

LEASE OPTION CONTRACT

This LEASE AGREEMENT WITH OPTION TO PURCHASE REAL ESTATE (hereinafter referred to as the Lease/Option) is made on this 1st day of December, 2011, by and between the following parties:

Julia Yanke
located at _____

(hereinafter referred to as the Tenant/Buyer); and

Brad Harber & Jerry Harber
located at _____

(hereinafter referred to as the Landlord/Seller).

In consideration of the mutual promises and covenants herein, the parties hereby agree as follows:

(1) DESCRIPTION: The Landlord/Seller agrees to lease, and the Tenant/Buyer agrees to rent the real property and improvements, located at:

362 N. WABASH Hobart IN 46342

as more fully described as follows:

Parcel # 45-08-25-428-012-000-018

ORCHARD PARK ADDS-5.60 FT. L. 2 BLY

(hereinafter referred to as the "Property".)

(2) TERM: The term of this Lease/Option shall be for a period of 60 months commencing on Dec 1, 2011, and ending on December 1 2016.

The term will be automatically extended for 2 periods of 6 months, unless the Tenant/Buyer gives notice to the Landlord/Seller of its intent to terminate this Lease/Option, by mailing a written notice to the last provided address of the Landlord/Seller, or until such time as Tenant/Buyer exercises its option to purchase the Property. Liability for payment will not extend beyond notice to terminate this agreement.

(3) POSSESSION: Possession shall be delivered by keys and physical possession given to the Tenant/Buyer on Dec 1 2011

(4) RENT: Tenant/Buyer agrees to pay the lender of Landlord/Seller's current mortgage or trust deed, the sum of \$ 1500 per month, with the first payment beginning Dec 1 2011 as rent for the Property, for the term of this Lease/Option, and during any extension thereof. All rental payments shall be due and payable in advance of the 10th day of each and every month.

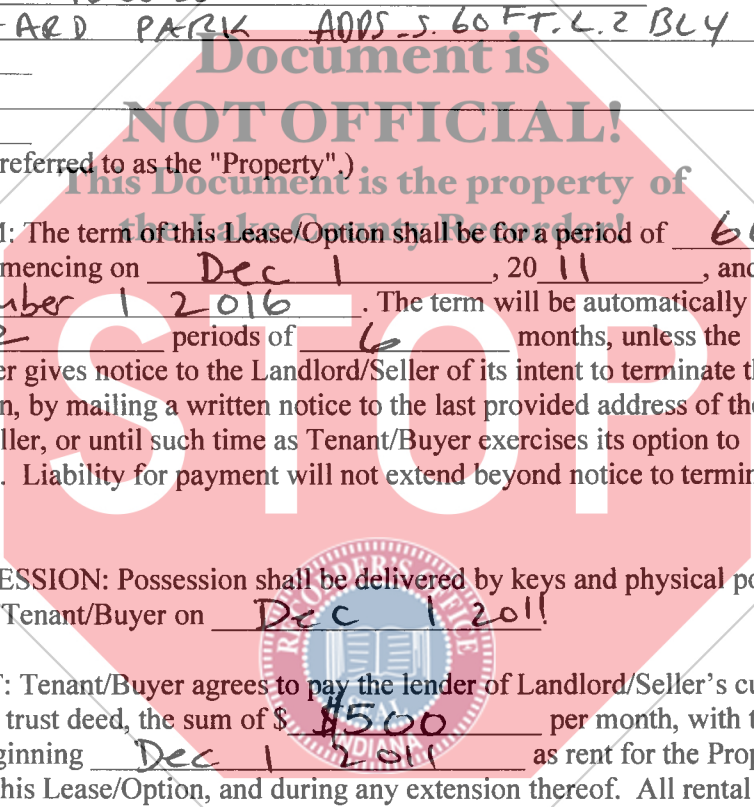
amount equal to \$ 1500 for each month in which rent was paid, shall be credited to the Tenant/Buyer and applied to the purchase price of the Property in the event that the Tenant/Buyer exercises its option hereunder.

2011 075791

2011 DEC 29 PM 3:15

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

MICHAEL J. ALTMAN
RECORDER



FILED
DEC 29 2011

PEGGY HOLINGA KATONA
LAKE COUNTY AUDITOR

005023

2200
rn
cm
CS
Ar

(5) **OPTION TO PURCHASE:** The Tenant/Buyer, as part of the consideration herein, is hereby granted by the Landlord/Seller the exclusive right, option, and privilege of purchasing the Property at any time during the term of this Lease/Option or any extension thereof.

