

10

Residential Contract of Sale

Contract of Sale made as of August 1, 2008 between
Definitive Homes LLC
Address: 16 Tower Rd Valparaiso, IN 46385

2010 076483

Fed. I.D. No(s): _____ hereinafter called "Seller" and
Robert Contreras and Edwin Contreras
Address: 1652 11th Place Hobart, IN 46342

Social Security Numbers: _____ and _____
hereinafter called "Purchaser".

The parties hereby agree as follows:

1. **Premises.** Seller shall sell and convey and Purchaser shall purchase the property, together with all buildings and improvements thereon (collectively the "Premises"), more fully described on a separate page marked "Schedule A", annexed hereto and made a part hereof and also known as: **Lot 66 of Lake George Plateau, Unit 7, Phase 2, as plat thereof, recorded in Plat Book 97 page 69, in the Office of the Recorder of Lake County, Indiana.** The address of such real estate is commonly known as:

1652 11th Place Hobart, IN 46342

Together with Seller's ownership and rights, if any, to land lying in the bed of any street or highway, opened or proposed, adjoining the Premises to the center line thereof, including any right of Seller to any unpaid award by reason of any taking by condemnation and/or for any damage to the Premises by reason of change of grade of any street or highway. Seller shall deliver at no additional cost to Purchaser, at Closing (as hereinafter defined), or thereafter, on demand, any documents that Purchaser may reasonably require for the conveyance of such title and the assignment and collection of such award or damages.

2. **Personal Property.** This sale also includes all fixtures and articles of personal property now attached or appurtenant to the Premises, unless specifically excluded below. Seller represents and warrants that at Closing they will be paid for and owned by Seller, free and clear of all liens and encumbrances, except any existing mortgage to which this sale may be subject. They include, but are not limited to, plumbing, heating, lighting and cooking fixtures, chandeliers, bathroom and kitchen cabinets and counters, mantels, door mirrors, switch plates and door hardware, venetian blinds, window treatment, screens, mail box, pumps, shrubbery, dishwasher, washing machine, clothes dryer, garbage disposal unit, range, oven, built-in microwave oven, refrigerator, freezer, air conditioning equipment and installations.

AMOUNT \$ 30⁰⁰
CASH CHARGE _____
CHECK # _____
OVERAGE _____
COPY _____
NON-COM 1
CLERK PH

FILED

DEC 28 2010

**PEGGY HOLINGA KATONA
LAKE COUNTY AUDITOR**

031100

2010 DEC 28 11:25 AM
FILED
LAKE COUNTY RECORDER

3. **Purchase Price.** The purchase price is \$265,300.00, payable as follows:

(a) on the signing of this contract,

(b) by allowance for the amount unpaid on the date hereof, payment of which Purchaser shall assume a Purchase Money Mortgage.

4. **Purchase Money Mortgage.**

(a) The purchase money note and mortgage shall be drawn in the standard form adopted by the State of Indiana.

(b) The purchase money note and mortgage shall also provide that it is subject and subordinate to the lien of the existing mortgage and any extensions, modifications, replacements or consolidations of the existing mortgage, provided that (i) the interest rate thereof shall not be greater than 7.5 percent per annum and the total debt service there under shall not be greater than \$ 22,260.24 per annum, and (ii) if the principal amount thereof shall exceed the amount of principal owing and unpaid on the existing mortgage at the time of placing such new mortgage or consolidated mortgage, the excess be paid to the holder of such purchase money mortgage in reduction of the principal thereof. The purchase money mortgage shall also provide that such payment to the holder thereof shall not alter or affect the regular installments, if any, of principal payable there under and that the holder thereof will, on demand and without charge therefore, execute, acknowledge and deliver any agreement or agreements further to effectuate such subordination.

5. **Acceptable Funds.** All money payable under this contract, unless otherwise specified, shall be paid by:

(a) Cash, but not over \$1,000.00;

(b) Good certified check of Purchaser drawn on or official check issued by any bank, savings bank, trust company or savings and loan association payable to the order of Seller, or as Seller may otherwise direct upon reasonable prior notice (by telephone or otherwise) to Purchaser;

(c) As to money other than the purchase price payable to Seller at Closing, uncertified check of Purchaser up to the amount of \$5,000; and

(d) As otherwise agreed to in writing by Seller or Seller's attorney.

