MEMORANDUM DECISION

IN THE

Court of Appeals of Indiana

Real Estate Network, Inc.,
Appellant-Plaintiff

v.

Charity Tabernacle Apostolic Church, Inc.,
Appellee-Defendant / Third-Party Plaintiff

v.

James E. Chalfant,
Third-Party Defendant

March 14, 2024

Court of Appeals Case No.
23A-CC-569

Appeal from the Marion Superior Court

The Honorable P.J. Dietrick, Judge

Trial Court Cause No.
49D12-1909-CC-37308

Memorandum Decision by Judge Foley
Judges Pyle and Tavitas concur.

Foley, Judge.

[1] Charity Tabernacle Apostolic Church, Inc. ("Buyer") entered into two contracts regarding the purchase of real estate in Indianapolis ("the Property"). The First Contract was a lease with an option to purchase. The Second Contract—which was made effective just a few days later—was a land contract that set forth a purchase price and established a payment schedule that involved the accrual of interest. Eventually, litigation arose involving three parties: (1) Buyer; (2) James E. Chalfant ("Chalfant"), the original owner of the Property[1]; and (3) Real Estate Network, Inc. ("Seller"), the subsequent owner of the Property. Among the issues was whether Buyer was entitled to a warranty deed because Buyer had satisfied the land contract. The case culminated in a bench trial, with the trial court entering special findings. The trial court determined that the Second Contract controlled, and that Buyer had overpaid Seller by about $600 because two amounts referred to in the First Contract—a $12,500 payment and a $5,000 credit—reduced the purchase price, thus resulting in the accrual of less interest.

[1] Chalfant does not participate in his personal capacity on appeal.

[2] Seller now appeals and presents three issues, which we consolidate and restate as the following dispositive issue: Whether the trial court clearly erred by applying the $12,500 payment and the $5,000 credit toward the balances due under the Second Contract. We conclude that, although the trial court did not err by applying the $12,500 payment, the court should not have applied the $5,000 credit referenced in the First Contract. We therefore reverse and remand for a determination of the amount due to Seller on the complaint.

Facts and Procedural History

[3] The Property consists of multiple parcels in Indianapolis that Chalfant acquired in 2003. On August 28, 2003, Chalfant and Buyer entered into the First Contract, which was titled "Lease with Option to Purchase." *See* Ex. Vol. IV pp. 15–20. Thereunder, Buyer leased the Property and paid monthly rent payments. The First Contract also gave Buyer an option to purchase the Property during the lease term. As to the option, the First Contract stated:

> In consideration of a non[-]refundable option fee of Twelve Thousand Five Hundred Dollars and Zero Cents ($12,500.00) to be paid concurrent with the execution of this agreement, [Buyer] shall have an option to purchase the [Property] . . . for One Hundred Seventy Five Thousand Dollars and Zero Cents ($175,000.00). The option shall be exercised by [Buyer] paying the purchase price . . . (less the paid option fee and any other applicable credits) . . . during the term of the lease. In addition, [Buyer] must be in compliance with all lease terms, including, but not limited to[,] the payment of rent. Upon [Buyer's] exercise of [the] option, said fee shall be credited toward the purchase price; however, if, for any reason, the purchase is not completed by

> [Buyer] or if this contract is canceled because of a default by [Buyer], the option fee shall be retained[.]

Id. at 15 (emphases removed). The First Contract also contained a paragraph that was labeled "Other provisions[.]" *Id.* at 20. This paragraph stated:

> If financing is completed within 9 months of the date of [the First Contract], the purchase price will be $170,000 (One Hundred Seventy Thousand Dollars and Zero Cents). If payments are made on time within this 9 months, a credit of $5,000.00 (Five Thousand Dollars and Zero Cents) will be given to [Buyer].

Id. at 20. The First Contract permitted Chalfant to assign his rights, specifying that Chalfant's assignee would be "obligated to the terms" of the First Contract. *Id.* at 19. The First Contract also contained an integration clause, which provided as follows: "This agreement contains the entire agreement between the parties. Any and all prior promises, negotiations, representations, expectations, and understanding[s], verbal or written, are of no force and effect, except to the extent that they [were] expressly contained in this agreement." *Id.*

[4] It is undisputed that Chalfant later transferred the Property to Seller, which is Chalfant's "wholly owned corporation[.]" Appellant's Br. p. 9 n.5. At some point after entering the First Contract, Buyer and Seller entered into the Second Contract, which was titled Land Contract. *See* Ex. Vol. IV pp. 23–30.[2] A

[2] The Second Contract referred to Real Estate Network, LLC rather than Real Estate Network, Inc. The trial court later granted Seller's unopposed motion to correct the Second Contract by interlineation, thereby replacing the entity name with the correct one. *See* Appellant's App. Vol. 2 pp. 186–87.

signature block in the Second Contract indicated that Buyer physically signed the document in August 2006. However, there were provisions in the Second Contract stating that the agreement was deemed to be "executed . . . as of the day and year first written above." *Id.* at 30. That date was September 1, 2003—i.e., four days after the First Contract was executed. *See id.* at 23.

