

**LAND CONTRACT FOR SALE OF REAL ESTATE**

THIS LAND CONTRACT, made by and between the Estate of Irene Kolas, Deceased, Patricia I. Kolas, Executrix, as Seller, and Thomas W. Eriks and Debra L. Eriks, Husband and Wife, as Purchasers, WITNESSES:

1. The Seller hereby sells, and the Purchasers hereby purchase, the following described real estate, together with all improvements thereon, located at 5836 W. 29<sup>th</sup> Place, in the City of Gary, Lake County, Indiana, to-wit:

Lot 8, Block 1, J.L. Wein's Black Oak Subdivision, as shown in Plat Book 29, page 11, in the office of the Recorder of Lake County, Indiana. Key No.: 49-487-8; Tax Unit No. 41.

2. The purchase price shall be the sum of \$25,000.00, which Purchasers agree to pay in accordance with the terms and conditions of this Contract, without relief from valuation and appraisal laws and with reasonable attorney fees.

3. The purchase price shall be paid as follows:

A. The amount of \$9,600.00 shall be considered as paid down. This represents the rent that has been paid since July 1, 1998, and is being credited by the Seller toward the down-payment due under this contract.

B. The balance of \$15,400.00 shall be paid in equal monthly installments of \$485.00 per month. This figure shall include the amount of \$85.00 per month to be held in an escrow account by Seller for payment of taxes as they come due. The \$400.00 remaining after deduction of the tax escrow amount of \$85.00 shall be credited against the unpaid balance. Payments shall be made beginning on August 15<sup>th</sup>, 2000, and shall be made on or before the 15<sup>th</sup> day of each successive month thereafter until the unpaid balance has been paid in full. The payments shall be adjusted annually to reflect an increase in the real estate taxes, if there is any. Otherwise, the payments shall remain the same. If there is an increase in real estate taxes, then the amount paid toward the escrow account shall increase to cover them. If, on the other hand, the annual review of the tax amount should reveal a decrease in real estate taxes, then the amount payable monthly toward the tax escrow account shall be decreased accordingly.

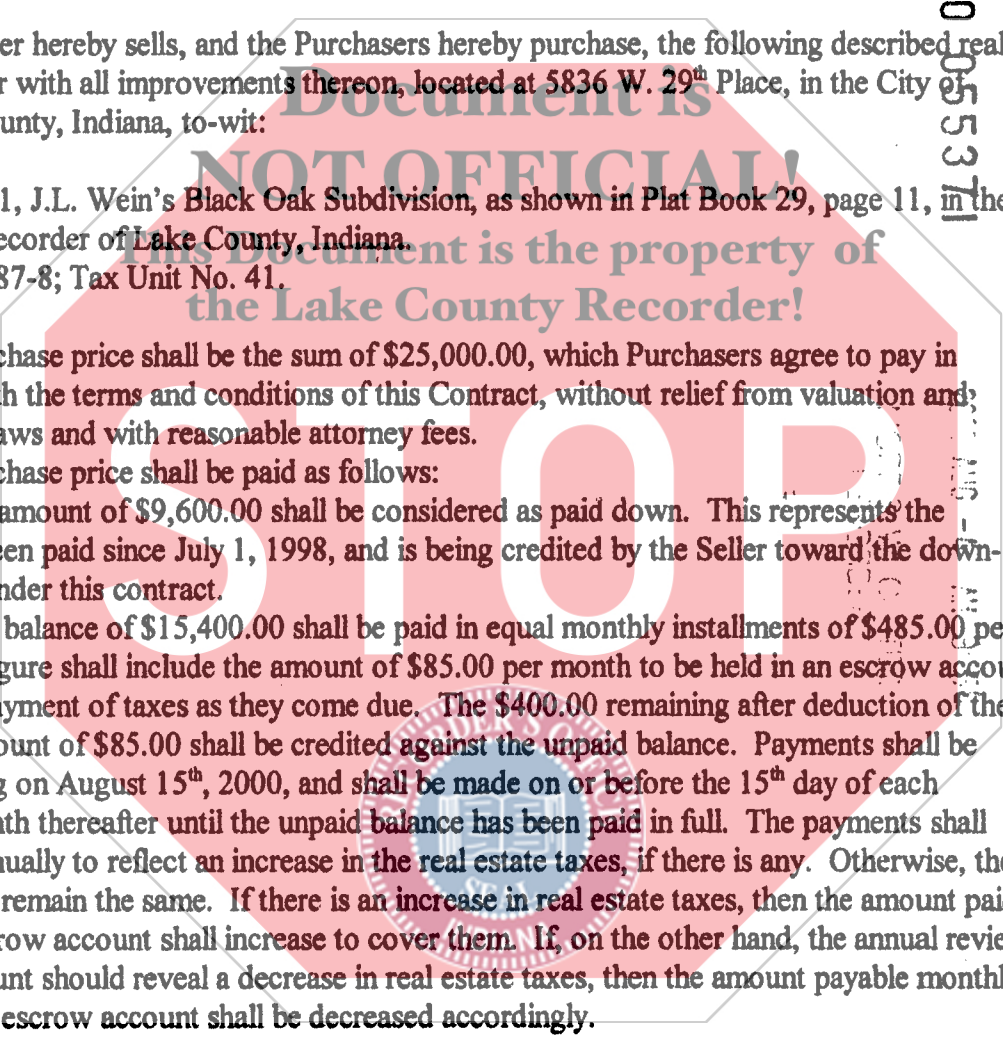
4. The Purchasers shall have the right to prepay on this contract in any amount on any installment payment date. No partial prepayment of the contract balance shall relieve the Purchasers from their obligation to continue to make scheduled payments as they come due and payable. All payments made by Purchasers, including Prepayments, shall be applied first to interest due and payable, if any, and then to the principal balance. The contract balance shall not bear interest unless payments are in default, at which time interest shall become due and payable on the unpaid balance at the rate of 8% per annum. The contract shall not be considered to be in default of payment as long as all payments called for have been made.