6. **Permitted Exceptions.** The Premises are sold and shall be conveyed subject to:

(a) Zoning and subdivision laws and regulations, and landmark, historic or wetlands designation, provided that they are not violated by the existing buildings and improvements erected on the property or their use;

(b) Consents for the erection of any structures on, under or above any streets on which the Premises abut;

(c) Encroachments of stoops, areas, cellar steps, trim and cornices, if any, upon any street or highway;

(d) Real estate taxes that are a lien, but are not yet due and payable.

10. **Governmental Violations and Orders.** (a) Seller shall comply with all notes or notices of violations of law or municipal ordinances, orders or requirements noted or issued as of the date hereof

by any governmental department having authority as to lands, housing, buildings, fire, health, environmental and labor conditions affecting the Premises. The Premises shall be conveyed free of them at Closing. Seller shall furnish Purchaser with any authorizations necessary to make the searches that could disclose these matters.

7. **Seller's Representations.** (a) Seller represents and warrants to Purchaser that:

(i) The Premises abut or have a right of access to a public road;

(ii) Seller is the owner of the Premises and has the full right, power and authority to sell, convey and transfer the same in accordance with the terms of this contract;

(iii) Seller is not a "foreign person", as that term is defined for purposes of the Foreign Investment in Real Property Tax Act, Internal Revenue Code ("**IRC**") Section 1445, as amended, and the regulations promulgated there under (collectively "**FIRPTA**");

(iv) Seller has been known by no other name for the past ten years.

(b) Seller covenants and warrants that all of the representations and warranties set forth in this contract shall be true and correct at Closing.

(c) Except as otherwise expressly set forth in this contract, none of Seller's covenants, representations, warranties or other obligations contained in this contract shall survive Closing.

8. **Condition of Property.** Purchaser acknowledges and represents that Purchaser is fully aware of the physical condition and state of repair of the Premises and of all other property included in this sale, based on Purchaser's own inspection and investigation thereof, and that Purchaser is entering into this contract based solely upon such inspection and investigation and not upon any information, data, statements or representations, written or oral, as to the physical condition, state of repair, use, cost of operation or any other matter related to the Premises or the other property included in the sale, given or made by Seller or its representatives, and shall accept the same "as is" in their present condition and state of repair, subject to reasonable use, wear, tear and natural deterioration between the date hereof and the date of Closing (except as otherwise set forth in paragraph 16(e)), without any reduction in the purchase price or claim of any kind for any change in such condition by reason thereof subsequent to the date of this contract. Purchaser and its authorized representatives shall have the right, at reasonable times and upon reasonable notice (by telephone or otherwise) to Seller, to inspect the Premises before Closing.

9. **Closing, Deed and Title.** (a) "**Closing**" means the settlement of the obligations of Seller and Purchaser to each other under this contract, including the payment of the purchase price to Seller, and the delivery to Purchaser of a Warranty deed in proper statutory short form for record, duly executed and acknowledged, so as to convey to Purchaser fee simple title to the Premises, free of all encumbrances, except as otherwise herein stated. The deed shall contain a covenant by Seller as required by s 5 of Section 13 of the Lien Law.

(b) If Seller is a corporation, it shall deliver to Purchaser at the time of

Closing (i) a resolution of its Board of Directors authorizing the sale and delivery of the

deed, and (ii) a certificate by the Secretary or Assistant Secretary of the corporation certifying such resolution and setting forth facts showing that the transfer is in conformity with the requirements of Section 909 of the Business Corporation Law. The deed in such case shall contain a recital sufficient to establish compliance with that Section.

10. **Conditions to Closing.** This contract and Purchaser's obligation to purchase the Premises are also subject to and conditioned upon the fulfillment of the following conditions precedent:

(a) The accuracy, as of the date of Closing, of the representations and warranties of Seller made in this contract.