[5] Under the Second Contract, "Seller agree[d] to sell . . . and [Buyer] agree[d] to purchase" the Property "upon the covenants, terms[,] and conditions of [the Second Contract]." *Id.* at 22. The Second Contract contained an integration clause: "This [c]ontract constitutes the entire agreement between the parties, and there are no other covenants, agreements, promises, terms[,] or provisions, oral or written, except as set forth herein." *Id.* at 29. And the purchase price provisions were structured so that Buyer would make an initial down payment:

> The purchase price for the [Property] shall be the sum of One Hundred Thirty-Five Thousand Dollars and Zero Cents ($135,000.00). The Down Payment shall be the be the sum of Ten Thousand Dollars and Zero Cents ($10,000.00) for a total of One Hundred Twenty-Five Thousand Dollars and Zero Cents ($125,000.00).

Id. at 23. The Second Contract (1) established an interest rate, (2) called for monthly payments of principal and interest, and (3) obligated Buyer to make one final balloon payment to Seller, specifying that the "the unpaid balance of the [p]urchase [p]rice [was] due on August 31, 2018[.]" *Id.* The Second Contract specifically allowed Buyer to prepay any part of the outstanding balance at any time: "[Buyer] may prepay the outstanding principal balance of

the [p]urchase [p]rice, in whole or in part, at any time without premium or penalty." *Id.* As for prepayment, the Second Contract specified that any partial prepayments of principal "shall be applied to the reduction of the principal installments due and payable . . . , in the inverse order of maturity." *Id.*

[6] The Second Contract contemplated a closing at which Buyer would "pay the unpaid balance" and Seller would deliver, among other things, a "special warranty deed in recordable form conveying fee simple title[.]" *Id.* at 28. Although the Second Contract indicated that legal title would not pass until Buyer paid in full, the Second Contract specified that, "once [Buyer] ha[d] paid more than twenty-five percent (25%) of the [p]urchase [p]rice, equitable title shall pass to [Buyer]," thereby requiring Seller to "institute foreclosure proceedings" to recover for any uncured event of default. *Id.* at 27. The Second Contract identified several default events, among them, (1) "default by [Buyer] in the payment of . . . any installment of the [p]urchase [p]rice when due" and (2) "fail[ure] to perform or observe any other covenant or term of th[e] [Second] Contract" after receiving notice and a reasonable opportunity to cure. *Id.* Regarding default, the Second Contract referred to "foreclosure proceedings" and provided that Seller could recover its costs and attorney's fees:

> In the event of default, at Seller's option, Seller shall also have all other remedies available at law or equity, and if Seller incurs any costs or expenses in connection with an event of default, including enforcing any term or condition of th[e] [Second Contract], Seller shall be entitled all [sic] collect all reasonable costs of collection and/or enforcement, including[,] but not limited to[,] attorney's fees and expenses.

Id.

[7] In September 2019, Seller sued Buyer. In its original complaint, Seller referred to the First Contract and sought to evict Buyer for the failure to pay rent. *See* Appellant's App. Vol. 2 pp. 35–36. Buyer counterclaimed and filed a third-party complaint against Chalfant. *See id.* at 42–48. In pertinent part, Buyer referred to the Second Contract and essentially sought to quiet title, alleging that Buyer held an "equitable position" with respect to the Property and was entitled to "an entry of judgment . . . for marketable title[.]" *Id.* at 44. Buyer further alleged that the action was "spurious, fabricated, fraudulent, and without merit," and that Chalfant and Seller—"by this cause of action"—had "attempted to deceive the [c]ourt as to the true position of the parties[.]" *Id.* Buyer additionally alleged that Chalfant, through Seller—his "solely owned . . . entity"—"ha[d] made material misrepresentations of the facts before this court" and was "committ[ing] a fraud upon the [c]ourt and on [Buyer], attempting to deprive [Buyer] of its property." *Id.* at 45. Buyer sought to recover damages. *Id.* at 46. Buyer also sought to recover costs and attorney's fees. *See id.* at 44.

