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MAIL TO: ↓
HFS BANK
555 E 3RD ST
HOBART IN 46342

STATE OF INDIANA
REAL ESTATE CONTRACT
LAKE COUNTY
FILED FOR RECORD

THIS AGREEMENT executed this 3rd day of June, 2000, by and between HFS BANK, F.S.B., a United States Corporation, hereinafter designated as "Seller", and EMCO DEVELOPMENT GROUP, INC., an Indiana corporation, TODD M. ELLIOTT, individually, and JASON E. MERGL, individually, all jointly, severally and collectively, hereinafter designated as "Purchaser".

WITNESSETH:

1. **Description.** The Seller agrees to sell and the Purchaser agrees to purchase for the consideration and upon the conditions hereinafter stated, the following described real estate in "as/is" condition without warranty, to-wit:

LOT 14, EXCEPT THE EAST 3 FEET THEREOF, ALL OF LOT 15, BLOCK 7, IN THE 7TH ADDITION TO NEW CHICAGO, AS SHOWN IN PLAT BOOK 7, PAGE 30, LAKE COUNTY, INDIANA.

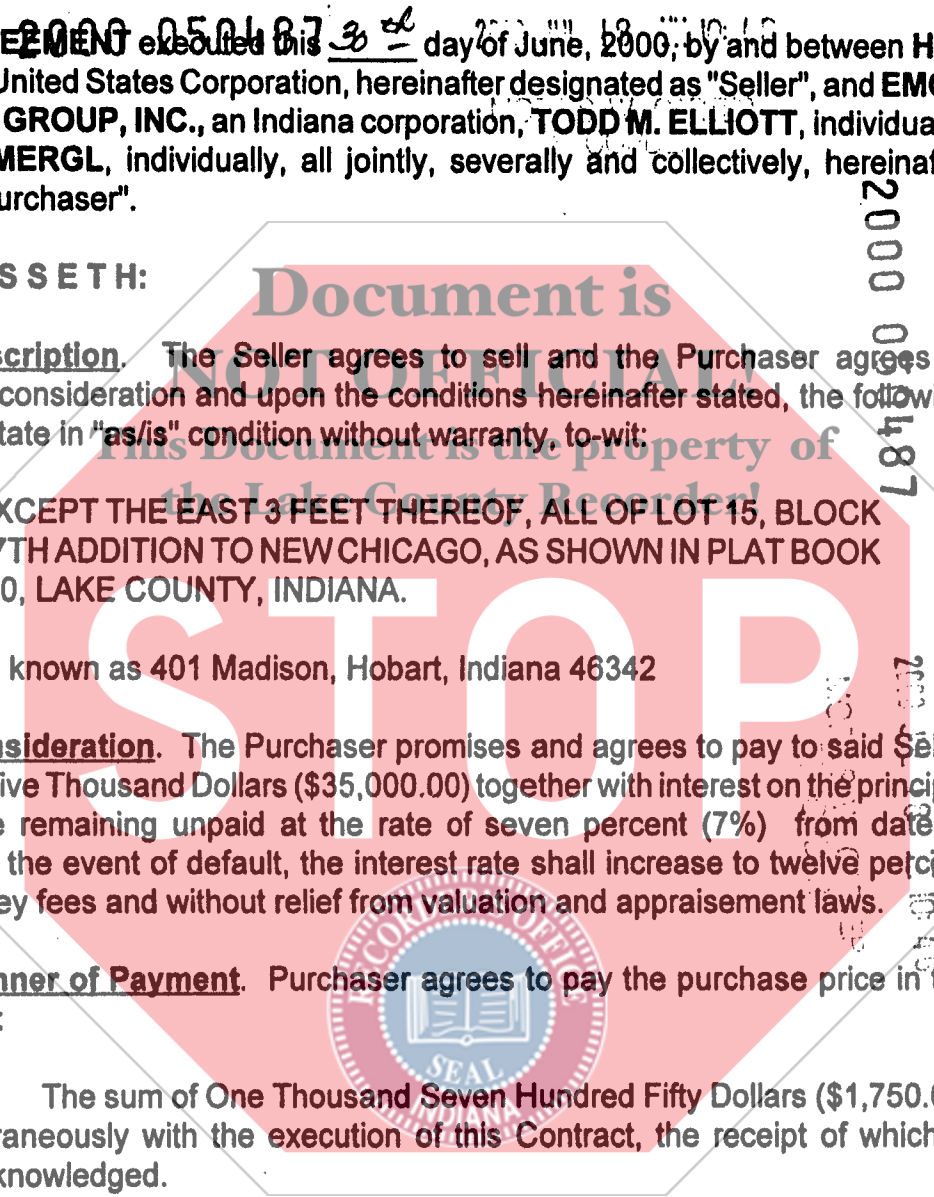
Commonly known as 401 Madison, Hobart, Indiana 46342

