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STATE OF INDIANA  
**CONTRACT FOR SALE AND PURCHASE  
OF RESIDENTIAL REAL ESTATE**

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THIS CONTRACT is made and entered into by and between SAMUEL HARRIS and MILDRED HARRIS, husband and wife (SELLER) and MARK D. JONES (BUYER).

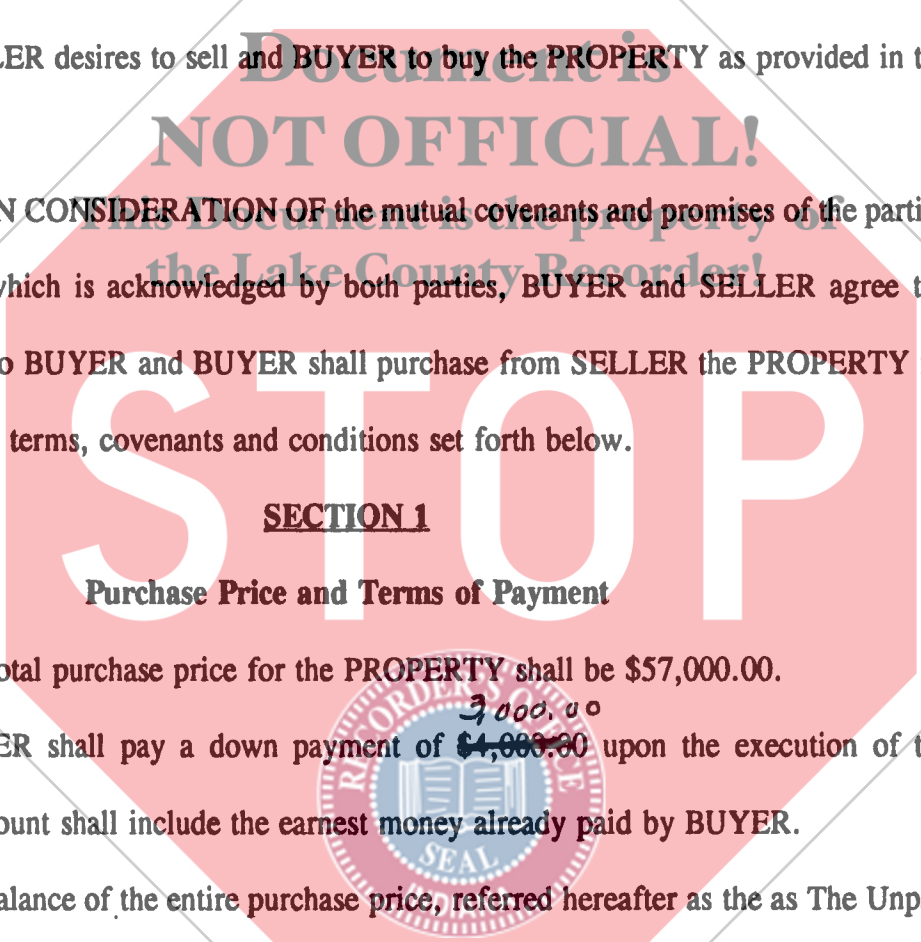
**RECITALS**

1. SELLER is the owner, subject to certain encumbrances, of residential Real Estate and improvements situated in Hammond, Lake County, Indiana, more particularly described in Exhibit "A" attached hereto (hereinafter referred to as the PROPERTY).

2. PROPERTY consists of a residential dwelling house with accompanying out buildings located at 3605 - 165th Street, Hammond, Lake County, Indiana 46323.

3. SELLER desires to sell and BUYER to buy the PROPERTY as provided in this Contract.

FOR AND IN CONSIDERATION OF the mutual covenants and promises of the parties, the sufficiency of which is acknowledged by both parties, BUYER and SELLER agree that SELLER shall sell to BUYER and BUYER shall purchase from SELLER the PROPERTY for the price and on the terms, covenants and conditions set forth below.



**SECTION 1**

**Purchase Price and Terms of Payment**

1.1 The total purchase price for the PROPERTY shall be \$57,000.00.

M.G. S.H. M.H.