[8] Seller moved for a "[p]reliminary order of prejudgment possession," asking the trial court to "direct[] the Sheriff of Marion County to exercise reasonable means necessary to vacate and otherwise secure the [Property]." *Id.* at 58. Buyer opposed the motion. The trial court scheduled a hearing, prior to which the parties stipulated to the admission of exhibits containing the First Contract and the Second Contract. Following the hearing, the trial court denied the motion for prejudgment possession. In a written order issued in December

2019, the trial court noted that, "[w]hen the parties executed the [Second Contract]," their relationship was transformed from that of landlord-tenant under the [First Contract] to that of Seller-[Buyer] controlled by the [Second Contract]." *Id.* at 81. The trial court reasoned that Seller "cannot seek prejudgment possession" because Buyer had obtained equitable title. *Id.* at 83.

[9] In April 2020, Seller filed an amended complaint asserting alternative grounds for relief. In Count I, Seller relied on the First Contract, alleging that (1) Buyer was in breach "by having failed to pay certain monthly lease payments" and so (2) Seller was entitled to "possession of the [P]roperty." *Id.* at 86. In Count II, Seller relied on the Second Contract, alleging that (1) Buyer "breached the terms . . . by failing to make the payments required therein" and so (2) Seller was entitled to "foreclose" on the Property. *Id.* Seller sought to recover the unpaid sum "with pre-judgment interest thereon," along with attorney's fees and costs. *Id.* In its answer, Buyer raised the affirmative defense of satisfaction, claiming it "satisfied the terms of the contract between the parties." *Id.* at 101.

[10] In September 2020, Seller and Chalfant moved for summary judgment. Among their contentions was that Buyer failed to pay the balance of the purchase price due by August 31, 2018, as required by the Second Contract. *See id.* at 109. Buyer opposed summary judgment, arguing that Buyer had actually "paid more . . . for the [P]roperty than is set forth in the contract as [the] purchase price[.]" *Id.* at 130. Buyer also asserted that "[c]ertain matters of fact were decided, in this case, and are binding upon the parties[.]" *Id.* Buyer then designated the written order on prejudgment possession, along with the evidence that the

parties stipulated could be admitted at the hearing on that motion. *See id.* at 130–32. Buyer asserted that the "findings by the [trial] [c]ourt"—and the "stipulations"—ultimately constituted binding "law of the case." *Id.* at 132.

[11] The trial court held a hearing and, in March 2021, denied the motion for summary judgment. *Id.* at 170–71. Seller then unsuccessfully moved to certify the order for interlocutory appeal. *Id.* at 182. The matter progressed to a bench trial. At the outset, the trial court granted Seller's motion for special findings under Trial Rule 52(A). Tr. Vol. III p. 5. The trial court also granted Buyer's request "to incorporate [the court's] prior findings and evidence submitted in prior actions in th[e] lawsuit for purposes of a final determination of the facts and the law in its ruling on the merits[.]" *Id.* at 193. At trial, Seller argued that Buyer breached the Second Contract. Seller specifically argued: "There was an outstanding balance due as of the balloon date of August 2018. No balloon payment was made at that time and the contract has been in default since that time. And [Seller was] seeking the remedy of foreclosure[.]" Tr. Vol. III p. 8.

[12] At one point, the trial court questioned Chalfant regarding payment provisions set forth in the Second Contract:

> THE COURT: The purchase price was $135,000, subject to a $10,000 down payment, leaving a balance due of $125,000 under paragraph two, is that correct?
>
> MR. CHALFANT: Yes.

THE COURT: Alright. The $12,500 that was submitted as . . . an option deposit on the [First Contract], that's not the $10,000 in your mind, is it?

MR. CHALFANT: No.

Id. at 232.

[13] After the bench trial, the trial court entered a written order explaining that it had "determined and found that the [Second Contract] between the parties controlled their respective interests in and to [the Property.]" Appellant's App. Vol 2 p. 194. The trial court summarized the pending issues as follows:

a. Whether Chalfant/[Seller] are entitled to foreclosure on the [Second Contract];

b. Whether [Buyer] had paid or otherwise satisfied its obligations under the [Second Contract], entitling [Buyer] to a finding that the [Second Contract] has been satisfied and an order directing Chalfant/[Seller] to execute a warranty deed (as provided for in the [Second Contract]) to [Buyer] free and clear [of] liens, encumbrances or defect[s];

c. Whether Chalfant/[Seller] engaged in fraud/misrepresentation in . . . dealings with [Buyer];

d. Whether Chalfant['s]/[Seller's] actions and defenses posed in this matter are/were in bad faith, frivolous[,] and unreasonable; [and]

> [e]. Whether [Buyer] should be awarded damages, including attorney['s] fees, against Chalfant/[Seller].

