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### CONTRACT FOR CONDITIONAL SALE OF REAL ESTATE

THIS CONTRACT, made and entered into by and between DARLENE LAVALLEY and JOSEPH LAVALLEY (hereafter called "Seller") and JASON LAVALLEY (hereafter called "Buyer").  
WITNESSETH:

Seller hereby agrees to and does sell to Buyer, and Buyer hereby agrees to and does purchase from Seller, the following described real estate ( including any improvements now or hereafter) Commonly known as: 1701 JUNCTION AVE SCHERERVILLE, IN 46375 LAKE County, Indiana, (such real estate, including improvements, being hereafter called the "Real Estate").

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#### 1. The Purchase Price and Manner of Payment.

**The Purchase Price.** As the purchase price for the Real Estate, Buyer agrees to pay Seller and Seller agrees to accept from Buyer the sum of:

\*\*\*\*\*Dollars (\$ 130,000.00)

**The Manner of Payment.** The purchase price shall be paid in the following manner, the sum of:

(a) \*\*\*\*\*Dollars (\$ 5,000.00)

upon execution and delivery of this Contract The receipt of such sum is hereby acknowledged by Seller, leaving an unpaid balance of the purchase price in the sum of:

\*\*\*\*\*Dollars (\$ 125,000.00)

(b) The Unpaid Purchase Price shall bear an interest rate of FIVE (5%) per annum. Interest at such a rate shall begin to accrue from the date of this Contract, or from the date payments made and costs and expenses incurred by Seller are added to the Unpaid Purchase Price pursuant to this Contract, as may be applicable.

(c) The Unpaid Purchase Price and interest shall begin in monthly installments in the amount of \*\*\*\*\*Dollars (\$ 620.00)

beginning DEC 15, 2010 Subsequent installments shall be paid on the same day of each month thereafter until DEC 15, 2015, at which time entire unpaid balance is due.

(d) Buyer shall have a grace period of ten (10) days from the due date of any installment required under this Contract within which to pay such installment. If such installment is not actually received by Seller within the grace period, then a late charge in a sum equal to ten percent ( 10 %) of such installment shall accrue and be immediately due and payable.

(e) Each installment received by Seller shall be applied: first to the accrued late charges, then to interest accrued to the date of such installment, and then to the reduction of the Unpaid Purchase Price. Interest shall be computed monthly unless both Seller and Buyer agree.

(f) Each payment under this contract shall be sent to

(g) JOSEPH LAVALLEY at the following address:  
P.O. Box 715 Schererville IN 46375 or at such other address as Seller shall designate in writing.

#### 2. Prepayment of Purchase Price.

Upon prepayment of the loan balance a prepayment penalty of -0- Dollars (\$ -0- ) shall apply. Interest shall not accrue after the date on which Buyer makes any payment that constitutes full payment of the Unpaid Purchase Price.

#### 3. Taxes.

Buyer agrees to assume and pay taxes on the Real estate beginning with the installment payable Spring 2011, together with all installments of real estate taxes due and

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LAKE COUNTY  
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LAKE COUNTY AUDITOR

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payable thereafter, and Seller agrees to pay all taxes on the Real Estate due prior to said installment. 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 Real Estate. Seller shall forward or cause to be forwarded to Buyer, when received, a copy of all statements for taxes and assessments on the Real Estate which are payable to Buyer hereunder: and Buyer shall provide to Seller upon request, evidence of payment of such taxes and assessments.

**Assessments.** Buyer agrees to pay any assessments or charges upon or applying to the Real Estate for public or municipal improvements or services which, after the date of this Contract, are assessed or charged to the Real Estate. The Seller agrees to pay any such assessments or charges, to and including the date of this Contract.

**Insurance.** At all times during the period of this Contract, Buyer shall: (a) keep the improvements located upon the Real Estate insured under fire and extended coverage policies in an amount not less than the Unpaid Purchase Price. (b) Buyer shall provide Seller with such proof of insurance coverage as Seller from time to time shall reasonably request. Any insurance proceeds received as payment for any loss, or damage to, the Real Estate 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, at Seller's option, toward prepayment of the Unpaid Purchase Price, with any excess to be paid to Buyer.