5. Taxes for 1999 payable in 2000 are payable by the Seller. Taxes for 2000 payable in 2001 shall be pro-rated between the parties as of the date of execution of this contract. Thereafter taxes shall be the responsibility of the Purchasers. Seller shall pay same from the escrowed funds on hand provided by the Purchasers pursuant to paragraph 3 of this contract.

6. Purchaser shall pay all assessments becoming a lien on the real estate from and after

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the date of this contract. Seller promises and agrees to pay all such assessments becoming a lien prior to the date of this contract.

7. The Purchasers shall obtain and maintain fire and extended coverage insurance on the premises, at purchasers' expense. This insurance shall be in an amount not less than the contract balance, although the Purchasers may insure the property for more than that amount, if they so desire. The insurance shall be issued in the named of the Purchasers and the Seller, which shall initially be The Estate of Irene Kolas, Deceased, and, after closing of the estate and deeding of the real estate to the beneficiary, shall be "Ancilla Domini Sisters, Inc.". The Purchasers shall obtain and furnish the Seller with a copy of the insurance policy on the premises, and shall also furnish Seller with a copy of any amended policy or policy terms. Upon a loss, policy proceeds shall be payable first to repair of the premises, unless they are in such condition as to be irreparable, in which event the proceeds shall first be applied to any unpaid balance due under this contract, and only then shall the remainder of such policy proceeds be paid to Purchasers.

8. Upon failure of the Purchasers to pay taxes, assessments, or to provide insurance as called for by this Contract, the Seller shall have the right to pay same and to add the amount of such payment to the unpaid balance due under this contract, to be paid for with interest at the rate of eight percent (8%) per annum.

9. It is agreed and understood between the parties that from and after the date of execution of this contract, the Purchasers shall be the owners in fact of the real estate. They are already in possession of same. They shall as owners be entitled to make any and all improvements to the real estate that they may desire. However, prior to any major remodeling projects that would alter the existing structure of the property appreciably, Purchasers shall be required to submit to Seller a proposal in writing of their intentions and obtain authorization of Seller to make such major changes.

10. Seller shall furnish the Purchasers with a commitment for title insurance in the amount of the sale price, \$25,000.00, issued by a reliable title insurance company, looking toward the issuance of a contract purchasers' policy. Upon execution of this contract, it shall be recorded, and the contract purchasers' policy shall be issued in the names of the Purchasers. All expenses of such recording and policy issuance shall be paid by Seller.

