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INSTALLMENT REAL ESTATE CONTRACT

THIS AGREEMENT, made and entered into this day by and between Michael G. Fagen, (hereinafter called "Seller") and Patrick M. Fagen and Nancy A. Fagen, husband and wife, (hereinafter called "Buyer(s)") **IS TO WITNESS** that Seller hereby agrees to sell, and Buyer agrees to buy, upon the terms and conditions set forth herein, the following described real estate in Lake County, Indiana (hereinafter referred to as "Real Estate"):

Pt of N 1/2 S 1/2 SW SW S.28 T.35 R.9 Parcel; 130.2 x 350 Ft. 1.046 acre.

Commonly known as 9231 Wicker Ave., St. John, Lake County, Indiana 46373.

1. **PURCHASE PRICE:** Buyer promises and agrees to pay Seller, as purchase price for the Real Estate, the sum of two hundred thirty thousand, eight hundred fifty and no-one hundredths dollars (\$230,850.00), payable as follows:

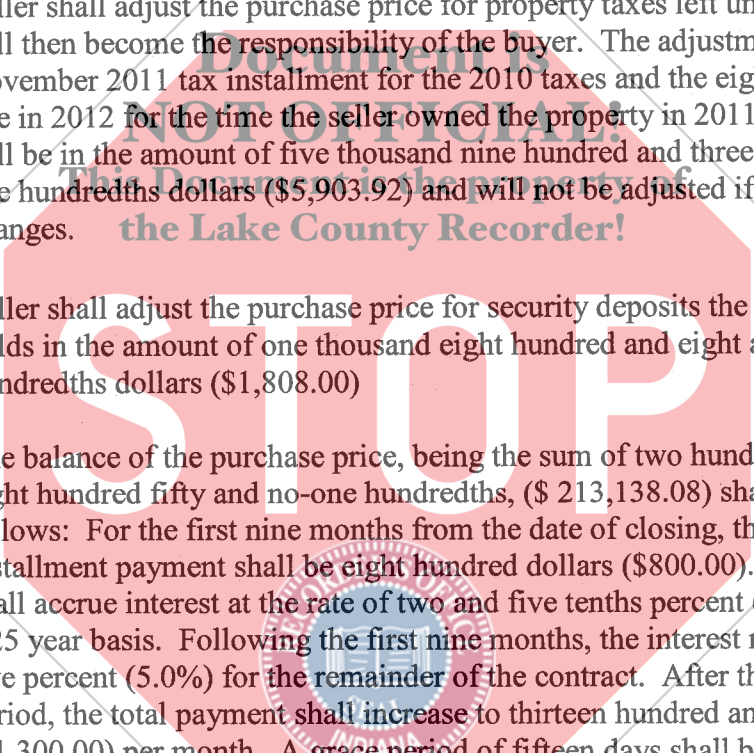
- (a) The Buyer shall make a down payment of ten thousand dollars, (\$ 10,000.00), the receipt of which is hereby acknowledged by Seller.
- (b) Seller shall adjust the purchase price for property taxes left unpaid. The tax will then become the responsibility of the buyer. The adjustments are for the November 2011 tax installment for the 2010 taxes and the eight months of taxes due in 2012 for the time the seller owned the property in 2011. This adjustment will be in the amount of five thousand nine hundred and three and ninety two one hundredths dollars (\$5,903.92) and will not be adjusted if the property tax bill changes.
- (c) Seller shall adjust the purchase price for security deposits the seller currently holds in the amount of one thousand eight hundred and eight and no - one hundredths dollars (\$1,808.00)
- (d) The balance of the purchase price, being the sum of two hundred thirty thousand, eight hundred fifty and no-one hundredths, (\$ 213,138.08) shall be payable as follows: For the first nine months from the date of closing, the total monthly installment payment shall be eight hundred dollars (\$800.00). The initial balance shall accrue interest at the rate of two and five tenths percent (2.5%) amortized on a 25 year basis. Following the first nine months, the interest rate will increase to five percent (5.0%) for the remainder of the contract. After the first nine month period, the total payment shall increase to thirteen hundred and eighteen dollars (\$1,300.00) per month. A grace period of fifteen days shall be allowed before deeming the payment to be late. All late payments will be assessed a late penalty of one hundred and no-one hundredths dollars, (\$100.00).

The first payment shall be due and payable on or before the first day of the first month after the closing of this contract. Interest accruing at the initial rate for the time period between the date

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of the signing of the contract, and the first regularly scheduled payment shall be included with the first payment.

All subsequent payments shall be made on or before the first day of each month, and shall continue until the balance of the purchase price, with interest as herein provided, has been paid in full. Such periodic payments shall include interest compounded monthly on the unpaid balance of the purchase price due hereunder at the rate previously described.