2. **Consideration.** The Purchaser promises and agrees to pay to said Seller the sum of Thirty-five Thousand Dollars (\$35,000.00) together with interest on the principal from time to time remaining unpaid at the rate of seven percent (7%) from date of execution, and in the event of default, the interest rate shall increase to twelve percent (12%) with attorney fees and without relief from valuation and appraisal laws.

3. **Manner of Payment.** Purchaser agrees to pay the purchase price in the following manner:

A. The sum of One Thousand Seven Hundred Fifty Dollars (\$1,750.00) contemporaneously with the execution of this Contract, the receipt of which is hereby acknowledged.

B. The sum of Thirty-three Thousand Two Hundred Fifty Dollars (\$33,250.00) in sixty (60) consecutive monthly installments of Two Hundred Twenty-one and 21/100ths Dollars (\$221.21) each, commencing on the first (1st) day of August, 2000, and a like sum on the same day of each month thereafter until July 1, 2005, at which time the remaining balance of said purchase price, interest and other charges as herein provided shall be due and payable in full. In other words, this Contract is payable in full at the time that the sixtieth (60th) monthly installment is due, and the Purchaser agrees to pay Seller on or before July 1, 2005, any and all amounts remaining due under this Contract including accrued interest. All monies received from the Purchaser shall be applied first in payment of the accrued



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interest, and the balance of each of said payments shall be applied to the reduction of the principal.

C. In addition to all other remedies of Seller, all payments not received by the 10th of the month in which the installment is due are subject to a Twenty-two Dollar (\$22.00) late charge.

D. In order to provide for the payment of the real estate property taxes and assessments and insurance, the Purchaser agrees to pay to Seller (unless Seller waives in writing such requirement), on the first (1st) day of each month during the term of this Contract, a sum estimated to be equivalent to one-twelfth (1/12th) of such items (real estate taxes and assessments and property insurance), which payment shall be held in trust by said Seller for the payment of such items. If the amount estimated is insufficient to pay said items, said Purchaser promises to pay the difference upon demand.

4. **Taxes and Special Assessments.** Purchaser assumes and agrees to pay any and all real estate taxes and assessments for the year 2001 due and payable in 2002, and thereafter. The Seller shall pay the May and November installments of the 1999 real estate taxes and assessments payable in 2000. The 2000 real estate taxes and assessments payable in 2001 shall be prorated between the parties as of the date of the execution of this Contract and the proration shall be paid by Seller to the Purchaser or directly to the Treasurer of Lake County at the time that the May installment of the 2000 taxes payable in 2001 is due. In the event the Purchaser shall fail to pay any real estate taxes or assessments when due, the Seller may expend the sums to pay any taxes, assessments or installments of assessments when due which are the responsibility of the Purchaser and the Seller shall add the sum or sums so expended to the purchase price to be payable by Purchaser on the same terms, interest and conditions as the basic purchase price.

