

REAL ESTATE CONTRACT I

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THIS REAL ESTATE CONTRACT ("Contract") has been executed this 157 day of JUNE, 2005 by James H. and Arlene Brown (Sellers), and Adam and Rachel Wolfe (Purchasers).

WITNESSETH that the parties agree as follows:

Sellers hereby sell to Purchasers and Purchasers hereby purchase from Sellers, the following described real estate together with all improvements located in Lake County, Indiana, ("Real Estate"), being more particularly described as follows:

Independence Hill 3rd addition all of Lot 69, commonly known as: 8313 Ellsworth Place, Merrillville, Indiana 46410, upon the following covenants, terms and conditions:

I. Purchase Price and Manner of Payment.

A. Purchase Price. The Purchase Price for the real estate shall be the sum of Eighty-Two Thousand Dollars (\$82,000.00) ("Purchase Price") which Purchasers agrees to pay Sellers 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.

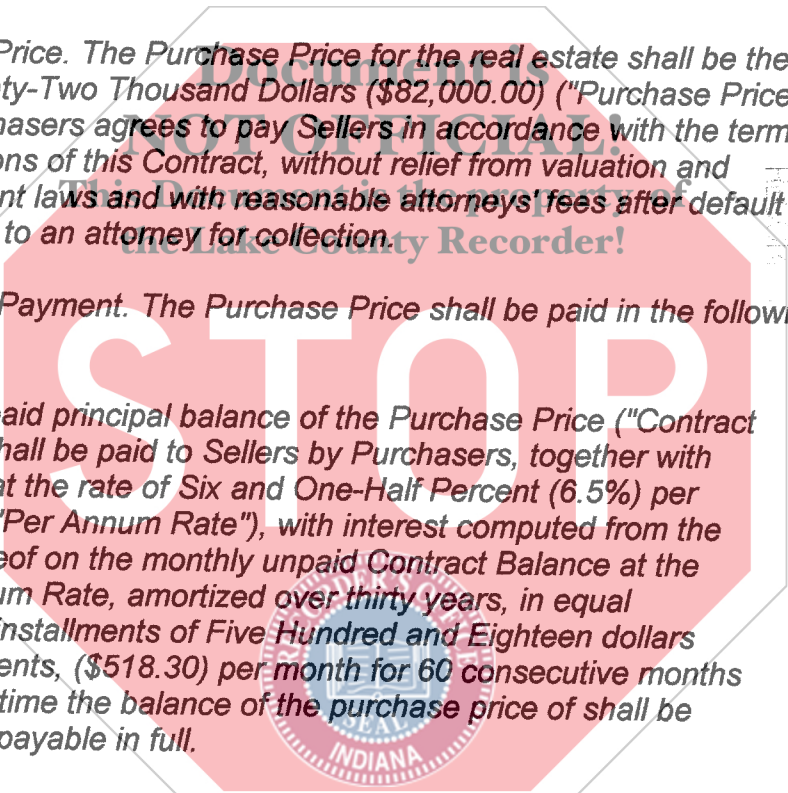
B. Manner of Payment. The Purchase Price shall be paid in the following manner:

1. The unpaid principal balance of the Purchase Price ("Contract Price") shall be paid to Sellers by Purchasers, together with interest at the rate of Six and One-Half Percent (6.5%) per annum ("Per Annum Rate"), with interest computed from the date hereof on the monthly unpaid Contract Balance at the Per Annum Rate, amortized over thirty years, in equal monthly installments of Five Hundred and Eighteen dollars and 30 cents, (\$518.30) per month for 60 consecutive months at which time the balance of the purchase price of shall be due and payable in full.
2. Purchasers may make prepayments of any amount due hereunder at any time and without penalty. No partial prepayment of the Contract Balance shall relieve Purchasers from continuing to make scheduled payments as they become due and payable.

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All payments made by Purchasers, including prepayments, shall be applied first to interest due and payable and the balance, if any, to principal.

3. All payments shall made to Sellers at 2013 West 82nd Place Merrillville, Indiana 46410 or to such other place or person as Sellers may direct by written notice to Purchaser.
4. Purchasers agrees to pay a late fee equal to five percent (5%) of the monthly payment for any payment not actually received by the Sellers within fifteen (15) days of the stated due date therefor.
5. Sellers will execute a Warranty Deed transferring the real estate to the Purchasers when the Purchase Price has been paid in full. The Warranty Deed will be recorded at the Purchasers' expense.