(6) **LIQUIDATED DAMAGES:** Should Tenant/Buyer default on this agreement, Landlord/Seller shall keep all monies paid as liquidated damages.

(7) **COVENANTS OF TENANT/BUYER:** Commencing with entering the term of this agreement, including extensions, the Tenant/Buyer hereby covenants and agrees as follows:

(A) That the Tenant/Buyer will pay all utility charges and bills, including, but not limited to water, sewer, gas, oil, and electric, which may be assessed or charged against the Property.

(B) That the Tenant/Buyer will not use the Property for any unlawful purpose and that the Tenant/Buyer will conform to and obey all laws, ordinances, rules, regulations, requirements and orders of all Federal, State, and Local governmental authorities, agencies, departments, bureaus, boards or officials, respecting the use of the Property; and

(C) That the Tenant/Buyer will surrender and deliver up the Property, at the end of the term or any extensions thereof, should the option herein not be exercised, in as good order and condition as the same now exists, reasonable use and natural wear and tear excepted.

(8) **COVENANTS OF THE LANDLORD/SELLER:** The Landlord/Seller hereby covenants and agrees as follows:

(A) That the Landlord/Seller shall pay for and maintain fire and extended coverage insurance on the Property in minimum amount of \$ 85,000.00. The Tenant/Buyer shall be named as an additional insured or loss payee on the insurance policy and copy of which shall be provided to Tenant/Buyer.

(B) That the Tenant/Buyer is entitled to the quiet enjoyment of the Property without any interference or interruption by Landlord/Seller or its representatives.

(9) **COSTS OF IMPROVEMENTS:** In the event the Tenant/Buyer exercises the option to purchase set forth in paragraph 4, above, and through no fault of the Tenant/Buyer, the Landlord/Seller fails to convey said Property to Tenant/Buyer in accordance with the terms of this Lease/Option, the Tenant/Buyer, in addition to any other rights which Tenant/Buyer may have in law or equity for the enforcement of Tenant/Buyer's option to purchase, shall be entitled to reimbursement for the cost of all repairs, maintenance, and improvements.

(10) **FURTHER ENCUMBRANCES:** The Landlord/Seller hereby warrants the total of the leases, options, mortgages, liens, and any other encumbrances against the Property, whether of public record or not, are as follows:

(A) A first mortgage in favor of N/A in the approximate amount of \$ _____.

(B) Current taxes for N/A in the amount of \$ _____ due on _____.

(C) Other liens (specify):

N/A

The Landlord/Seller shall not lease to any other third party, nor to assign, sell, option, transfer, pledge, or otherwise to convey any or all rights or interests had by Landlord/Seller in the Property or in this Lease/Option, nor to further encumber the Property nor allow the same to occur. Violation of this paragraph shall be considered a material breach of this Lease/Option. The Landlord/ Seller further agrees to keep all mortgages, liens, taxes, or other encumbrances on the Property, current and in good standing, Tenant/Buyer shall have the right to make payment on same in the event that Landlord/Seller becomes delinquent or otherwise defaults on such payments, and Tenant/Buyer may at its option either reduce its monthly rent in the amount of the payments, or subtract the amount of the payments from the balance due Landlord/Seller at closing of the sale of the Property.

(11) RIGHT OF ASSIGNMENT: The Tenant/Buyer may sublet the Property, and/or assign, sell, transfer, pledge, or otherwise convey any or all rights or interest which the Tenant/Buyer may have in the Property or in this Lease/Option. Any such assignments will release original Tenant/Buyer from any and all liability and substitute assignee in his/her or its place.

(12) MAINTENANCE AND REPAIRS: The Tenant/Buyer accepts the Property "as is" on the date of execution of this Lease/Option except for items listed in paragraph 14. As of the effective date, the Tenant/Buyer shall be responsible for all maintenance and repair upon said Property, both interior and exterior. The Tenant/Buyer shall have the right to make such repairs, maintenance, and improvements as Tenant/Buyer shall deem necessary, proper or desirable. The Tenant/Buyer shall pay the costs of all such improvements, except that any electric, plumbing, heating or cooling system that is not in workable condition at the inception of this Lease/Option will be repaired by the Landlord/Seller at its expense within sixty (60) days notice from Tenant/Buyer. If the Landlord/Seller refuses to make such repairs, Tenant/Buyer will have the option of either voiding this agreement by written notice to the Landlord/Seller or making such repairs and, (a) receiving a reimbursement from the next monthly payment or payments due the Landlord/Seller or, (b) receiving a credit against the purchase price plus interest at 10% per annum from date of payment.