(b) The delivery by Seller to Purchaser of a valid and subsisting Certificate of Occupancy or other required certificate of compliance, or evidence that none was required, covering the building(s) and all of the other improvements located on the property authorizing their use as a single family dwelling at the date of Closing.

(c) The delivery of the Premises and all building(s) and improvements comprising a part thereof in broom clean condition, vacant and free of leases or tenancies, together with keys to the Premises.

(d) All plumbing (including water supply and septic systems, if any), heating and air conditioning, if any, electrical and mechanical systems, equipment and machinery in the building(s) located on the property and all appliances which are included in this sale being in working order as of the date of Closing.

(f) If the Premises are a one or two family house, delivery by the parties at Closing of affidavits in compliance with state and local law requirements to the effect that there is installed in the Premises a smoke detecting alarm device or devices.

(g) The delivery by the parties of any other affidavits required as a condition of recording the deed.

11. **Deed Transfer and Recording Taxes.** At Closing, certified or official bank checks payable to the order of the appropriate State, City or County officer in the amount of any applicable transfer and/or recording tax payable by reason of the delivery or recording of the deed or mortgage, if any, shall be delivered by the party required by law or by this contract to pay such transfer and/or recording tax, together with any required tax returns duly executed and sworn to, and such party shall cause any such checks and returns to be delivered to the appropriate officer promptly after Closing. The obligation to pay any additional tax or deficiency and any interest or penalties thereon shall survive Closing.

18. **Apportionments and Other Adjustments; Water Meter and Installment Assessments.**

(a) To the extent applicable, the following shall be apportioned as of midnight of the day before the day of Closing: (i) taxes, water charges and sewer rents, on the basis of the fiscal period for which assessed; (ii) fuel; (iii) interest on the existing mortgage; (iv) premiums on existing transferable insurance policies and renewals of those expiring prior to Closing; (v) vault charges; (vi) rents as and when collected.

(b) If Closing shall occur before a new tax rate is fixed, the apportionment of taxes shall be upon the basis of the tax rate for the immediately preceding fiscal period applied to the latest assessed valuation.

(c) If there is a water meter on the Premises, Seller shall furnish a reading to a date not more than 30 days before Closing and the unfixed meter charge and sewer rent, if any, shall be apportioned on the basis of such last reading.

(d) If at the date of Closing the Premises are affected by an assessment which is or may become payable in annual installments, and the first installment is then a lien, or has been paid, then for the purposes of this contract all the unpaid installments shall be considered due and shall be paid by Seller at or prior to Closing.

(e) Any errors or omissions in computing apportionments or other adjustments at Closing shall be corrected within a reasonable time following Closing.

This subparagraph shall survive Closing.

12. **Allowance for Unpaid Taxes, etc.** Seller has the option to credit Purchaser as an adjustment to the purchase price with the amount of any unpaid taxes, assessments, water charges and sewer rents, together with any interest and penalties thereon to a date not less than five business days after Closing, provided that official bills therefore computed to said date are produced at Closing.

13. **Use of Purchase Price to Remove Encumbrances.** If at Closing there are other liens or encumbrances that Seller is obligated to pay or discharge, Seller may use any portion of the cash balance of the purchase price to pay or discharge them, provided Seller shall simultaneously deliver to Purchaser at Closing instruments in recordable form and sufficient to satisfy such liens or encumbrances of record, together with the cost of recording or filing said instruments. As an alternative Seller may deposit sufficient monies with the title insurance company employed by Purchaser acceptable to and required by it to assure their discharge, but only if the title insurance company will insure Purchaser's title clear of the matters or insure against their enforcement out of the Premises and will insure Purchaser's Institutional Lender clear of such matters. Upon reasonable prior notice (by telephone or otherwise), Purchaser shall provide separate certified or official bank checks as requested to assist in clearing up these matters.

14. **Title Examination; Seller's Inability to Convey; Limitations of Liability.**

(a) Purchaser shall order an examination of title in respect of the Premises from a title company licensed or authorized to issue title insurance or any agent for such title company promptly after the execution of this contract or, if this contract is subject to the mortgage contingency set forth in paragraph, after a mortgage commitment has been accepted by Purchaser. Purchaser shall cause a copy of the title report and of any additions thereto to be delivered to the attorney(s) for Seller promptly after receipt thereof.