5. **Insurance.** Purchaser shall at all times, at his own expense, insure and keep insured in responsible insurance companies authorized to do business in the State of Indiana all of the improvements located on the real estate against loss or damage by fire and the risks covered with the extended coverage and additional perils endorsements in an amount equal to not less than the greater of Thirty-five Thousand Dollars (\$35,000.00) or eighty percent (80%) of the full insurable value of the improvements.

Purchaser shall also provide and maintain for the benefit of the Seller and the Purchaser a public liability and property damage insurance policy in an insurance company acceptable to Seller in the usual form for the protection of themselves and the Seller against injury caused to person by reason of Purchaser's execution of this Contract with limits of not less than Three Hundred Thousand Dollars (\$300,000.00) per person and per occurrence for personal injury and One Hundred Thousand Dollars (\$100,000.00) for

property damage. Purchaser will deliver to and deposit with Seller a copy of such policy of insurance and shall during the term of this Contract provide Seller at all times with a copy of a current policy of insurance acknowledging the premium is paid on the terms specified in this paragraph.

In the event the Purchaser shall fail to make such premiums, the Seller may pay the premiums; and in the event the Seller shall hereafter pay any insurance premiums, the Seller shall add the sum or sums so expended to the purchase price to be payable by Purchaser on the same terms, interest and conditions as the basic purchase price.

Nothing in this Article 5 or the preceding Article 4 shall imply any obligation on the part of Seller to perform any act or to make any payment required of Purchaser.

The exercise of the right by Seller shall not constitute a release of any obligation of Purchaser under Article 4 or Article 5 or a waiver of any remedy given Seller under this Contract, nor shall such execution constitute an estoppel to the exercise by Seller of any right or remedy of it for a subsequent failure by Purchaser to perform any act or make any payment required by Purchaser under Article 4 or Article 5.

6. **Place of Payment.** All payments shall be made to Seller at 555 East 3rd Street, Hobart, Indiana 46342, or at such other place or places as Seller may at any time designate.

7. **Prepayment.** Purchaser 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 payment after such payment is made. Interest shall not accrue after the date on which Purchaser makes any payment that constitutes full payment of the purchase price.

8. **Conveyance and Evidence of Title.** If Purchaser is not in default under any of the terms, covenants and conditions of this Contract, Seller will furnish Purchaser a commitment for an owner's title insurance policy disclosing marketable title to the real estate to a date sixty (60) days or less prior to the date that this Contract is paid in full, subject, nevertheless, to the following exceptions:

- A. The general exceptions contained in the policy;
- B. All covenants, easements and restrictions of record;
- C. Current real estate taxes and all taxes to be paid by Purchaser;
- D. All applicable zoning laws; and

E. All liens or encumbrances or other title objections resulting from actions of the Purchaser.

The commitment for the owner's title insurance policy furnished under this Contract shall be in the amount of the purchase price and shall be issued by a title insurance company selected by Seller.

Any further title evidence shall be at the expense of the Purchaser.

Seller covenants and agrees that upon the payment of all sums due under this Contract and the prompt and full performance by Purchaser of all Purchaser's covenants and agreements herein made, Seller will convey or cause to be conveyed to Purchaser by properly executed Corporate Warranty Deed, the above-described real estate, subject only to all easements, covenants and restrictions of record, all taxes and assessments which are Purchaser's obligations and all liens or encumbrances or other title objections resulting from actions of the Purchaser.

9. **Possession and Use.** The Purchaser shall have possession of the real estate as of the date of closing. Purchaser covenants and agrees not to commit any waste on the real estate and not to construct or install any additional improvements, make any alterations or changes to the real estate or remove any improvements from the real estate without the written consent of the Seller. In addition, the real estate may be rented or leased by any persons other than the Purchaser without Seller's prior written consent.

10. **Representations.** This Contract constitutes the entire Contract between the parties hereto, and the Seller is not liable or bound in any manner by express or implied warranties, guaranties, promises, statements, representations or information pertaining to said real estate made or furnished by any person representing or purporting to represent the Seller, or by the Seller, unless such warranties, guaranties, promises, statements, representations or information are expressly and specifically set forth herein. The Purchaser acknowledges that in consideration of the Seller selling the real estate described herein at the price stated, the Seller is selling the house in its present "as/is" condition and that the Seller is making no warranty or guarantee, implied or express, regarding the habitability of the house.