(b) All payments made hereunder shall be applied first to accrued interest and secondly to reduction of unpaid purchase price.

(c) Notwithstanding any other provision of this contract to the contrary, the entire balance of purchase price, with interest, shall be due and payable on or before, _____, 2036, except as provided in Section 3 below.

(d) Buyer hereby acknowledges the receipt of the amortization schedule that will be followed.

2. ACCELERATION OF DEBT:

(a) In addition to the requirements of Section 1 of this contract, the debt shall become due and payable in full, with all accrued interest, one year following the date of death of the Seller. It is the Buyer's responsibility to obtain suitable financing at that point in time. Difficulty in securing a mortgage shall not be sufficient excuse for a failure to obtain said mortgage, except as provided below in section 2(b). In the event that the Buyer fails to pay the balance in full with all accrued interest on the specified date, the payment will be increased by a penalty of four hundred and no -- one hundredths dollars, (\$400.00) per month. The increase in the payment rate shall not excuse Buyer from paying the balance in full, nor prevent the subsequent holder of this contract from exercising all legal rights available.

The above statements notwithstanding, the inability of the buyer to get conventional financing due to environmental reasons such as the inability to obtain at Buyer's expense an acceptable Phase One Environmental Assessment shall extend the period for the acceleration of debt and acceleration of debt penalty to the date that is three years after the date of death of the Seller. If the Buyer is unable to obtain a satisfactory Phase One Environmental Assessment within the specified three year time period, the Buyer will be deemed to have accepted the property as is, without any recourse against the Seller for any adverse issues found through the Phase One Environmental Assessment.

3. PREPAYMENT: Buyer may prepay the unpaid balance of purchase price hereunder, in whole or in part, at any time, without penalty, and with interest computed to the date of prepayment.

4. POSSESSION: Buyer shall have full and complete possession of the Real Estate upon execution of this contract. Buyer's right of possession shall continue thereafter so long as Buyer complies with all the terms and conditions of this Agreement and performs all covenants made herein.

5. **TAXES AND ASSESSMENTS:** Seller shall pay all real estate taxes accruing as of the date of the signing of the contract. Buyer shall pay all assessments for drainage or other public improvements payable and becoming a lien after the date of this Agreement.

6. **INSURANCE:** Buyer shall, at all times during the term of this contract, keep the improvements on the Real Estate insured against loss from fire, windstorm or extended perils in an amount not less than two hundred and fifty thousand dollars (\$250,000), and shall pay all premiums for such insurance coverage as they become due. Such policy or policies shall insure both Seller and Buyer, as their interests may appear at the time of loss. Buyer shall furnish Seller a copy of such policy or policies upon request. Proceeds of such insurance may, at Buyer's option, be applied to repair and restoration of the premises to as good a condition as existed prior to the loss, or may be applied to reduce the unpaid balance of purchase price hereunder. The Seller shall be named as an additional insured on all insurance policies associated with this property.

7. **USE AND LIABILITIES:** Buyer covenants and agrees to keep and maintain the Real Estate and the improvements thereon in as good a condition as they presently exist, reasonable wear and tear excepted. Buyer shall not commit waste. No existing improvement shall be removed or substantially altered, nor shall any additional improvements be placed upon the Real Estate, without Seller's prior written consent. In the use and occupancy of the Real Estate, Buyer shall comply with all laws, ordinances and regulations of any governmental authority having jurisdiction thereof. Until the purchase price has been paid in full, Seller may enter upon and inspect the Real Estate and the improvements thereon at any reasonable time. Buyer hereby assumes all risk and responsibility for accident, injury or damage to person or property arising from Buyer's use, occupancy and possession of the Real Estate and improvements. Buyer covenants to promptly pay for any labor and materials furnished for improvements on the Real Estate, so as to prevent the filing of any mechanics liens.

8. **HAZARDOUS MATERIAL:** Buyer shall not cause or permit any Hazardous Material (as defined below) to be brought upon, or kept or used in or about the Real Estate by Buyer, his agents, employees, contractors or invitees, without the prior written consent of Seller, which Seller shall not unreasonably withhold so long as Buyer demonstrates to Seller's reasonable satisfaction that Hazardous Material is necessary or useful to Buyer's business and will be used, kept and stored in a manner that complies with all laws, rules, statutes and ordinances regulating any such Hazardous Material so brought upon or used or kept in or about the Real Estate. If Buyer breaches the obligations of this paragraph, or if the presence of Hazardous Material on or about the Real Estate caused or permitted by Buyer results in contamination of the Real Estate, or if contamination of the Real Estate or any part thereof by Hazardous Material otherwise occurs for which Buyer is legally liable to Seller for damage resulting therefrom, then in any such case, Buyer shall indemnify, defend and hold Seller harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Real Estate or any improvement thereon, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) that arise during or after the term of this Agreement as a result of such contamination. The Buyer's obligation to indemnify the Seller includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or