**POSSESSION.**

**Delivery of Possession.** Seller shall deliver to Buyer full and complete possession of the Real Estate on Dec 15 2010. All utilities shall be paid by the Seller to the date possession is given.

**Evidence of Title.** If Buyer is not in default under this Contract, Seller will furnish Buyer: An Owner's title insurance policy upon the completed terms of this Contract.

**Conveyance of Title.** Seller covenants and agrees that upon the payment of all sums due under this Contract and the 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 Real Estate, subject to restrictions and easements of record as of the date of the Contract and all taxes and assessments which are Buyer's obligations.

**Assignment of Contract or Sale of Interest in Real Estate.** Assignment or Sale Buyer may not sell or assign this Contract, Buyer's interest therein or Buyer's interest in the Real Estate, without the prior written consent of the Seller. Seller agrees to consent to such assignment or sale if such assignment or sale shall not cause a loan on the real estate to be declared due and payable, or to be called for full payment, or subject Seller to an increase in the interest rate of such loan, and the financial ability of the prospective assignee or purchase from Buyer as at least equal to that of Buyer.

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

**Use of the Real Estate by Buyer: Seller's Right to Inspection.**

**Use.** The Real Estate may not be leased or occupied by persons other than the Buyer without prior written consent of Seller, which consent shall not be unreasonably withheld.

**Improvements.** Buyer may materially alter, change, or remove any improvements, now or hereafter located on the Real Estate, 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 mechanics, laborers, material, men or other creditors of Buyer or an assignee

of Buyer to obtain, a lien or attachment against Sellers interest herein. Buyer agrees that the Real Estate and any improvements thereon are, as of the date of this Contract, in good condition, order and repair and Buyer shall, at his own expense, maintain the Real Estate and any improvements 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 the Real estate and with respect to occupancy and use, shall comply with all laws, ordinances and regulations of any governmental authority having jurisdiction thereof.

**Inspection.** Seller shall have the right to enter and inspect the Real Estate at any reasonable time.

**Buyers Responsibility for Accidents.** Buyer assume all risk and responsibility for injury or damage to person or property arising from Buyer's use and control of the Real Estate and any improvements thereon.

**Buyers Default and Sellers Remedies.** Time. Time is of the essence of this Contract.

**Buyers 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 Real Estate.

**Event of Default.** The following shall each constitute an Event of Default for purpose of the Contract:

- (a) Failure by Buyer for a period of 30 days (not less than 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.
- (b) Lease or encumbrance of the Real Estate or any part thereof 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 Real Estate or any part thereof.
- (d) Occurrence of an uninsured loss with respect to the Real Estate 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 Real Estate
- (f) Desertion or abandonment by Buyer of any portion of the Real Estate.
- (g) Actual or threatened alteration, demolition, waste or removal of any improvement now or hereafter located on the Real Estate, 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.

**Seller's Remedies.** Upon the occurrence of an Event of Default, Seller shall elect his remedy under the following:

Seller may declare this Contract forfeited and terminated, and upon such declaration, all right, title and interest of Buyer in and to the Real Estate 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 Real Estate and to eject Buyer and all persons claiming under him. Further, Seller shall give the right to institute legal action to have this Contract forfeited and terminated and to recover from Buyer any of the following:

- (a) Possession of the Real Estate
- (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 Real Estate 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 constructed as allowing Seller to recover any interest which would be included as stated above

(d) due and unpaid real estate assessments, charges and penalties which Buyer is obligated to pay under this Contract.

(e) premiums due and unpaid insurance which Buyer is obligated to provide under 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 and acts of God or public authorities; and

(g) any other amounts which Buyer is obligated to pay under this Contract; or 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. When all of such sums are paid to Seller, Seller shall convey or cause to be conveyed to Buyer, by Warranty Deed, the Real Estate subject to restrictions and easements of record as of the date of the Contract and all taxes and assessments which are Buyer's obligation. In the event Buyer has substantial equity in the Real Estate 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. Seller may declare all of the sums secured by this Contract be immediately due and payable, and Seller may immediately institute legal action to foreclose this Contract and Buyer's interest in the Real estate. The parties agree that after the Buyer has paid \$ 130,000.00 of the purchase price

(which means the original purchase price set forth) then the Buyer shall have substantial equity in the Real Estate.