Id. at 199–200.

[14] As to the first two issues regarding foreclosure and Buyer's entitlement to a warranty deed, the trial court entered judgment for Buyer because it determined that Buyer had paid Seller in full. *Id.* at 210. In so determining, the trial court referred to the purchase price of $135,000 set forth in the Second Contract. *See id.* at 205. The trial court provided a calculation indicating that the outstanding balance was reduced by $12,500, which the court referred to as a "[p]ayment made to exercise [the] option to purchase" under the First Contract. *Id.* The trial court also indicated that the balance was reduced by a $5,000 "[c]redit provided in 'Other Provisions'" in the First Contract. *Id.* (emphasis removed). The trial court subtracted these amounts—a total of $17,500—from the purchase price, thus regarding the "[b]alance due in installment payments" as a balance of $117,500. *Id.* Regarding the $117,500, the trial court stated that it "accept[ed] the amortization schedule submitted by [Buyer]" and that, based on that amortization schedule, Buyer had actually overpaid Seller by $617.74. *Id.*

[15] Having determined that Buyer had paid the balance due, the trial court ordered Seller to "deliver to [Buyer] a Warranty Deed conveying title to the [Property]," as contemplated in the Second Contract. *Id.* at 211. To the extent that Buyer was seeking reimbursement for the overpayment, the trial court determined that "there was no evidence presented at trial showing that either party complained

about underpayment or overpayment[] during the almost 18 years they dealt with each other before litigation, thus implicating waiver." *Id.* at 206. The trial court added that, although Buyer "satisfied its obligations under the [Second Contract,] such that it is now the legal title owner of the [Property]," the court was "choos[ing] to otherwise leave the parties as it found them with respect to any claim of over[]payment or entitlement to reimbursement." *Id.* at 207.

[16] As to the remaining issues, the trial court rejected any claim that Chalfant engaged in fraud, or that Seller and Chalfant initiated and pursued the litigation in bad faith. The court noted that "the absence of the [Second Contract] at the beginning of th[e] case was perplexing," but that initially pursuing the litigation as an "eviction under the [First Contract] without any reference to the [Second Contract]" did not evince bad faith. *Id.* at 209. The court stated that "the parties disagreed, among other things, on [their] respective obligations under the [First Contract] and the [Second Contract]" and they "were engaged with each other under both of these documents from 2003 through 2018." *Id.* at 208. The court characterized the litigation as involving "a fundamental disagreement regarding the documents underlying [the parties'] legal relationships with each other," and the court noted that "[a]dvocating a certain legal theory or position based upon an interpretation of a lease or land contract does not . . . amount to bad faith . . . [or] frivolous or unreasonable conduct." *Id.* In rejecting the counterclaims, the trial court added that, Buyer, "like Chalfant/[Seller], w[ould] be responsible for the payment of its own attorney fee[s]." *Id.* at 210.

[17] Seller now appeals, with the judgment stayed pending appeal. *See id.* at 14.

Discussion and Decision

[18] Seller focuses on whether the trial court erred in determining that Buyer had paid Seller in full, triggering Seller's obligation to provide a warranty deed. Seller specifically argues that the trial court erred in applying $17,500 toward the purchase price because those payments arose under the First Contract, which the court "ha[d] already determined d[id] not control[.]" Appellant's Br. p. 6. Seller ultimately contends that, although "there is evidence of payment, there is no evidence of satisfaction," so the judgment must be reversed. *Id.*

[19] This case reaches us following a bench trial, where the trial court entered special findings under Trial Rule 52. Pursuant to Trial Rule 52(A), we "shall not set aside the findings or judgment unless clearly erroneous[.]" Clear error is "that which leaves us with a definite and firm conviction that a mistake has been made." *Egly v. Blackford Cnty. Dep't of Pub. Welfare*, 592 N.E.2d 1232, 1235 (Ind. 1991). To the extent that this appeal involves factual issues, we must defer to the trial court's determination of the facts. *See generally, e.g.*, Ind. Trial Rule 52(A) (providing that "due regard shall be given to the opportunity of the trial court to judge the credibility of the witnesses"). But to the extent that this appeal involves pure questions of law, we owe no deference to the trial court. *See generally, e.g.*, *State v. Stidham*, 157 N.E.3d 1185, 1190 (Ind. 2020).