local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on, under or about the Real Estate. Without limiting the foregoing, if the presence of any Hazardous Material on or about the Real Estate caused or permitted by Buyer results in any contamination of the Real Estate or surrounding area, or causes the Real Estate or surrounding area to be in violation of any laws, rules, statutes or ordinances, Buyer shall promptly take all actions at his sole expense as are necessary to return the Real Estate and surrounding area to the condition existing before the introduction of any such Hazardous Material; provided that Seller's approval of those actions shall first be obtained, which approval shall not be unreasonably withheld so long as those actions would not potentially have any material adverse long-term or short-term effect on the Real Estate or surrounding area.

As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority having jurisdiction over the Real Estate, the state of Indiana, or the United States government. The term "Hazardous Material" includes, without limitation, any material or substance which is (i) defined as a "contaminant" or "hazardous waste" by Indiana Code Chapter 13-7-1; (ii) petroleum, (iii) asbestos, (iv) designated as a "hazardous substance" pursuant to section 311 of the Federal Water Pollution Control Act, 33 U.S.C. §1321, (v) defined as a "hazardous waste" pursuant to section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903), or (vi) defined as a "hazardous substance" pursuant to section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq.

9. CONDITION OF PROPERTY: It is understood and agreed that the Real Estate is being sold in an "as is" condition, with all faults, and that Buyer is relying entirely upon Buyer's own inspection in entering into this purchase contract. The Seller does not warrant the condition of the property, nor its suitability for any particular use or purpose.

10. ADVANCEMENTS TO PROTECT SECURITY: If Buyer shall fail or neglect, for any reason, to pay any installment of property tax, public assessment or insurance premium required by this Agreement as the same shall become due and payable, then Seller may, at Seller's option, pay such taxes, assessment or premium to protect Seller's security interest in the Real Estate, and all such sums so advanced shall be due and payable from Buyer to Seller, with interest thereon at the rate of ten percent (10.0%) per annum, within thirty (30) days after delivery of Seller's written demand therefore to Buyer.

11. ASSIGNMENT OF CONTRACT: Neither Buyer's interest in this Agreement nor Buyer's interest in the Real Estate shall be sold, assigned, pledged, mortgaged, encumbered or transferred by Buyer without the prior written consent of Seller.

12. DEED AND EVIDENCE OF TITLE: Upon payment by Buyer of all amounts due hereunder in full, and performance by Buyer of all covenants and conditions of this Agreement, Seller shall convey the Real Estate to Buyer by general warranty deed, subject however, to: public highways; all easements, rights-of-way and restrictions of record; rights of persons in possession; the lien of unpaid taxes, public assessments and any other liens created or assumed by Buyer; and the provisions of applicable zoning laws. At such time, Seller shall furnish Buyer an owner's policy of title insurance, insuring the title of Buyer for the full amount of the purchase

price, subject only to standard policy exceptions and liens created or assumed by Buyer. Buyer and Seller shall split the costs of title insurance evenly.

13. **DEFAULT AND ACCELERATION:** It is expressly agreed by Buyer that time is of the essence of this Agreement. Upon the occurrence of any Event of Default, as hereinafter defined, and at any time thereafter, the entire unpaid balance of the purchase price, 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 Buyer, and Seller shall have the right to pursue immediately any and all remedies, legal or equitable, as are available under applicable law to collect balance of purchase price and accrued interest, to foreclose this Agreement, and as may be necessary or appropriate to protect Seller's interest under this Agreement and in and to the Real Estate. The following shall each constitute an "Event of Default" for purposes of this Agreement:

(a) Default by Buyer in the payment of (i) any installment of the purchase price when due under the terms of this Agreement, (ii) any installment of Real Estate taxes on the Real Estate or assessment for a public improvement which by the terms of this Agreement are payable by Buyer, or (iii) any premium for insurance required by the terms of this Agreement to be maintained by Buyer.

(b) Default, for a period of ten (10) days after written notice thereof is given to Buyer, in the performance or observation of any other covenant or term of this Agreement.

(c) Lease or encumbrance of the Real Estate or any part thereof, other than as expressly permitted by this Agreement, 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) Buyer (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 organization 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 proceedings in bankruptcy.

(e) Any part of Real Estate or all or a substantial part of the property or assets of Buyer is placed in the hands of any receiver, trustee or other officers or representatives of any court, or Buyer 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 Buyer.

(g) Actual or threatened alteration, demolition or removal of any improvements which are a part of the Real Estate, except as expressly allowed by the terms of this Agreement.