(b) (i) If at the date of Closing Seller is unable to transfer title to Purchaser in accordance with this contract, or Purchaser has other valid grounds for refusing to close, whether by reason of liens, encumbrances or other objections to title or otherwise (herein collectively called "**Defects**"), other than those subject to which Purchaser is obligated to accept title hereunder or which Purchaser may have waived and other than those which Seller has herein expressly agreed to remove, remedy or discharge and if Purchaser shall be unwilling to waive the same and to close title without abatement of the

purchase price, then, except as hereinafter set forth, Seller shall have the right, at Seller's sole election, either to take such action as Seller may deem advisable to remove, remedy, discharge or comply with such Defects or to cancel this contract; (ii) if Seller elects to take action to remove, remedy or comply with such Defects, Seller shall be entitled from time to time, upon Notice to Purchaser, to adjourn the date for Closing hereunder for a period or periods not exceeding 60 days in the aggregate (but not extending beyond the date upon which Purchaser's mortgage commitment, if any, shall expire), and the date for Closing shall be adjourned to a date specified by Seller not beyond such period. If for any reason whatsoever, Seller shall not have succeeded in removing, remedying or complying with such Defects at the expiration of such adjournment(s), and if Purchaser shall still be unwilling to waive the same and to close title without abatement of the purchase price, then either party may cancel this contract by Notice to the other given within 10 days after such adjourned date; (iii) notwithstanding the foregoing, the existing mortgage (unless this sale is subject to the same) and any matter created by Seller after the date hereof shall be released, discharged or otherwise cured by Seller at or prior to Closing. (c) If this contract is cancelled pursuant to its terms, other than as a result of Purchaser's default, this contract shall terminate and come to an end, and neither party shall have any further rights, obligations or liabilities against or to the other hereunder or otherwise, except that: (i) Seller shall promptly refund to Purchaser and, unless cancelled as a result of Purchaser's default to reimburse Purchaser for the net cost of examination of title, including any appropriate additional charges related thereto, and the net cost, if actually paid.

15. **Affidavit as to Judgments, Bankruptcies, etc.** If a title examination discloses judgments, bankruptcies or other returns against persons having names the same as or similar to that of Seller, Seller shall deliver an affidavit at Closing showing that they are not against Seller.

16. **Defaults and Remedies.** (a) If Purchaser defaults hereunder, Seller's sole remedy shall be to receive and retain the Down payment as liquidated damages, it being agreed that Seller's damages in case of Purchaser's default might be impossible to ascertain and that the Down payment constitutes a fair and reasonable amount of damages under the circumstances and is not a penalty.

(b) If Seller defaults hereunder, Purchaser shall have such remedies as Purchaser shall be entitled to at law or in equity, including, but not limited to, specific performance.

17. **Purchaser's Lien.** All money paid on account of this contract and the reasonable expenses of examination of title to the Premises and of any survey and survey inspection charges, are hereby made liens on the Premises, but such liens shall not continue after default by Purchaser under this contract.

18. **Notices.** Any notice or other communication ("**Notice**") shall be in writing and either (a) sent by either of the parties hereto or by their respective attorneys who are hereby authorized to do so on their behalf, by registered or certified mail, postage prepaid, or (b) delivered in person or by overnight courier, with receipt acknowledged, to the respective addresses given in this contract for the party, to whom the Notice is to be given, or to such other address as such

party shall hereafter designate by Notice given to the other party or parties pursuant to this paragraph. Each Notice mailed shall be deemed given on the third business day following the date of mailing the same, except that any notice shall be deemed given only upon receipt each Notice delivered in person or by overnight courier shall be deemed given when delivered, or (c) with respect to paragraph 7(b) or 20, sent by fax to the party's attorney. Each notice by fax shall be deemed given when transmission is confirmed by the sender's fax machine. A copy of each notice sent to a party shall also be sent to the party's attorney. The attorneys for the parties are hereby authorized to give and receive on behalf of their clients all Notices and deliveries.