**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 the Buyer, or to have any other remedy under this Contract as an agreed payment for Buyer's use of the Real estate 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 Real Estate in accordance with Indiana law providing for real estate mortgage foreclosures
- (c) Enforce any right without relief from valuation or appraisal laws

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

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 other remedy as is available at law or in equity.

If after seven (7) days notice from Buyer, Seller fails to make any payments required of him under this Contract or to perform or observe any of his covenants or agreements, Buyer shall be entitled to institute legal action against Seller for such relief as may be available in law or in equity. Nothing in this subsection shall interfere with or affect Buyer's rights 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.

**General Agreements.**

This Contract shall bind, and insure to the benefit of, the parties and their heirs, personal and legal representatives, successors and assigns, and shall be interpreted under the laws of the State of Indiana

If Seller or Buyer consist of more than one person, each person signing this Contract as Seller or Buyer shall be jointly and severally bound. Headings are for reference only, and do not affect the provisions of this Contract, Where appropriate masculine gender shall include the feminine or the neuter and the singular shall be adequate notice of the provisions of this Contract as though the entire instrument has been recorded. 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.

For purposes of listing the Real Estate for sale by Buyer, Buyer shall be deemed to be the "fee title holder" as this term is used in the Indiana Real Estate License laws.

The failure or omission of either party 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 rights or remedies upon any subsequent default.

Any notice 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

In computing a time period prescribed in this Contract, the day of the act or event shall not be counted. All subsequent days, including intervening weekend days and holidays shall be counted in the period.

IN WITNESS WHEREOF, Seller and Buyer have executed this Contract in duplicate on this

15<sup>th</sup> day of DECEMBER 2010

Joseph LaValley Seller      Jason LaValley Buyer

Darlene LaValley Seller      \_\_\_\_\_ Buyer

Parcel 1: Part of the Northwest Quarter of the Northwest Quarter of Section 15, Township 35 North, Range 9 West of the Second Principal Meridian, in Lake County, Indiana, more particularly described as follows: Beginning at the intersection of the North line of Wilhelm Street and the Easterly line of Junction Avenue in the Town of Schererville, Lake County, Indiana; thence Northwesterly along the Easterly line of said Junction Avenue, a distance of 73.40 feet; thence along a line bearing North 60 degrees 32 minutes East, 160.20 feet; thence along a line bearing North 23 degrees 37 minutes West, a distance of 31.10 feet to the Southerly line of a public alley; thence East along the Southerly line of said public alley a distance of 102.29 feet to a point 297 feet West of the West line of Austin Avenue (measured along the South line of said alley from the intersection of said alley with the West line of Austin Avenue, said West line of Austin Avenue being 16 1/2 feet due West of the East line of the Northwest Quarter of the Northwest Quarter of said Section 15); thence Southerly along a line parallel to the East line of said Northwest Quarter of the Northwest Quarter of said Section 15, a distance of 152.67 feet to the North line of Wilhelm Street; thence Westerly along the North line of Wilhelm Street, a distance of 179.80 feet to the point of beginning, excepting a strip of land lying Easterly of a line drawn 50 feet West of and parallel to the East line of said tract.

Parcel 2: Part of the Northwest Quarter of the Northwest Quarter of Section 15, Township 35 North, Range 9 West of the Second Principal Meridian, in Lake County, Indiana, more particularly described as follows: Commencing at a point on the North line of Wilhelm Street, said point being 313.56 feet measured along said Wilhelm Street West of the East line of said Northwest Quarter of the Northwest Quarter; thence North parallel to said East line of said Northwest Quarter of the Northwest Quarter, a distance of 152.67 feet to the South line of the public alley; thence Westerly along said South line a distance of 50.0 feet; thence South parallel to said East line of the Northwest Quarter of the Northwest Quarter, a distance of 152.30 feet to the North line of said Wilhelm Street; thence Easterly on said North line a distance of 50.0 feet to the point of beginning.