[20] This case involves two written contracts. As the Indiana Supreme Court has explained, "construction of the terms of a written contract is a pure question of law for the court, reviewed de novo." *Harrison v. Thomas*, 761 N.E.2d 816, 818

(Ind. 2002). "Our goal in contract interpretation is 'to determine the intent of the parties at the time that they made the agreement.'" *Care Grp. Heart Hosp., LLC v. Sawyer*, 93 N.E.3d 745, 752 (Ind. 2018) (quoting *Citimortgage, Inc. v. Barabas*, 975 N.E.2d 805, 813 (Ind. 2012)). In determining the parties' intent, "[w]e start with the contract language to determine whether it is ambiguous." *Id.* "If the language is unambiguous, we give it its plain and ordinary meaning in view of the whole contract, without substitution or addition." *Id.* In other words, when a contract is unambiguous, we are "constrained by the four corners" of the document and "we may not add or subtract language." *U.S. Auto. Sprinkler Corp. v. Erie Ins. Exch.*, 204 N.E.3d 215, 223 (Ind. 2023) (citing *Sawyer*, 93 N.E.3d at 752–53). Indeed, "[c]lear and unambiguous terms in the contract are deemed conclusive, and when they are present we will not construe the contract or look to extrinsic evidence, but will merely apply the contractual provisions." *Ryan v. Ryan*, 972 N.E.2d 359, 364 (Ind. 2012) (quoting *Shorter v. Shorter*, 851 N.E.2d 378, 383 (Ind. Ct. App. 2006)); *see also Am. Gen. LLC v. Armour*, 46 N.E.3d 436, 440 (Ind. 2015) ("The primary rule of construction first requires giving the words of the contract their plain and ordinary meaning.").

[21] Here, the parties do not challenge the trial court's determination that the Second Contract controlled, such that Buyer obtained equitable title to the Property under a land contract. As to the Second Contract, we conclude that the payment and purchase price provisions are clear and unambiguous. That is, Buyer was to pay Seller a total of $135,000. *See* Ex. Vol. IV p. 23. The contract contemplated an initial down payment of $10,000. *See id.* Thereafter, Buyer

would pay monthly installments until a balloon payment was due on August 31, 2018. That payment would consist of "[t]he unpaid [p]urchase [p]rice, accrued interest, and all other amounts due" under the Second Contract. *Id.* The Second Contract specifically allowed Buyer to make prepayments toward the outstanding balance: "[Buyer] may prepay the outstanding principal balance of the [p]urchase [p]rice, in whole or in part, at any time without premium or penalty." *Id.* Regarding prepayment, the Second Contract specified that any partial prepayment "shall be applied to the reduction of the principal installments due and payable . . . , in the inverse order of maturity." *Id.*

[22] The Second Contract was made effective as of September 1, 2003. And it is undisputed that, around that time, Buyer paid $12,500 via a cashier's check. *See, e.g.*, *id.* at 21–22; *see also* Appellant's Br. pp. 11–12. The trial court applied the $12,500 payment to the purchase price under the Second Contract, and we cannot say the trial court clearly erred in doing so. *See* Appellant's App. Vol. 2 p. 205. Indeed, the evidence presented at trial indicated that Buyer obtained the cashier's check on August 29, 2003, four days before the effective date of the Second Contract. The evidence also included testimony from Buyer's treasurer, who characterized the payment as a "down payment of $12,500" on the Second Contract. Tr. Vol. III p. 171 (explaining that she calculated an amortization for the purchase price by first reducing the outstanding balance that "includ[ed] [Buyer's] down payment of $12,500"). Furthermore, the Second Contract called for an initial down payment of $10,000 while allowing prepayments "in whole or in part, at any time without premium or penalty." Ex. Vol. IV p. 23.

[23] In seeking reversal, Seller points out that the trial court apparently associated the $12,500 with the option to purchase expressed in the First Contract. *See, e.g.*, Appellant's App. Vol. 2 p. 205. Seller asserts that "[t]here is no evidence to support applying a credit contained in one contract . . . to reduce the [p]urchase [p]rice of a completely separate . . . [c]ontract." Appellant's Br. p. 11. Seller also attempts to pull us within the four corners of the First Contract, arguing that the option fee was non-refundable. *See id.* at 11–13. In this regard, Seller essentially argues that reversal is warranted because the trial court misconstrued provisions in the First Contract. Seller also argues—without any citation—that the $12,500 "should not have been credited toward the [Second Contract] [p]urchase [p]rice because the parties did not agree that it would." *Id.* at 12.

