonable attorneys' 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) Purchaser shall pay the sum of Ten Thousand Dollars (\$10,000.00) upon execution and delivery of this Contract to Seller by Purchaser and Seller acknowledges receipt of such payment. Seller to pay zero (\$0.00) towards purchaser's closing cost.

(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 Six Percent (6.00%) per annum. Computed from the date hereof on monthly unpaid Contract Balance at the Per Annum Rate, in equal monthly installments of One Hundred and Eighty Dollars (\$180.00) per month for seven (24) consecutive months. Also Buyer has agree to pay to Seller taxes and insurance, see Taxes and Insurance for details. The total monthly installment of Two Hundred and Fourteen Dollars and 73/100 (\$214.73). Total monthly installment payments shall commence on March 1, 2000, and shall continue thereafter on the 1<sup>st</sup> day of each successive calendar month until the entire Contract Balance, together with all accrued interest thereon, has been paid in full; any payment made 15 days after the scheduled date shall include a late fee of twenty five dollars (\$25). Any unpaid amount due hereunder shall become due on the 18<sup>th</sup> day.

(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 811 W. Overland Road, Payson, Arizona 85541 or to such other places or person as Seller may direct by written notice to Purchaser.

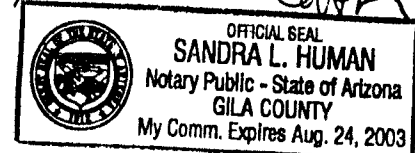
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JUN 09 2000

PETER BENJAMIN LAKE COUNTY AUDITOR

01944

Renee Karras  
153 S. College  
Valparaiso, IN 46383  
18 am



2. Taxes and Insurance.

(a) Taxes. Seller shall pay the taxes on the Real Estate. Seller has supplied that, currently, as of December 1999, taxes are Forty-Four Dollars and 76/100 (\$44.76) per annum. Seller and Buyer have agreed to prorate taxes and add into the contract monthly installment Buyer is to pay to Seller.

(b) Assessments. Unless accounted for through pro-ration or payment at closing, Purchaser shall pay all assessments for the Real Estate becoming a lien after March 1, 2000. Seller covenants and agrees to pay all such assessments becoming a lien prior to such date.

(c) Insurance. Purchaser will pay insurance for the current year (2000) in the sum of Thirty One Dollars (\$31.00) per month for a total sum of Three Hundred and Seventy Two Dollars (\$372.00); said sum subject to change next year. Seller also agrees to provide a copy of insurance invoice that Purchaser has paid for that year. Buyer and Seller have agreed to add into installment payment the agreed said sum of insurance for said property.

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 day of closing.

4. Evidence of Title. Seller has furnished to Purchaser, at Seller's expense, a binder for an owner's policy of title insurance ("Title Binder") issued by NA Title Company, by which such title insurance company will agree to insure, in the full amount of the Purchase Price, merchantable title to Purchaser. All further evidence of title shall be at Purchaser's expense.

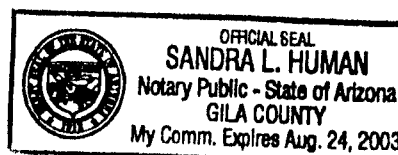
5. Warranties of Seller. Seller hereby warrants that Seller has good and merchantable title to the Real Estate, free and clear of any and all liens, leases, restrictions and encumbrances, except as follows:

- (a) Easements and restrictions of record as disclosed in the Title Binder; and
- (b) Current real estate taxes not yet delinquent.

Seller further represents and warrants the following as of the date hereof; Seller has made no contract to sell all or part of the Real Estate to any person other than the Purchaser; Seller has not given to any person an option, which is presently 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 judgement 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; and Seller is neither principal nor surety on any bond payable to the State of Indiana.

6. Seller' Right to Mortgage Real Estate. Seller 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 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. Seller currently owes the sum of -0- on a first mortgage on the property to -0-. All sums paid by Purchaser to Seller will be applied directly to such mortgage until such time as said mortgage is paid in full.

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. If the Real Estate or any part thereof is taken or damaged pursuant to an exercise or threat of exercise of 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 Seller'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, the Contract Balance is paid in full, then Seller shall pay the balance to Purchaser.

8. **Mechanic's Liens.** 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, Seller, at Seller'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 foreclose the lien, Purchaser, upon demand by Seller, shall 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, the furnishing of any material that would permit the attaching of a valid mechanic's lien.