1.2 a. BUYER shall pay a down payment of ~~\$4,000.00~~<sup>3,000.00</sup> upon the execution of this Contract, which amount shall include the earnest money already paid by BUYER.

b. The balance of the entire purchase price, referred hereafter as the as The Unpaid Purchase Price, of \$53,000.00 shall bear interest at the rate of 7% per annum amortized over 30 years and shall be paid in 23 equal monthly installments in the amount of \$352.62 each commencing May 1, 1999 and on the first day of each month thereafter and a final 24th payment constituting the entire balance of The Unpaid Purchase Price, shall be paid in full. All payments shall be made in accordance with the schedule attached and marked Exhibit B.

c. Extension of Term of Contract. If at any time during the 24-month term of this Contract the prevailing note of interest for residential mortgage loans rises to 9% or higher, or SELLER fails to obtain FHA approval and certification as provided in Section 11.6 below, BUYER shall have the right, upon written notice to SELLER at any time prior to 30 days before

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the final payment due hereunder, to extend this Contract for an additional 12 months upon the same terms and conditions as set forth herein.

In addition, if at any time during the 12-month extension term of this Contract, the prevailing note of interest for residential mortgage loans rises or remains at 9% or higher, or SELLER fails to obtain FHA certification and approval as provided in Section 11.6 below, BUYER shall have the right upon written notice to SELLER at any time prior to 30 days before the final payment due hereunder, to extend this Contract for an additional 12 months upon the same terms and conditions as set forth herein; and further, shall have the right to succeeding 12 month extensions of the term of this Contract upon the same terms and conditions as set forth herein; if the prevailing rate of interest for residential mortgage loans rises to or remains at 9% or higher during any succeeding 12 month term, or SELLER fails to obtain FHA approval and certification as provided in Section 11.6 below; so long as BUYER provides written notice to SELLER of such extension prior to 30 days before the final payment for any succeeding extension would be due.

d. All payments shall be made to SELLER at 2927 West 17th Avenue, Gary, Indiana 46404 or at such other address as SELLER shall designate in writing.

## SECTION 2

### Prepayment of Purchase Price

2.1 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

3.1 Taxes. Taxes shall be pro-rated as of ~~May 1, 1999~~ with SELLER giving to BUYER a credit for all taxes due and payable prior to ~~May 1, 1999~~. BUYER shall then pay taxes beginning with the installment payable in May, 1999 together with all installments of real estate taxes due and payable thereafter. 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 PROPERTY. SELLER shall forward or cause to be forwarded to BUYER, when received, a copy of all statements for taxes and any assessments on the Property which are payable by BUYER hereunder; and BUYER shall provide to SELLER, upon request, evidence of payment of such taxes and assessments.

3.2 Assessments. BUYER agrees to pay any assessments or charges upon or applying to the PROPERTY for public or municipal improvements or services which, after the date of this Contract, are assessed or charged to the PROPERTY. SELLER agrees to pay any other assessment or charges, to and including the date of this Contract.

3.3 Penalties. The parties hereto 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 Section 3.

3.4 Insurance. At all times during the period of his Contract, BUYER shall: keep the improvements located upon PROPERTY insured under fire and extended coverage policies in an amount not less than the Unpaid Purchase Price and obtain standard liability insurance with coverages in amounts not less than ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) per person and FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) per occurrence, and pay premiums on such insurance policies as they become due. Such policies of insurance shall be carried with a company or companies approved by SELLER and properly authorized by the State of Indiana to engage in such business. Such policies of insurance shall also be issued in the name of SELLER and BUYER, as their respective interest may appear, shall be held by SELLER for the benefit of SELLER and BUYER as their interests 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. BUYER shall provide SELLER with such proof of insurance coverage as SELLER from time to time shall reasonably request. Except as otherwise agreed in writing, any insurance proceeds received as payment for any loss of, or damage to, the PROPERTY covered by such 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 BUYER under this Contract on the date of receipt of such proceeds. In either of such events, the proceeds may be



applied, as SELLER'S option toward prepayment of the Unpaid Purchase Price, with any excess to be paid to BUYER. SELLER shall hold said insurance policies for the benefit of the parties.

**3.5 Rights of Parties to Perform Other's Covenants.**

(1) If one of the parties hereto (hereinafter called "Responsible Party") fails to perform any act or to make any payment required by 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, and (b) the exercise of such right by a 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 his for a subsequent failure by the Responsible Party to perform any act or make any payment required by him 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 his option, either (i) be paid to him by the Responsible Party within thirty (30) days after written demand therefor; 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.