19. **No Assignment.** This contract may not be assigned by Purchaser without the prior written consent of Seller in each instance and any purported assignment(s) made without such consent shall be void.

20. **Broker.** Seller and Purchaser each represents and warrants to the other that it has not dealt with any real estate broker in connection with this sale.

21. **Miscellaneous.** (a) All prior understandings, agreements, representations and warranties, oral or written, between Seller and Purchaser are merged in this contract; it completely expresses their full agreement and has been entered into after full investigation, neither party relying upon any statement made by anyone else that is not set forth in this contract.

(b) Neither this contract nor any provision thereof may be waived, changed or cancelled except in writing. This contract shall also apply to and bind the heirs, distributees, legal representatives, successors and permitted assigns of the respective parties. The parties hereby authorize their respective attorneys to agree in writing to any changes in dates and time periods provided for in this contract.

(c) Any singular word or term herein shall also be read as in the plural and the neuter shall include the masculine and feminine gender, whenever the sense of this contract may require it.

(d) The captions in this contract are for convenience of reference only and in no way define, limit or describe the scope of this contract and shall not be considered in the interpretation of this contract or any provision hereof.

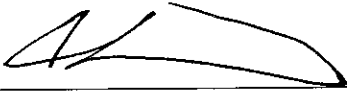
(e) This contract shall not be binding or effective until duly executed and delivered by Seller and Purchaser.

(f) Seller and Purchaser shall comply with IRC reporting requirements, if applicable. This subparagraph shall survive Closing.

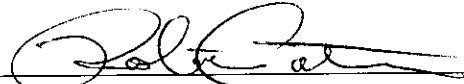
(g) Each party shall, at any time and from time to time, execute, acknowledge where appropriate and deliver such further instruments and documents and take such other action as may be reasonably requested by the other in order to carry out the intent and purpose of this contract. This subparagraph shall survive Closing.

(h) This contract is intended for the exclusive benefit of the parties hereto and, except as otherwise expressly provided herein, shall not be for the benefit of, and shall not create any rights in, or be enforceable by, any other person or entity.

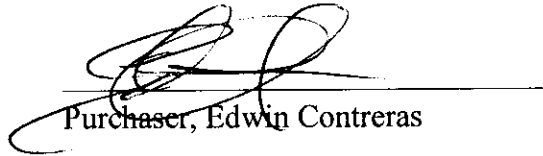
IN WITNESS WHEREOF, this contract has been duly executed by the parties hereto.



Seller, Definitive Homes LLC
Chris Winkler, Member



Purchaser, Robert Contreras



Purchaser, Edwin Contreras

Before me, a Notary Public in and for said state and county, personally came, the Purchaser in the above instrument, who acknowledged the execution of same to be (his, her) free and voluntary act and deed.

In testimony whereof, I have hereunto subscribed my name and affixed my notarial seal on this day of December, _____ 2010.

Notary Public

(Seal)

(Exp. Date)

Exhibit "A"

NOTE & MORTGAGE PURCHASE AGREEMENT

Date of Note: December 15, 2010

Due Date of Payments: 15th of each month

Payor: Robert Contreras & Edwin Contreras

1st Payment Made: December 15, 2010

Payee: Definitive Homes, LLC

Last Payment Made: November 15, 2012

Original Principal Amount: \$287,300

Date of Mortgage: December 15, 2010

Current Balance: \$265,300

Recording Date of Mortgage:

December __, 2010

Interest Rate: 7.5%

Place of Recording:

Amortization Period: 30 year

Lake County Recorder's Office

Book & Page: _____

Balloon: 2 year

Type of Real Estate: Single-family residence

Balloon Date: December 15, 2012

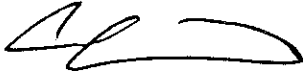
Address of Real Estate:

Balloon Amount: \$260,218.82

1652 11th Place Hobart, IN 46342

Monthly Payments: \$1,855.02

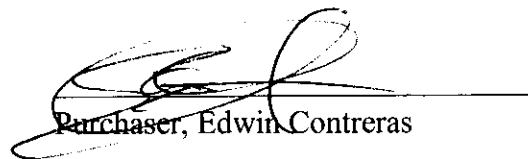
IN WITNESS WHEREOF, this contract has been duly executed by the parties hereto.