[24] Seller implicitly requests that we interpret and apply the First Contract. Yet, these requests are inconsistent with Seller's contention that the First Contract was "completely separate" from the Second Contract. *Id.* at 11; *see also* Reply Br. p. 6 ("These are two separate legal documents. Each document is an unambiguous written representation of the successive agreements between these parties."). Here, the Second Contract is an unambiguous agreement that (1) does not refer to the First Contract and (2) contains an integration clause directing that the Second Contract "constitutes the entire agreement between the parties, and there are no other covenants, agreements, promises, terms[,] or provisions, oral or written, except as set forth" in the Second Contract. Ex. Vol. IV p. 29. Thus, the Second Contract stands on its own. As our Supreme Court has explained, when "the contract terms are unambiguous," we "do not

go beyond the four corners of the contract to investigate meaning." *Sawyer*, 93 N.E.3d at 756. In other words, when giving meaning to unambiguous terms, "we will not consider extrinsic evidence, *even if that evidence is another agreement executed on the same day*." *Id.* (emphasis added). All in all, here, the Second Contract directed Buyer to pay a down payment of at least $10,000. *See* Ex. Vol. IV p. 23 (setting forth payment provisions and authorizing prepayment). Viewing the evidence from the perspective of the Second Contract—which is the contract everyone agrees controlled—there was evidence that Buyer paid $12,500 close in time to the effective date of that contract. *See id.* at 23, 30 (providing that the agreement was deemed effective as of September 1, 2003). Under these circumstances, we are unpersuaded that the trial court clearly erred in applying the $12,500 toward the purchase price under the Second Contract.

[25] We turn now to the $5,000 credit applied toward the purchase price. The trial court determined that this credit applied by operation of the "other provisions" contained in the First Contract. *See* Appellant's App. Vol. 2 p. 205; *cf.* Ex. Vol. IV p. 20 (establishing a $5,000 credit for completing financing within nine months of the First Contract or making nine months of on-time rent payments). Yet, whereas the $12,500 was an undisputed payment received by Seller, the $5,000 was a credit referenced in the First Contract—outside the four corners of the Second Contract. On appeal, Buyer suggests that the $5,000 should apply because there was ambiguity in the relationship between the First Contract and the Second Contract. Indeed, Buyer, claims that the contracts are "interrelated" and asserts that "any ambiguities in a contract are to be strictly

construed against the party who employed the language and who prepared the contract[,] . . . in this case [Seller]." Appellee's Br. p. 21. Yet, we have concluded that the Second Contract is clear and unambiguous. And, for the reasons already discussed, it is improper to look outside the four corners of that agreement. We therefore conclude that the trial court clearly erred in applying the $5,000 credit toward the purchase price established in the Second Contract.

[26] In conclusion, the trial court properly applied the $12,500 payment to reduce the outstanding balance of the Second Contract, but it erred in applying the $5,000 credit. The trial court's determination that Buyer overpaid Seller by $617.74 was based upon the erroneous application of the $5,000 credit.

[27] For the foregoing reasons, we reverse that portion of the order granting judgment to Buyer on (a) Count II of Seller's complaint for foreclosure (b) and Buyer's affirmative defense of satisfaction. *See* Appellant's App. Vol. 2 p. 86–87. We remand with instructions to the trial court to recalculate the payments made by Buyer under the Second Contract by applying the $12,500 payment as follows: (1) a $10,000 down payment under Section 2 of the Second Contract and (2) a $2,500 prepayment of principal under Section 3(d). *See* Ex. Vol. IV p. 23. To the extent that the recalculation of payments affects other aspects of the judgment, such as Buyer's claim of satisfaction and Seller's request for costs and attorney's fees, we instruct the trial court to address all ancillary issues—

through holding additional hearings, as necessary—and issue an amended judgment consistent with this opinion.[3]

[28] Reversed and remanded.

Pyle, J., and Tavitas, J., concur.

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[3] Seller devotes a section of briefing to whether the trial court erred in adopting Buyer's amortization schedule. Because we have concluded that re-amortization is necessary, we do not further address this issue.