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*Chas. J. Kent
5258 Hammond
Hammond*

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AGREEMENT

THIS AGREEMENT made this 10th day of October, 1980, by and between JACK VAUGHN, an unmarried man, of the City of Hammond, Lake County, Indiana (hereinafter referred to as "SELLER") and ADRIAN Dearmond and SALLY Dearmond, husband and wife, of the City of Hammond, Lake County, Indiana, (hereinafter referred to as "PURCHASERS").

STATE OF INDIANA
COUNTY OF LAKE
RECORDED
OCT 11 11 21 AM '80
RICHARD GIELSKI JR.
RECORDER

WITNESSETH:

WHEREAS, the Seller is now presently engaged in a tavern business in the City of Hammond, Lake County, Indiana, in premises owned by him and located at 821 Hoffman Street, Hammond, Indiana, known and operating under the name and style of "Rocky's Tap", and

WHEREAS, the Purchasers are desirous of purchasing said tavern business and said premises, together with the premises located at 821 Hoffman Street, Hammond, Indiana, and the Seller has agreed to sell to the said Purchasers all of his right, title and interest in and to said tavern business, including the good will thereof and the use of said trade name, and all right, title and interest of Seller in and to the real estate hereinafter legally described.

NOW, THEREFORE, in consideration of the terms, conditions, covenants and agreements hereinafter set forth, it is mutually agreed as follows:

1. SALE OF BUSINESS AND REAL ESTATE. The Seller agrees to sell, and the Purchasers agree to buy the tavern business owned and conducted by the Seller at the premises known as 821 Hoffman Street, Hammond, Indiana, including, but not limited to the following assets and the real estate and building located therein, commonly described as 821 Hoffman Street, Hammond, Indiana, said legal description being:

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Lots 20 and 21, Block 5, Birkhoff's
Addition to Hammond, as shown in Plat
Book 5, Page 7, in Lake County, Indiana.

the good will of the business as a going concern, the name "Rocky's Tap", and furniture, fixtures, and equipment, and utensils used in the business, and all other property (except cash) used by the Seller in such business.

2. INVENTORY. Purchasers agree to buy at Seller's cost the inventory (beer, wine and liquor) located at said premises for cash at closing. Upon execution of this contract, parties agree to immediately inspect said inventory and reach an agreement on the reasonable value of said inventory.

3. POSSESSION. Purchasers shall take possession of business immediately upon execution of this agreement. However, they shall not take possession of rental units connected with said real estate until thirty (30) days after execution of this agreement.

4. PURCHASE PRICE. The purchase price shall be Sixty Thousand and no/100 Dollars (\$60,000.00) (\$35,000.00 for the real estate and \$25,000.00 for the business, fixtures, equipment, liquor license, etc.)

5. PAYMENT OF PURCHASE PRICE. The purchase price shall be payable to Purchasers in the manner following:

a. Twenty Thousand and no/100 Dollars (\$20,000.00) at the time of execution of the herein agreement.

b. Forty Thousand and no/100 Dollars (\$40,000.00) to be paid in equal monthly installments over a ten (10) year period at 14% interest per annum, computed monthly in advance on unpaid balance; to be paid in full on the 15th day of November, 1990. Payments are to commence on the 15th day of November, 1980,

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in the amount of \$ 621.07. It is expressly understood by the parties that the Purchasers can prepay the entire balance due or any part thereof without incurring interest charges and without penalty for doing so.

6. ADJUSTMENTS. Adjustments in the purchase price shall be made at the time of closing for the following: insurance premiums, deposits with utility companies, payroll and payroll taxes. The net amount of these adjustments shall be an increase or decrease of the purchase price and any difference shall be paid in cash at the time of the closing.

7. REPRESENTATIONS BY SELLER. The Seller warrants and represents unto the Purchasers as follows:

a. The Seller is the owner of and has good and marketable title to all the assets enumerated in this agreement and the real estate herein.

b. The Seller has a liquor license No. RR 4502338 heretofore issued by the State of Indiana, and said license has never been suspended or revoked.

c. To Seller's knowledge, Seller has complied with any and all laws, rules and regulations of the city, state and federal government, and warrants that he has received no notice from any city or other authority of a building violation.

d. Seller has not entered into a contract to sell nor has he mortgaged the business or a portion thereof.

e. Seller has not entered into any contracts relating to the business except as shown.

f. There are no judgments, actions or proceedings pending against him in any court.