(13) BINDING AGREEMENTS: The parties hereto agree that this Lease/Option comprises the entire agreement of the parties and supersedes all prior written or oral agreements, representations, warranties, negotiations, or understandings. This

Lease/Option may not be amended except in a writing executed by all the parties hereto. The parties further represent and warrant that they have not relied on any representations, warranties or statements as an inducement to entering this Lease/Option other than what is expressly written herein. This Lease/Option shall be binding upon the parties, their heirs, executors, administrators, personal representatives, successors, or assigns.

(14) SPECIAL PROVISIONS:

(A) The Landlord/Seller will complete the following by Dec 1, 2011 or this Lease/Option will become null and void and all monies paid by Tenant/Buyer will be immediately refunded by Landlord/Seller or, at Tenant/Buyer's option, Tenant/Buyer may accept the Lease/Option and completed the items listed below, and the cost of same will be recovered as provided for in paragraph 12:

Contract can be withdrawn by either party with six month notice via registered mail.

(B) A TITLE SEARCH will be ~~ordered immediately~~ by the Tenant/Buyer. This cost will be borne by the Tenant/Buyer unless it is discovered that Landlord/Seller has unmarketable title in which case the Landlord/Seller will reimburse Tenant/Buyer to cost of the search. If the title is unmarketable the Tenant/Buyer will then have the option to void this agreement or proceed as agreed herewith.

OPTION PURCHASE TERMS

(15) PRICE AND TERMS: The Tenant/Buyer agrees to pay for said Property the sum of \$ 75,000 (Seventy Five Thousand Dollars) less any sums for which the Tenant/Buyer is entitled to claim as reimbursement or offset in accordance with this Lease/Option; the net sum to be paid in cash, certified check, or cashier's check at closing.

(16) INCLUDED IN THIS PURCHASE: The Property shall also include all land, together with all improvements thereon, all appurtenant rights, privileges, easements, buildings, fixtures, heating, electrical, plumbing, air conditioning fixtures and facilities, window shades, venetian blinds, awnings, curtain rods, screens, storm windows and doors, affixed mirrors, wall-to-wall carpeting, stair carpeting, built-in kitchen appliances, bathroom fixtures, radio and television aerials, landscaping and shrubbery, water softeners, garage door openers and operating devices, and all utility or storage buildings or sheds, range and refrigerator. The Property shall also include the following items: All Appliances

(17) TITLE: The Landlord/Seller shall convey marketable title to the Property with the above described inclusions, by General Warranty Deed free, clear, and unencumbered except existing mortgages, restrictions, and easements of record shown in paragraph 10.

(18) CLOSING: The deed shall be delivered and the purchase money shall be paid at a time and place of Tenant/Buyer's choice, no later than 60 days after notification to the Landlord/Seller of the Tenant/Buyer's exercise of the option.

(19) COSTS AND PRORATIONS: The following items shall be prorated the Landlord/Seller and the Tenant/Buyer as of date of closing: (a) All real estate taxes and assessments; (b) Interest on encumbrances assumed or taken over by Tenant/Buyer with both parties having responsibility for such items as follows:

Landlord/Seller will pay:

None

Tenant/Buyer will pay:

All TAXES
All Insurance
All Utilities
All Unpaid Taxes

(20) INSURANCE: While this Lease/Option is in effect, the Landlord/Seller shall maintain fire and extended coverage upon the Property, and immediately convert the owner occupied (if applicable) policy to a non-owner occupied policy. In the event of the entire or partial loss, damage or destruction of the Property, the Tenant/Buyer may at its option (a) proceed with the closing and accept the insurance proceeds for said damage, or (b) declare this Lease/Option null and void, releasing both parties from any obligations hereunder, except for the return of reimbursable expenses previously paid by Tenant/Buyer which amounts shall become immediately due and payable from the insurance proceeds. Tenant/Buyer shall be responsible for obtaining fire and extended coverage insurance on the Property effective on the closing date.

(21) LEGAL: In the event that any legal proceeding is brought to enforce any right or obligation under this Lease/Option, the parties each agree to waive their right to a jury trial. In addition, the prevailing party shall recover its reasonable court costs and attorney fees from the non-prevailing party.

IN WITNESS WHEREOF,
the parties hereto, have set their hands to this Lease/Option on this 1 day of Dec, 20 11

WITNESS:

[Signature]
Landlord/Seller

Jon C. Harber

Landlord/Seller

Julia B. Yank

Tenant/Buyer

Tenant/Buyer

*Lease Option Agreement Copyright 2000 US Landlord. All rights reserved.