**3.6 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 PROPERTY for public or quasi-public purposes, and no such taking shall constitute a failure of consideration or cause for rescission of this Contract by BUYER. Should all or any part of the PROPERTY be condemned and sold by court order, or sold under the threat of condemnation to any public or quasi-public body, the net amount received for the damaged portion shall be retained by

BUYER, and the net amount received for the PROPERTY 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 advisers, 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 PROPERTY. If no determination is made of separate amounts for damages and PROPERTY 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**

4.1 **Delivery of Possession.** SELLER shall deliver to BUYER full and complete possession of the PROPERTY on or before May 1, 1999.

**SECTION 5**

**Evidence of Title**

5.1 **Title Evidence.** SELLER warrants good and marketable title to the PROPERTY, and has furnished BUYER a Commitment to Issue an Owner's Policy of Title Insurance in the amount of the Purchase Price disclosing marketable title to the Real Estate to the date of said Commitment subject to the exceptions set forth in said Commitment.

5.2 **Additional Title Evidence.** Any additional title evidence shall be at the expense of BUYER, provided, however, that the cost of additional title evidence necessitated by the acts or omissions of SELLER shall be borne by SELLER.

5.3 **Conveyance of Title.** SELLER covenants and agrees that upon the payment of all sums due under this Contract and that 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 PROPERTY.

5.4 **Survey.** SELLER shall provide BUYER at SELLER'S expense an unstaked survey of the PROPERTY.

**SECTION 6**

**Seller's Right to Mortgage the Real Estate**

6.1 SELLER shall not have the right to retain, obtain, renew, extend or renegotiate a loan or loans secured by mortgages on the PROPERTY. SELLER warrants and represents that there are no liens of any kind or nature upon any of the equipment, fixtures or other personal property being purchased hereunder by BUYER.

**SECTION 7**

**Assignment of Contract or Sale of Interest in Real Estate**

7.1 Assignment or Sale. BUYER may ~~not~~ sell or assign this Contract, or lease the real estate to another person or entity, without the prior written consent of SELLER, which consent shall not be unreasonably withheld.

*M.J. S.H. M.H.* 7.2 Notice of Assignment or Sale. If BUYER wishes to assign BUYER's interest in this Contract or sell BUYER'S interest in the PROPERTY, SELLER shall be furnished in writing a notice containing the full name, address, place of employment, telephone number of the prospective assignee or purchaser from BUYER, as well as a financial statement showing their assets, liabilities and income and expenses. Within thirty (30) days of such notice, SELLER shall either approve or disapprove in writing the assignment or sale. If SELLER fails to act within thirty (30) days after such notice, SELLER'S approval shall be deemed given.

7.3 ~~Liability. No assignment or sale shall operate to relieve either party from liability hereon.~~

**SECTION 8**

**Use of the Property by Buyer; Seller's Right to Inspection**

8.1 Improvements. BUYER may materially alter, change, or remove any improvements now or hereafter located on the PROPERTY, 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 mechanic's, laborer's, materialmen's or any other lien or encumbrance to be placed against the PROPERTY during the term of this Contract. BUYER agrees that the PROPERTY is, as of the date of this Contract, in good condition, order, and repair, and BUYER shall, at his own expense, maintain the PROPERTY 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 or to the PROPERTY, and, with respect to occupancy and use, shall comply with all laws, ordinances and regulations of any governmental authority having jurisdiction thereof.

8.2 Inspection. SELLER shall have the right to enter and inspect the PROPERTY at any reasonable time upon a minimum forty-eight (48) hours notice to BUYER.

8.3 Buyer's Responsibility for Accidents. BUYER assumes all risk and responsibility for injury or damage to person or property arising from BUYER'S use and control of the PROPERTY, and shall indemnify and hold harmless SELLER thereon.

8.4 Neither BUYER nor SELLER shall permit a mechanics lien or any other encumbrance whatsoever to attach to the PROPERTY.

## SECTION 9

### **Buyer's Default and Seller's Remedies**

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

9.2 Buyer's Default. Upon the occurrence of any Event of Default, as hereafter 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 PROPERTY.

9.3 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 ten (10) days to pay any payment required to be made by BUYER to SELLER under this Contract when and as it becomes due and payable. BUYER shall pay a late charge of Five Dollars (\$5.00) per day after ten (10) days after BUYER may fail to make a required payment.