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8. REPRESENTATIONS BY PURCHASERS. The Purchasers warrant and represent as follows:

a. No liquor license ever issued to the Purchasers has ever been suspended or revoked.

b. Purchasers know of no reason why their application for a liquor license should be denied or upon a transfer herein, should not be approved by the proper authority.

c. Purchasers have inspected and are familiar with the premises and with the physical condition of all furniture, fixtures and equipment therein.

9. INSURANCE. At Purchasers' option, Seller shall assign any and all existing insurance policies including, but not limited to fire, OLT, and appropriate proration of the premiums for said policies shall be made where necessary; and Purchasers shall keep same in effect and pay premiums when due. Copy of said policy shall be shown to Sellers and Sellers shall be listed on same as named insured.

10. TAXES, ASSIGNMENTS AND PENALTIES.

a. Taxes. Purchasers agree to assume and pay the taxes on the real estate beginning with the installment payable November, 1980, and all installments of taxes due and payable thereafter.

b. Assessments. Purchasers agree to pay any assessment or charges upon or applying to the real estate for public or municipal improvements or services which, after the date of this agreement, are constructed or installed on or about the real estate or otherwise serve the real estate.

c. Penalties. Purchasers 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.

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d. Seller's Right to Perform Buyer's Covenants. If Purchasers fail to perform any act or to make any payment required of them by this agreement, Seller shall have the right at any time, 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 Seller to perform any act or to make any payment required of Purchasers.

The exercise of the right by Seller shall not constitute a release of any obligation of Purchasers under this agreement or a waiver of any remedy given Seller under this agreement, nor shall such exercise constitute an estoppel to the exercise by Seller of any right to remedy of his for a subsequent failure by Purchasers to perform any act or make any payment required by them under this agreement.

Payments made by Seller and all costs and expenses incurred by him in connection with the exercise of such right shall, at the option of Seller, either (a) be payment to Seller by Purchasers within thirty (30) days after demand, or (b) be added to principal. In any event such payments and such costs and expenses shall bear interest from the respective dates of making payment or incurring costs and expenses.

11. TITLE. If Purchasers are not in default under this contract, Seller will furnish Purchasers with an owner's title insurance policy disclosing marketable title to the real estate to date within sixty (60) days after the final installment under this contract is paid. The title insurance policy furnished under this contract shall be in the amount of the purchase price and shall be issued by an insurer satisfactory to Purchasers. Seller covenants and agrees upon the payment of all sums due under this contract and the prompt and full performance by Purchasers of all

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covenants and agreements herein made, Seller will convey or cause to be conveyed to Purchasers, by Warranty Deed, the above described real estate subject to restrictions and easements of record as of a date on or before the date of this contract and all taxes and assessments which are Purchasers' obligations.

12. SELLER'S RIGHT TO MORTGAGE REAL ESTATE. The Seller shall have the right to obtain, without Purchasers' consent, a loan or loans secured by mortgage on the real estate, and the right to renew any such loan or loans. Seller agrees, however, that the aggregate principal balances of all such loans shall never exceed the unpaid balance of the purchase price for the real estate under this contract. If Seller encumbers the real estate by a mortgage, Purchasers shall have the right to make any omitted payment or payments and to deduct the amount thereof from payments due under this contract. Seller agrees however, that he will pay all such mortgage loans when due or at such time as Purchasers pay in full all sums due under the contract, and Seller shall obtain valid releases of all such mortgage loans when they are paid.

13. ASSIGNMENT OF CONTRACT. Purchasers may not sell or assign this contract, Purchasers' interest therein, or Purchasers' interest in the Real Estate, without the written consent to Seller; provided, however, that any such consent shall not be unreasonably withheld, and that no assignment shall operate to relieve either party from liability hereon.

14. LIQUOR LICENSE. Seller agrees to execute any documents or instruments necessary for the assignment of said liquor license to Purchasers or for the issuance of a liquor license to Purchasers. Purchasers further agree to notify the Seller if at any time they are unable to renew the said license and agree that the Seller has the right to renew the said license to protect the equity in the unpaid balance of the purchase money obligation. The Purchasers

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further agree to sign an assignment in blank with the application for transfer of license either to Jack Vaughn or whatever nominee designated by Jack Vaughn granting Seller or its nominee full authority to transfer said license to Seller after this contract is in default for a period in excess of sixty (60) days and after said Seller has demanded payment thereof.

If in the event any transfer, either the original one by Seller to Purchasers or the default transfer hereinabove set forth, becomes applicable and said default occurs within ninety (90) days of the expiration date of the liquor license, then the parties shall exercise their rights in said liquor license for a renewal via an application for renewal with the Alcoholic Beverage Commission of the State of Indiana. In connection herewith Purchasers shall also sign a renewal in blank in the event of default in accordance with the herein paragraph.