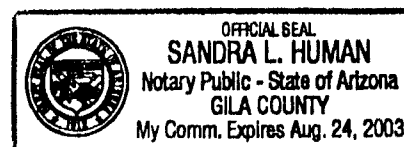
9. **Indemnification and Release.** Regardless of whether or not separate, several, joint or concurrent liability may be imposed upon Seller, Purchaser shall indemnify and hold harmless Seller from and against all damages, claims and liability arising from or connected with Purchaser's control or use of the Real Estate, including, without limitation, any damage or injury to person or property. This indemnification shall not include any matter for which the Seller is (effectively) protected by insurance. If Seller without fault, shall become a party to litigation commenced by or against Purchaser, then Purchaser shall indemnify and hold Seller harmless. The indemnification provided by this paragraph shall include all legal costs and attorney's fees incurred by Seller in connection with any such claim, action or proceeding. Purchaser hereby releases Seller from all liability for any accident, damage or injury caused to person or property on or about the Real Estate. 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 such amounts as are satisfactory to Seller, insuring the Seller's liability as well as the Purchaser's and providing Seller a copy of such insurance coverage at closing.

10. **Use of the Real Estate by Purchaser; Vendor's Right of Inspection; Purchaser's Responsibility for Accidents.**

(a) **Use.** Without Seller's written consent the Real Estate shall not be rented, leased or occupied by persons other than Purchaser and his immediate family. No additional improvements shall be placed on the Real Estate without the prior written consent of Seller. Purchaser, at Purchaser's expense, shall use the Real Estate and the improvements thereon carefully and shall keep the same in good repair. Purchaser shall not commit waste on the Real Estate and, with respect to occupancy and use of the Real Estate, shall comply with all laws, ordinances, and regulation of any governmental authority having jurisdiction thereof.

(b) **Seller's Right of Inspection.** Until the Purchase Price and all interest thereon is paid in full, Seller from time to time and at reasonable times, peaceably may enter and inspect the Real Estate.

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 thereon, shall at the option of Seller, become immediately due and payable without any notice, presentment, demand, protest, notice of protest, or other notice or demand of any kind, all of which are hereby expressly waived by Purchaser, and Seller 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 Seller'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 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) 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) Purchaser (i) institutes or consents to any proceedings in insolvency, or for the adjustment, liquidation, extension or composition 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; provided, however, this paragraph (d) shall not apply to any proceeding in bankruptcy;

(e) Any part of 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 representative of any court, or Purchaser consents, agrees or acquiesces to the appointment of any such receiver or trustee;

(f) Desertion or abandonment of the Real Estate, or any part thereof, by Purchaser;

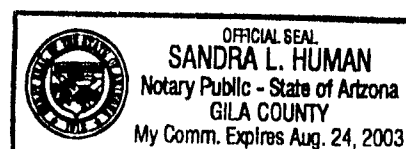
(g) Sale, transfer, conveyance or other disposition of Purchaser's interest in this Contract or Purchaser's interest in the Real Estate, or any part thereof, without Seller's prior written consent.

It is expressly agreed by Purchaser that, unless Purchaser shall have paid more than Eight Thousand and 00/100 Dollars (\$8,000.00) of the Purchase Price, Seller may, at Seller'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 applicable law. 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 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. Such retention shall not bar Seller's right to recover damages for unlawful detention of the Real Estate after default, for any failure to pay taxes or insurance, for failure to maintain the Real Estate at any time, for waste including reasonable attorney's fees incurred by Seller in enforcing any right hereunder or in removing any encumbrance on the Real Estate made or suffered by Purchaser.

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

12. Additional Covenants and Representations of Seller. Seller agrees and covenants to convey the Real Estate to Purchaser by General 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, the terms of this Contract, are to be paid by Purchaser.

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 word 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 mails by certified or registered mail, postage prepaid.

(a) If to Sellers, at

(b) If to Purchasers, at

Such address may be changed by either party by written advice as to the new address delivered to the other party as above provided.

Whenever consent is required of either party hereunder for the occurrence of any act, such consent shall not unreasonably be withheld.

14. Recording. This agreement may be recorded by either party.

IN WITNESS WHEREOF, Seller and Purchaser have executed this instrument on this 3 day of March, 2000.

*[Signature]*  
Seller  
*[Signature]*  
Purchaser

*[Signature]*  
Seller  
*[Signature]*  
Purchaser

State of Arizona  
Gila County

on March 3, 2000

Sandra J Human



State of Indiana  
Porter County

My comm. Expires April 15, 2003

Melissa Greich, Notary