Seller, Definitive Homes LLC
Chris Winkler, Member



Purchaser, Robert Contreras



Purchaser, Edwin Contreras


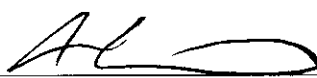
"I AFFIRM, UNDER THE PENALTIES FOR PERJURY, THAT I HAVE TAKEN REASONABLE CARE TO REDACT EACH SOCIAL SECURITY NUMBER IN THIS DOCUMENT UNLESS REQUIRED BY LAW."
PREPARED BY: 

Exhibit "B"

Amortization Schedule

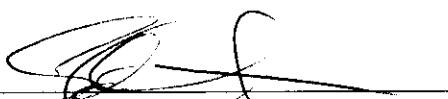
Year	Total Payments	Principal Paid	Interest Paid	Ending Principal Balance
				\$265,300.00
1	\$22,260.24	\$2,445.66	\$19,814.58	\$262,854.34
2	\$22,260.24	\$2,635.52	\$19,624.72	\$260,218.82
3	\$22,260.24	\$2,840.14	\$19,420.10	\$257,378.68
4	\$22,260.24	\$3,060.62	\$19,199.62	\$254,318.06
5	\$22,260.24	\$3,298.22	\$18,962.02	\$251,019.84
6	\$22,260.24	\$3,554.27	\$18,705.97	\$247,465.57
7	\$22,260.24	\$3,830.23	\$18,430.01	\$243,635.34
8	\$22,260.24	\$4,127.56	\$18,132.68	\$239,507.78
9	\$22,260.24	\$4,448.00	\$17,812.24	\$235,059.78
10	\$22,260.24	\$4,793.31	\$17,466.93	\$230,266.47
11	\$22,260.24	\$5,165.40	\$17,094.84	\$225,101.07
12	\$22,260.24	\$5,566.44	\$16,693.80	\$219,534.63
13	\$22,260.24	\$5,998.56	\$16,261.68	\$213,536.07
14	\$22,260.24	\$6,464.26	\$15,795.98	\$207,071.81
15	\$22,260.24	\$6,966.07	\$15,294.17	\$200,105.74
16	\$22,260.24	\$7,506.88	\$14,753.36	\$192,598.86
17	\$22,260.24	\$8,089.66	\$14,170.58	\$184,509.20
18	\$22,260.24	\$8,717.69	\$13,542.55	\$175,791.51
19	\$22,260.24	\$9,394.47	\$12,865.77	\$166,397.04
20	\$22,260.24	\$10,123.78	\$12,136.46	\$156,273.26
21	\$22,260.24	\$10,909.71	\$11,350.53	\$145,363.55
22	\$22,260.24	\$11,756.66	\$10,503.58	\$133,606.89
23	\$22,260.24	\$12,669.37	\$9,590.87	\$120,937.52
24	\$22,260.24	\$13,652.91	\$8,607.33	\$107,284.61
25	\$22,260.24	\$14,712.81	\$7,547.43	\$92,571.80
26	\$22,260.24	\$15,855.03	\$6,405.21	\$76,716.77
27	\$22,260.24	\$17,085.89	\$5,174.35	\$59,630.88
28	\$22,260.24	\$18,412.29	\$3,847.95	\$41,218.59
29	\$22,260.24	\$19,841.68	\$2,418.56	\$21,376.91
30	\$22,255.11	\$21,376.91	\$878.20	\$0.00

IN WITNESS WHEREOF, this contract has been duly executed by the parties hereto.


 Seller, Definitive Homes LLC
 Chris Winkler, Member


 Purchaser, Robert Contreras

Taxes: c/o Robert + Edwin


 Purchaser, Edwin Contreras

1652 Hick pl
 Hobart, In 46342