II. Taxes and Insurance.

- A. Taxes. Purchasers shall pay the taxes on the Real Estate beginning with the real estate taxes starting June 1, 2005, due and payable on the 10th day of May 2006 and on the 10th day of Nov. 2006, and all installments of taxes payable thereafter. Sellers covenant and agree to pay, prior to delinquency, all prior real estate taxes on the Real Estate. Purchasers, upon written notice to Sellers' and at Purchasers' expenses, may contest on Sellers' and Purchasers' behalf, any changes of the assessed valuation of the Real Estate. Sellers shall forward or cause to be forwarded to Purchasers a copy of all statements for real estate taxes on the Real Estate payable by Purchasers, as received, and Purchasers shall provide to Sellers upon request evidence of payment of such taxes.
- B. Assessments. Purchasers shall pay all assessment for municipal and other improvements becoming a lien after the date of execution of this contract. Sellers covenant and agree to pay all such assessments becoming a lien prior to such date.
- C. Insurance. Purchasers agree to procure and maintain fire and extended coverage insurance with a responsible insurer upon all improvements on the Real Estate, in an amount not less than the Contract Balance or the full extent of Purchasers'

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insurable value, whichever is less ("Required Insurance"). The Required Insurance shall be issued in the names of the Purchasers and Sellers as their respective interests may appear, and shall provide that the insurer may not cancel or materially change coverage without ten (10) days' prior written notice to Sellers. Purchasers shall provide Sellers with such proof of insurance coverages as Sellers from time to time shall reasonably request. Except as otherwise may be agreed in writing, any insurance proceeds received as payment for any loss of or damage to the Real Estate covered by Required Insurance shall be applied to restoration and repair of the loss or damage in such fashion as Sellers reasonably may require, unless such restoration and repair is not economically feasible or there exist an uncured Event of Default by Purchasers under this Contract on the date of receipt of such proceeds, in either of which events, the proceeds may be applied, at Sellers' option, toward prepayment of the Contract Balance, with any excess to be paid to Purchasers.

- D. **Payment by Sellers.** Upon failure Of Purchasers to pay taxes or assessments on the Real Estate or to provide insurance as required under this Contract, Sellers, upon written notice to Purchaser, may pay such taxes or assessments or obtain and maintain such insurance and add the costs thereof to the Contract Balance.

III. **Possession.** Sellers shall give Purchasers full and complete possession of the Real Estate upon execution of this document.

IV. **Warranties of Sellers.** Sellers hereby warrant that Sellers have good and merchantable title to the Real Estate, free and clear of any and all liens, leases, restrictions and encumbrances.

- A. **Easements and restrictions of record as described in the unrecorded easements and encroachments;**

- B. **Sellers further represent and warrant the following as of the date hereof: Sellers have made no contract to sell all or a part of the Real Estate to any person other than the Purchasers; Sellers have 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**

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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 violation of zoning ordinances or other restrictions applicable to the Real Estate; there is no judgment 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 Sellers are neither principal nor surety on any bond payable to the State of Indiana.

V. Transfer of Purchasers' Interest - Condemnation. Purchasers' interest in this Contract and Purchasers' interest in the Real Estate may not be sold, assigned, pledged, mortgaged, encumbered or transferred by Purchasers without the written consent of Sellers. If the Real Estate or any part thereof is taken or damaged pursuant to an exercise or threat of exercise of the 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 Sellers. Such proceeds shall be applied, at Sellers' option and with 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 Sellers shall pay the balance to the Purchasers.



- VI. **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 request to any party for, the performance of any labor or services or the furnishing of any materials for improvement, alteration or repairing of the Real Estate; nor as giving the 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.
- VII. **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 against 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. This indemnification provided by this paragraph shall include all legal costs and attorneys' 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 a person or property on or about the Real Estate (whether or not due to negligence on the part of Seller) (excepting liability of Seller for Seller's negligence) and notwithstanding whether such acts or omissions be active or passive.
- VIII. **Use of the Real Estate by Purchaser; Seller's Right of Inspection; Purchaser's Responsibility for Accidents.**
- 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 Seller, insuring Seller's liability as well as Purchaser's.
- IX. **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 dishonor 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 Real Estate 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 constitute an "Event of Default" for the purposes of this Contract:

- A. Default by Purchaser for a period of sixty (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 sixty (60) days after written notice thereof is given to Purchaser, in the performance or observance 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 the 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 threaten 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 Seller'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 Seller under and by virtue of this Contract, then, it is expressly agreed by Purchaser that, unless Purchaser shall have paid more than Thirty Percent (30%) 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 shall cease and terminate and Purchaser shall have no further right, title or interest, legal or equitable, 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 committed thereon or for any other damages suffered by Seller, including reasonable attorneys' fees incurred by Seller in enforcing any right hereunder or in removing any encumbrance on the Real Estate made or suffered by Purchaser.

All 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.

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

XI. 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 herein shall be deemed sufficiently given when (a) actually served on the person to be notified, or (b) placed in an envelope directly 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 Seller, at the address where payments are to be paid.

B. If to Purchaser, at: 8319 ELLSWORTH PLACE
MERRILLVILLE, IN 46440

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.

XII. Recording. This agreement, or a memorandum hereof must be recorded by Purchasers, Purchasers' expense.

XIII. Property Sold "AS IS AND WITH ALL FAULTS." SELLERS do not warrant property.

IN WITNESS WHEREOF, Sellers and purchasers have executed this instrument on this 1ST day of JUNE 2005.

James H. Brown

Arlene K. Brown

James H. Brown and Arlene Brown
SELLERS

Document is
NOT OFFICIAL!

Adam and Rachel Wolfe
This Document is the property of
the Lake County Recorder's Office
Adam and Rachel Wolfe
PURCHASERS

Subscribed and sworn to me, this 1st day of June, 2005
State of Indiana
County of Lake
My commission expires 3-31-08

Shirley J. Esboldt
Shirley J. Esboldt