The parties further agree that from the time of closing until the date that the liquor license is officially transferred by the Alcoholic Beverage Commission to the Purchasers' names, that the Seller shall allow Purchasers to operate the business as managers and further allow Purchasers to retain all profits of the business.

15. VENDOR'S LIEN. Until the purchase price has been paid in full, the Seller shall remain the owner of all the property herein assigned and is hereby granted a vendor's lien pursuant to the appropriate provisions to the Uniform Commercial Code and Seller shall remain the owner of all property conveyed and transferred to the Purchasers by the Seller.

16. ACCOUNTS RECEIVABLE. Accounts receivable incurred prior to closing herein owed to Jack Vaughn, individually, are not assigned to Purchasers. If in the event any debt owed to Jack Vaughn is paid at tavern premises, Purchasers agree to immediately remit said amount to Jack Vaughn.

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17. SELLER'S REMEDIES ON PURCHASERS' DEFAULT. If Purchasers fail, neglect or refuse to make any payment under this contract when due or to perform any of the Purchasers' covenants, terms and conditions when and as required under this contract, Seller shall have the right to file in a court of competent jurisdiction any action to have this contract forfeited and terminated and recover from Purchasers all or any of the following: (a) possession of the real estate; (b) any installments 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 principal from the last date to which interest was paid until judgment or possession is recovered by Seller, whichever shall first occur; provided, however, that this shall not be construed as allowing Seller to recover any interest which would be included under item (b) above; (d) due and unpaid real estate taxes, assessments, charges and penalties, which Purchasers are obligated to pay under this contract; (e) premiums due and unpaid for insurance which Purchasers are obligated to buy under the terms of 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, acts of God, and public authority.

In addition to any other remedy under this contract, Seller shall have all remedies as are set out in Skendzel vs. Marshall, 301 N.E.2d 641 (1973) and any other related cases.

All sums payable under this contract are payable with accrued interest and without relief from valuation or appraisal laws. In addition to any sum payable by Purchasers under this contract, Purchasers shall pay any reasonable expenses, including attorney fees, incurred by Seller in connection with the exercise of any right or remedy under this contract.

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The failure or omission of Seller to enforce any of his rights or remedies upon any breach of any of the covenants, terms or conditions of this contract shall not bar or abridge any of his remedies upon any subsequent default.

Before Seller shall pursue any of his rights or remedies under this contract, he shall first give Purchasers written notice of the default claimed of and Purchaser shall have thirty (30) days from the posting of such notice to correct any default; provided, however, fifteen (15) days notice shall be required in the case of any default in payment of any of the monies agreed to be paid by Purchasers under this contract.

18. GENERAL AGREEMENTS OF PARTIES. All covenants hereof shall extend to and be obligatory on the heirs, personal representatives, successors and assigns of the parties. When applicable, the singular shall apply to the plural and the masculine to the feminine or the neuter. Any notices to be given hereunder shall be 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.

19. MANNER OF PAYMENT All payments due hereunder shall be made to Jack Vaughn at 5630 Almet Hammond, Ind or such other place as Seller shall designate in writing.

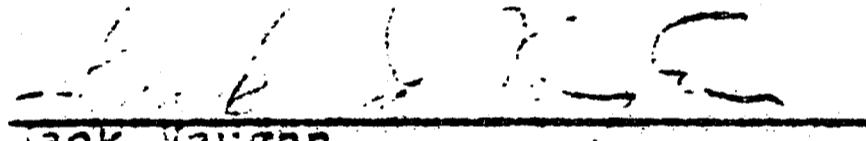
It is mutually agreed by and between said Seller and said Purchasers that all terms, conditions and agreements are contained herein and that no verbal agreements of any kind will be binding or recognized.

It is further mutually agreed by and between said Seller and said Purchasers, that the time of payment shall be of the essence

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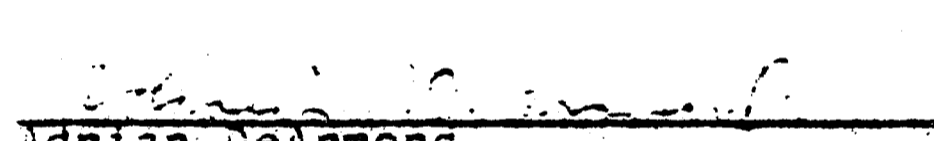
of this contract; and that the covenants and agreements herein contained shall extend to and be obligatory upon the heirs, executors, administrator and assigns of the respective parties.

SELLER:



Jack Vaughn

PURCHASERS:



Adrian DeArmond



Sally DeArmond