11. When the Purchasers have completed payment of the purchase price and all further amounts they may be required to pay by the terms of this contract, the Seller shall convey legal title to them by Seller's warranty deed, subject only to covenants and restrictions, easements, and taxes.

12. Seller shall not have the right to place a mortgage on the real estate. Purchasers shall have the right to place a mortgage on the property, provided that out of the proceeds of any such mortgage the Seller is paid in full.

13. The term Purchasers as used herein shall be interchangeable and mean the same as the word Purchaser. The terms Seller shall be interchangeable and mean the same as the word Vendor. The 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 Hon. If any such Statement of Intention to hold a Mechanic's Lien shall be filed and an action commenced to foreclose the Hon, Purchaser, upon demand by Vendor, 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, 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.

**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 limitation, any damage or injury to person or property. This indemnification shall not include any matter for which the Vendor is effectively protected 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 attorneys' 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 (whether or not due to negligence on the part of Vendor) (excepting liability of Vendor for Vendor's negligence) and notwithstanding whether such acts or omissions be active or passive.

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

(a) **Use.** The Real Estate shall not be rented, leased or occupied by persons other than Purchasers' family & friends. None of the improvements now or hereafter located on the Real Estate shall be materially changed, remodeled, or altered without the prior written consent of Vendor. No additional improvements shall be placed on the Real Estate without the prior written consent of Vendor. 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 regulations of any governmental authority having jurisdiction thereof.

(b) **Vendor's Right of Inspection.** Until the Purchase Price and all interest thereon is paid in full, Vendor from time to time and at reasonable times, peaceably 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 such amounts as are satisfactory to Vendor, insuring the Vendor's liability as well as the Purchaser's.

**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 Vendor, become immediately due and payable without any notice, presentment, demand, protest, notice of protest, or other notice or 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 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 60 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 representatives 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) Actual or threatened alteration, demolition or removal of any improvements which are a part of the Real Estate, except as expressly allowed by the terms of this Contract;

(h) 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 Vendor's prior written consent.

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 and

by virtue of this Contract, then it is expressly agreed by Purchaser that, unless Purchaser shall have paid more than ten thousand Dollars (\$ 10,000 ) of the Purchase Price, 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 applicable law. In the event of Vendor'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 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. Such retention shall not bar Vendor'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 committed thereon or for any other damages suffered by Vendor, including reasonable attorneys' 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.

**Additional Covenants and Representations of Vendor.** 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 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, by the terms of this Contract, are to be paid by Purchaser.

**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.

(1) If to Vendor, at the address at which payments to Vendor are to be made.

(2) If to Purchaser, at (insert address):  
5836 W. 29th Place, Gary, IN 46406

Such addresses 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.

**Recording.** This agreement may be recorded by Purchaser, at Purchaser's expense.

IN WITNESS WHEREOF, Vendor and Purchaser have executed this instrument on this 22nd day of July, 2000

Signature <u>Thomas W. Eriks</u>	Signature <u>THE ESTATE OF IRENE KOLAS, DECEASED</u>
Printed <u>THOMAS W. ERIKS</u>	Printed <u>BY: Patricia I. Kolas, Executrix</u>
Signature <u>Debra L. Eriks</u>	Signature <u>PATRICIA I. KOLAS, EXECUTRIX</u>
Printed <u>DEBRA L. ERIKS</u>	Printed _____
PURCHASER	VENDOR

**Vendor's Acknowledgment**

STATE OF INDIANA  
COUNTY OF LAKE SS:

Before me, a Notary Public in and for said County and State, personally appeared THOMAS W. ERIKS and DEBRA L. ERIKS

who acknowledged the execution of the foregoing Land Contract.  
Witness my hand and Notary Seal this 22nd day of July, 2000.  
My commission expires 7-6-2001  
Signature Latabelle Wallingford  
Printed Latabelle Wallingford Notary Public  
Residing in Lake County, Indiana  
This instrument was prepared by James R. Bielefeld attorney at law.