11. **Transfers and Assignments.** Purchaser shall not have the right to transfer, sell or assign this Contract, or any interest therein without the express written consent of Seller first having been obtained, which consent may be unreasonably withheld.

12. **Miscellaneous:**

A. **Mechanic's Lien.** The Purchaser shall have no right to suffer, permit or create any mechanic's lien or other charges against said real estate or the

improvements thereon. If, during the term of this Contract, any liens are placed on or claimed against the real estate, the Seller shall have the right, at its option, to procure a release therefor, and any money expended by Seller for the release of such lien, or alleged lien, shall be paid to Seller by Purchaser on demand, or at Seller's option, shall become as so much additional purchase price and be payable on the same terms, interest and conditions as the basic purchase price.

B. Inspection. Seller has the right to enter and inspect the real estate at any reasonable time.

C. Risk. As part of the consideration hereof, Purchaser assumes all risk and responsibility for accident or damage to person or property arising from the use of or in or about the real estate.

D. Repairs and Maintenance. Purchaser shall, as part of the consideration for this Contract, at Purchaser's expense, perform any and all maintenance and repairs necessary to keep the real estate in good repair.

13. Time. Time of performance under this Contract is of the essence.

14. Seller's Remedies on Purchaser's Default. If Purchaser fails, neglects or refuses to make any payment under this Contract when due or to perform any of Purchaser's covenants, terms and conditions when and as required under this Contract:

A. Seller shall have the right to declare this Contract forfeited and terminated, and upon such a declaration, all right, title and interest of Purchaser in and to the real estate shall immediately cease and Purchaser shall then be considered as tenants holding over without permission, and Seller shall be entitled to re-enter and take immediate possession of the real estate and to evict Purchaser and all persons claiming under them;

B. Separately or in conjunction with Seller's right under item (A) above, as Seller may elect, Seller shall have the right to file in a court of competent jurisdiction an action to have this Contract forfeited and terminated and to recover from Purchaser all or any of the following:

1. Possession of the real estate;
2. Any installments due and unpaid at the time of the filing of the action and becoming due and unpaid from that time until possession of the real estate is recovered;

3. Interest on the principal from the last date to which interest was paid until judgment or possession is recovered by Seller whichever occurs first; provided, however, that this shall not be construed as allowing Seller to recover any interest which would not be included under item B(2) above;

4. Due and unpaid real estate taxes, assessments, charges and penalties which Purchaser is obligated to pay under this Contract;

5. Premiums due and unpaid for insurance which Purchaser is obligated to provide under Article 5 of this Contract.

C. Seller shall have all other remedies at law or in equity.

D. In any case, Seller shall have the right to retain (without prejudice to its right to recover any other sums from Purchaser or to have any other remedy under this Contract) all payments made by Purchaser to Seller and all sums received by Seller as proceeds of insurance or as other benefits or considerations, in each case made or received under this Contract.

E. Seller shall have the right to file in a court of competent jurisdiction an action to recover all of the unpaid balance of the purchase price (which upon default by Purchaser under this Contract shall, at the option of Seller, become immediately due and payable) and interest on such unpaid balance until such unpaid balance is paid, together with any taxes, assessments, charges, penalties and insurance premiums paid by Seller under this Contract and interest on such amounts until they are paid, unless such amounts (and interest on them) have been added to principal under this Contract.

The exercise or attempted exercise by Seller of any right or remedy available under this Contract shall not preclude Seller from exercising any other right or remedy so available, nor shall any such exercise or attempted exercise constitute or be construed to be an election of remedies, so that no such remedy shall be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and in addition to any other right or remedy, available under this Contract.

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

The failure or omission of Seller to enforce any of its rights or remedies upon any breach of any of the covenants, terms or conditions of this Contract shall not bar nor abridge any of its rights or remedies upon any subsequent default.