(h) Sale, transfer, conveyance or other disposition of Buyer's interest in this Agreement or Buyer's interest in the Real Estate, or any part thereof, without Seller's prior written consent.

Upon the occurrence of an Event of Default, the Seller may declare the entire unpaid balance of purchase price to be immediately due and payable without relief from valuation and appraisal laws, and proceed by legal process to collect the same, with interest, costs and

reasonable attorney fees; and for the payment of any judgment so obtained, to have the Real Estate sold at Sheriff's sale as land is sold upon foreclosure of mortgages.

In the event Buyer deserts or abandons the Real Estate or commits any other willful breach of this Agreement which materially diminishes the security intended to be given to Seller under and by virtue of this Agreement, then, it is expressly agreed by Buyer that, unless Buyer shall have paid more than one-third ($\frac{1}{3}$) of the purchase price, Seller may, at Seller's option, cancel this Agreement and take possession of the Real Estate and remove Buyer therefrom, or those holding or claiming under Buyer without any demand and to the full extent permitted by applicable law. In the event of Seller's cancellation upon such default by Buyer, all rights and demands of Buyer under this Agreement and in and to the Real Estate shall cease and terminate and Buyer 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 Buyer toward the purchase price as an agreed payment for Buyer'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 Buyer.

All of 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.

14. **SELLER'S RIGHT TO MORTGAGE:** Seller reserves the right to place or maintain a mortgage upon the Real Estate, and shall also have the right to renew or increase any mortgage loan. However, the balance due in respect of any such mortgage loan shall at no time exceed the unpaid balance of purchase price due hereunder. If Seller defaults in the payment of any such mortgage loan, Buyer shall have the right to cure such default and deduct the cost thereof from the next payment or payments due under this Agreement. Seller shall pay any such mortgage loan when due or at such earlier time as Buyer pays the unpaid balance of purchase price in full. Buyer agrees to sign such instruments as the mortgagee may reasonably require to assure the priority of any existing or future mortgage upon the Real Estate, provided however, that Buyer shall not be personally liable for payment of the loan secured by any such mortgage.

15. **NOTICES:** Any notices required or permitted to be given hereunder shall be deemed sufficiently given when (a) delivered in person to the party to be notified, or (b) placed in an envelope directed to the party to be notified at the following address and deposited in the United States Mail, by certified or registered mail, postage prepaid:

IF TO SELLER:

Michael G. Fagen
8030 Hawthorne Ct.
Dyer, IN 46311

Copy to Nora M Miklosy (Holder of Power of Attorney and
named Executrix)

1619 Auburn Ct
Waukesha, WI. 53189

IF TO BUYER:

Patrick M Fagen & Nancy A. Fagen
9261 Monix Drive
St. John, IN 46373

The address to which notices are to be sent may be changed by written notice delivered to the other party as set forth above.

16. ENTIRE AGREEMENT: This Agreement supersedes and cancels all previous agreements, verbal or written between Seller and Buyer and constitutes the entire agreement between the parties.

17. GENERAL PROVISIONS: This Agreement shall extend to and be binding upon the heirs, personal representatives, successors and assigns of the parties. Whenever the context requires or permits, the gender and number of words used in this Agreement shall be interchangeable. This Agreement shall be construed and enforced according to the laws of the State of Indiana. If this Agreement is executed in duplicate counterparts, each shall be deemed an original.

18. SECURITY INTEREST IN CONTRACT: The Buyer understands that he may be designated to receive an inheritance or other specific bequest from the Seller, either directly or through a Trust controlled by the Seller. Buyer hereby pledges his inheritance or other specific bequest against the then unpaid balance of this contract, and specifically agrees that the Executor of the Estate of the Seller, or the Trustee of the Seller's Trust, are authorized to first credit any funds due to the Buyer against the then remaining balance of this contract.

19. SUCCESSION OF INTEREST: In the event of the death of the Seller, the Seller's Trustee and/or Executor (Executrix) shall assume all of the rights and obligations of this contract.


IN WITNESS WHEREOF, the parties have executed this Agreement on the 26 day of Aug, 2011.

SELLER:


Michael G. Fagen



BUYER:


Patrick M. Fagen

BUYER:



Nancy A. Fagen

STATE OF INDIANA)

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ACKNOWLEDGEMENT

COUNTY OF LAKE)

Before me, a Notary Public in and for said County and State, personally appeared Michael G. Fagen, and Patrick M. Fagen and Nancy A. Fagen, who acknowledged the execution of the foregoing Power of Attorney, and who, having been duly sworn, stated that any representations therein contained are true.

Witness my hand and Notary Seal this 24th day of August, 2011.

My commission expires: 4-7-2019



Notary name: KELLY A. FOMING

Resident of: Lake County, Indiana