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

(c) Causing or permitting by BUYER of the making of any levy, seizure or attachment of the PROPERTY or any part thereof.

(d) Occurrence of an uninsured loss with respect to the PROPERTY or any 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 PROPERTY.

(f) Desertion or abandonment by BUYER of any portion of the PROPERTY.

(g) Actual or threatened alteration, demolition, waste or removal of any improvement now or hereafter located on the PROPERTY, 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.

(i) In the event of a default, all improvements to the PROPERTY, whether complete or not, shall remain with the PROPERTY and become property of the SELLER.

9.4 Seller's Remedies. Upon the occurrence of an Event of Default, SELLER shall elect his remedy under Subsection 9.41 or 9.42.

9.41 SELLER may declare this Contract forfeited and terminated, and upon such declaration, all right, title and interest of BUYER in and to the PROPERTY 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 PROPERTY 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 PROPERTY;

(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 PROPERTY 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 9.41 (b) above;

(d) due and unpaid 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 PROPERTY 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

9.42 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.

9.43 In the event BUYER has substantial equity in the PROPERTY 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 9.041 or 9.042. If this Subsection 9.043 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 PROPERTY. The parties agree that after BUYER has paid \$10,000.00 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 PROPERTY.

9.5 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 PROPERTY 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 PROPERTY in accordance with Indiana law.

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

#### **SECTION 10**

##### **Seller's Default and Buyer's Remedies**

10.1 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.

10.2 If, after seven (7) 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 11**

### **General Agreements**

11.1 All persons signing this Contract as SELLER and BUYER shall be jointly and severally bound.

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

11.3 A memorandum of this Contract may be recorded and shall be adequate notice of the provisions of this Contract as though the entire instrument had been recorded.

11.4 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.

11.5 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.

11.6 SELLER shall replace the three bedroom windows on the west side of the house located on the PROPERTY and shall obtain the approval and certification of the Federal Housing Authority (FHA) for the roof, heating and garage addition within 24 months of the execution of this Contract and do and perform, at SELLER'S expense, all repairs necessary to obtain said FHA approval and certification. If said FHA approval and certification is not obtained within 24 months, this Contract may be extended by BUYER as provided in Section 1.2 c. above.

11.7 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.

11.8 Any realtor's commission falling due as a result of the sale and purchase of the PROPERTY shall be paid solely by the SELLER.

IN WITNESS WHEREOF, SELLER and BUYER have executed this Contract in duplicate on this 23<sup>rd</sup> day of June, 1999.

SELLER

BUYER

Samuel Harris  
SAMUEL HARRIS

Mark D. Jones  
MARK D. JONES

Mildred Harris  
MILDRED HARRIS

**Document is  
NOT OFFICIAL!**

**This Document is the property of  
the Lake County Recorder!**

STATE OF INDIANA )  
                          ) SS:  
COUNTY OF LAKE )

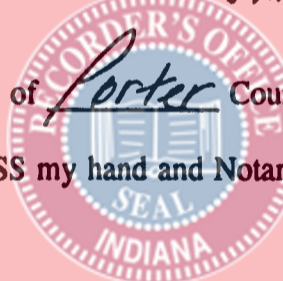
Before me a Notary Public in and for said County and State this 23<sup>rd</sup> day of June, 1999 personally appeared SAMUEL HARRIS and MILDRED HARRIS, husband and wife and MARK D. JONES and acknowledged the execution of the above and foregoing Contract for Conditional Sale of Real Estate to be their voluntary act and deed.

Doretha Kurzinski  
Notary Public DORETHA KURZINSKI

My Commission Expires:  
11-5-06

Resident of Porter County

WITNESS my hand and Notarial Seal.



THIS INSTRUMENT PREPARED BY: JOHN M. SEDIA #237-45, Attorney for Buyer  
2633 - 45th St., Highland, IN 46322  
(219) 924-0770



The West 10 feet of Lot 28, all of Lot 29 and that part of vacated 165th Street adjoining said Lots, Block 3, I.P. Pritchard's 2nd Addition to the City of Hammond, as shown in Plat Book 11, page 28, in Lake County, Indiana.

Commonly known as: 3605 - 165th Street, Hammond, Indiana 46323

Tax Key # (26)35-0249-0029



Exhibit "A"

25x10