15. **Notice.** Before Seller shall pursue any of its rights or remedies under the immediately foregoing Article 14, it shall first give Purchaser written notice of default complained of and Purchaser shall have thirty (30) days from the posting of such notice to correct any default; however, ten (10) days' notice shall be required in payment of any monies agreed to be paid by Purchaser under this Contract.

16. **Condemnation.** In the event of the condemnation or taking by eminent domain of any land subject hereto prior to its conveyance by Seller hereunder and while this Contract is in full force and effect, the Purchaser shall be made a party to such proceedings, and in the event Seller and the Purchaser cannot agree as to the amount of any award to be accepted therefor, the amount of such award shall be determined by trial in the proper court or courts.

In the event of a total taking of the real estate, the proceeds less any sums which Seller shall have paid or incurred in securing the same shall be applied to the unpaid balance of the Contract, with the excess, if any, paid to Purchaser. In the event of a partial taking of the real estate, unless Seller and Purchaser otherwise agree in writing, there shall be applied to the unpaid balance of this Contract, such proportion of the proceeds as is equal to that proportion which the amount of the unpaid balance on the Contract immediately prior to the date of taking bears to the fair market value of the real estate immediately prior to the date of taking, with the balance of the proceeds paid to Purchaser.

17. **Seller's Right to Mortgage the Real Estate.** Seller shall have the right to obtain, without Purchaser's 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, Purchaser shall have the right to make any omitted payment or payments and to deduct the amount therefor from payments due under this Contract. Seller agrees, however, that it will pay all such mortgage loans when due or at such time as Purchaser pays in full all sums due under this Contract, and Seller shall obtain valid releases of all such mortgage loans when they are paid.

18. **Singular and Plural.** All promises, covenants and agreements herein made are joint and several and any reference herein to a party in the singular shall be also understood to cover and refer to the plural.

19. **General Agreements of the Parties.** All covenants hereof shall extend to and be obligatory on the heirs, personal representatives, successors and assigns of the parties. Furthermore, the obligations of the Purchaser under this Real Estate Contract shall be individual. 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 the address listed in this paragraph and deposited in a United States Post Office mail box postage prepaid. Notice to the Seller shall be directed to: HFS Bank, F.S.B., 555 Third Street, Hobart, P. O. Box 487, Hobart,

Indiana 46342, and to the Purchaser to: Emco Development Group, Inc., 1345 Lincoln, Hobart, Indiana 46342.

20. **Miscellaneous.** The undersigned persons executing this contract on behalf of the Seller represent and certify that they are duly elected officers of Seller and have been fully empowered to execute and deliver this contract; that Seller had full corporate capacity to contractually sell the real estate described herein; and that all necessary corporate requirements for the making of such contractual sale have been satisfied.

SELLER:

HFS BANK, F.S.B.
a United States Corporation

By: *James H. Greiner*
JAMES H. GREINER
President

Attest: *Laura Niedbala*
LAURA NIEDBALA
Vice President

PURCHASERS:

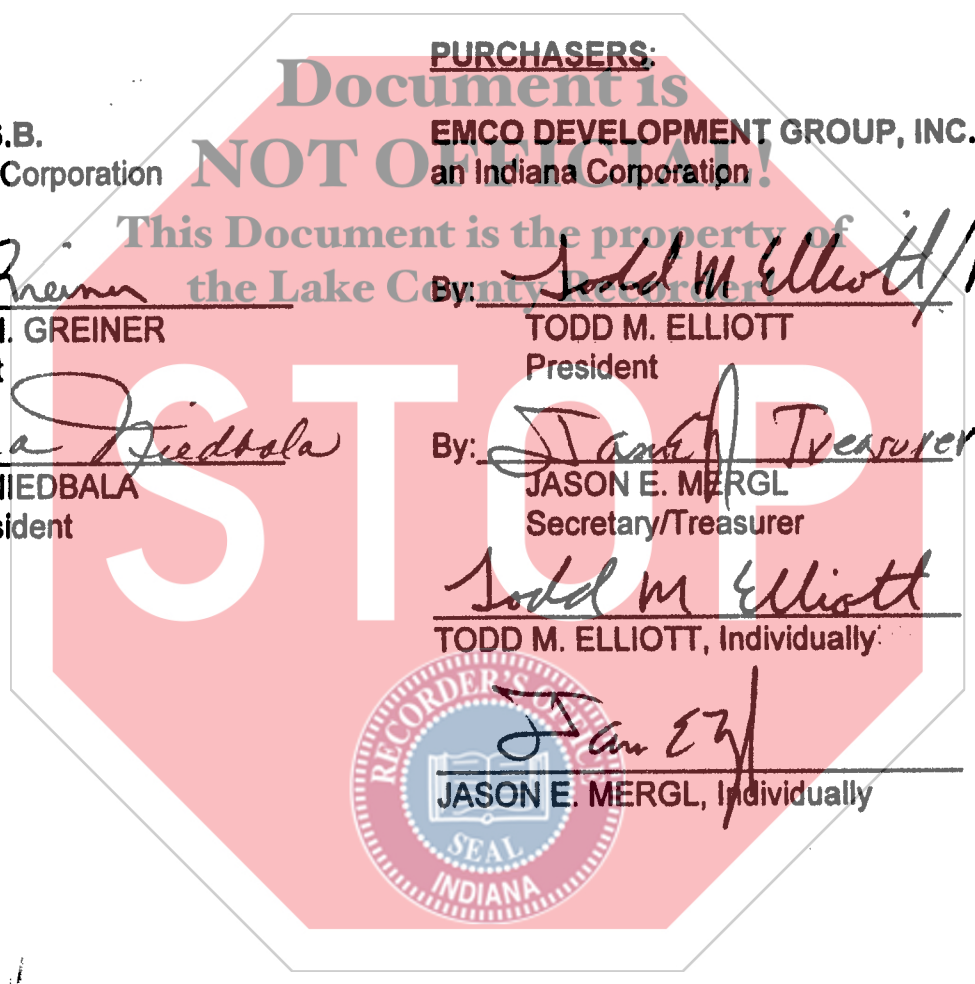
EMCO DEVELOPMENT GROUP, INC.
an Indiana Corporation

By: *Todd M. Elliott* / President
TODD M. ELLIOTT
President

By: *Jason E. Mergl* / Treasurer
JASON E. MERGL
Secretary/Treasurer

Todd M. Elliott
TODD M. ELLIOTT, Individually

Jason E. Mergl
JASON E. MERGL, Individually



STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, the undersigned, a Notary Public, in and for said County and State, this 30th day of June, 2000, personally appeared James H. Greiner as President and Laura Niedbala as Vice President, of HFS Bank, F.S.B. and acknowledged the execution of the foregoing Real Estate Contract.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

Document is NOT OFFICIAL!
This Document is the property of Lake County Recorder!

BARBARA SILINGAS Notary Public

My Commission Expires: 02/06/08

County of Residence: LAKE

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, the undersigned, a Notary Public, in and for said County and State, this 30th day of June, 2000, personally appeared Todd M. Elliott as President and Jason E. Mergl as Secretary/Treasurer of Emco Development Group, Inc., and acknowledged the execution of the foregoing Real Estate Contract.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.


BARBARA SILINGAS Notary Public

My Commission Expires: 02/06/08

County of Residence: LAKE

STATE OF INDIANA)
) SS:
COUNTY OF LAKE)

Before me, the undersigned, a Notary Public, in and for said County and State, this 30th day of June, 2000, personally appeared Todd M. Elliott, individually, and Jason E. Mergl, individually, and acknowledged the execution of the foregoing Real Estate Contract.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires: 02/06/08

County of Residence: LAKE

Barbara Silingas
BARBARA SILINGAS Notary Public



This instrument prepared by

Richard E. Anderson, #2408-45
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