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CONTRACT OF CONDITIONAL PURCHASE
OF THE BUSINESS NAMED: FOOD FOR THOUGHT (BOOKSTORE)

Michael Kostelnik
441 N. Washington Apt
Hkt 46342 11-A.

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THIS AGREEMENT, made and entered into in Lake County, Indiana, this 29th day of May, 1990, by and between MICHAEL D. KOSTELNIK and VERA M. KOSTELNIK, husband and wife, as Sole Proprietors, hereinafter referred to as SELLERS, and REGINA M. HURST, individual, hereinafter referred to as BUYER.

WITNESSETH:

1. DESCRIPTION:

The SELLERS agree to sell and the BUYER agrees to purchase for the consideration, and upon the conditions and covenants hereinafter stated, the Business commonly known as: FOOD FOR THOUGHT (BOOKSTORE) 6992 Broadway, Merrillville, Indiana 46410, and more particularly described as follows, to wit:

That particular business' trade name, trade fixtures, office supplies, good will, computer mailing list, tables, chairs, desks, lamps, unattached bookshelves, loose floor covering, room air conditioners, inventory, and miscellaneous items used in the business (as shown on attached list, Trade Fixtures & Supplies) which is attached to this Contract and made a part hereof and labeled: Addendum "A".)

2. CONSIDERATION:

The BUYER promises and agrees to pay to SELLERS the sum of SEVENTEEN THOUSAND THREE HUNDRED NINETY ONE DOLLARS AND EIGHTY-FOUR CENTS (17,391.84) as payment for the business, trade name, good will, and inventory.

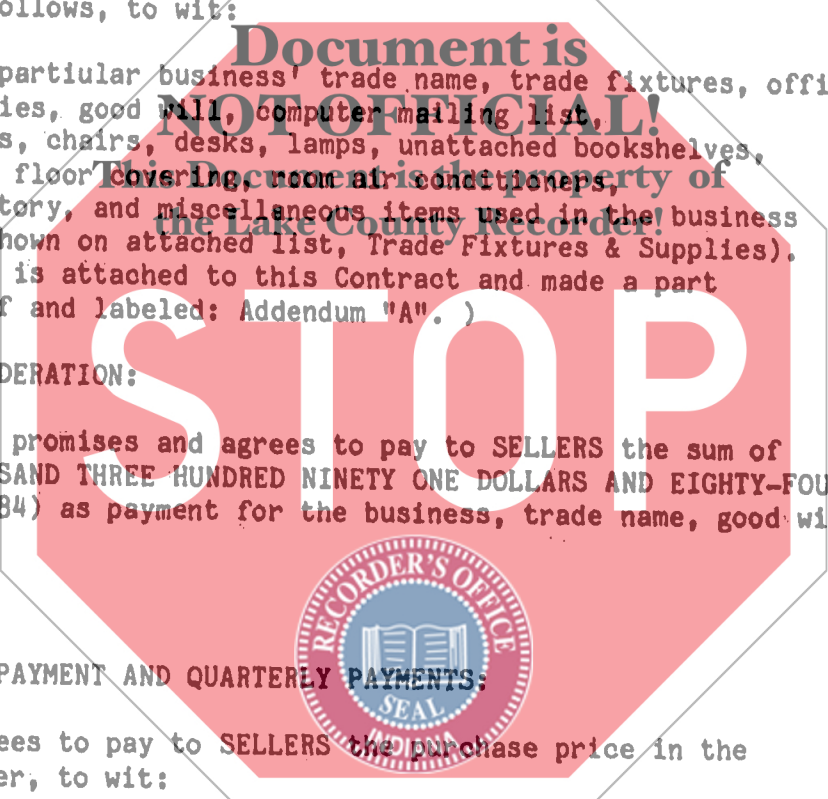
3. DOWN PAYMENT AND QUARTERLY PAYMENTS:

BUYER agrees to pay to SELLERS the purchase price in the following manner, to wit:

- a. The sum of TEN THOUSAND (\$10,000.00) DOLLARS as a down payment contemporaneously with the execution of this contract, the receipt of which is hereby acknowledged.
- b. The balance of MONIES due (SEVEN THOUSAND TWO HUNDRED THIRTY DOLLARS) in TWO (2) quarterly installments in the amount of THREE THOUSAND SIX HUNDRED FIFTEEN DOLLARS (\$3615.00) plus 10% interest for the quarter ending on the thirty-first day August , 1990, with the last payment on the thirtieth day of November, 1990, when the entire unpaid principal balance, interest and other charges, as hereinafter set forth, shall be paid in full.

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- c. Each payment shall be applied first in payment of the interest accruing from the date of the last



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preceding payment on the unpaid balance of the purchase price, and then the balance of each such payments shall be applied in the reduction of the principal of said purchase price.

4. PLACE OF PAYMENT:

All payments shall be made to the SELLERS at:
441 North Washington, Apt. 11A, Hobart, IN 46342
or such other place as SELLERS may at any time designate.

5. TAXES, SPECIAL ASSESSMENTS and INSURANCE

SELLERS assumes and agrees to pay any and all taxes, liens, encumbrances, insurance, assessments due and payable as of the date of closing.

The actual payment of taxes, liens, encumbrances, insurance, assessments and installments of assessments shall be made as follows, to-wit:

- a. The SELLERS agree to pay all sales tax, income tax, and personal property tax due or payable relative to the business ~~herebefore~~ previously described, on a prorated basis as of the date of closing.
- b. The BUYER agrees to make timely payments of any taxes due after closing date.

6. PREPAYMENT

The BUYER shall have the right at any time to pay, in addition to the specified quarterly payments, any amount of money on the purchase price, without pre-payment penalty.

7. CONVEYANCE and EVIDENCE of TITLE

SELLERS agree, upon closing and compliance with all of the terms and conditions of this contract, to convey the said Business to BUYER by a signed Bill of Sale for tangible and intangible property associated with the Food for Thought Bookstore. SELLERS shall also deliver to BUYER, at the time of closing, the right to use the name "FOOD FOR THOUGHT BOOKSTORE."

8. POSSESSION

The BUYER shall have possession of the real estate from and after the date of this contract.

9. REPRESENTATIONS

The BUYER certifies that he has seen and examined the Business and Inventory and agrees that she is purchasing the same in the condition which it now exists. This agreement constitutes the entire contract between the parties hereto, and the SELLERS are not liable or bound in any manner by express or implied warranties, guaranties, promises, statements, representations, or information pertaining to said Business,

made or furnished by any real estate broker, agent, employee, servant or other person representing or purporting to represent the SELLERS, or by the SELLERS, unless such warranties, guaranties, promises, statements, representations, or information are expressly, and specifically set forth herein.

10. LITIGATION

If SELLERS are, during the term of this contract, involved in any litigation whatsoever regarding the said Business on account of any fault, act, or omission of BUYER, all costs and expenses of the SELLERS actually expended, including reasonable attorneys' fees, shall be paid to said SELLERS by BUYER on demand, or at SELLERS' option shall become as so much additional purchase price and be payable on the same terms, interest, and conditions as the basic purchase price.

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11. COLLATERAL

The BUYER will furnish as collateral a 90 day \$7500.00 certificate of deposit in the names of FAYE L. BRASFIELD AND MICHEAL D. KOSTELNIK. After the 90 day period is up (on August 30, 1990), both parties may either renew for an additional 90 days or endorse the certificate for release.

12. TIME

Time of performance under this contract is of the essence.

13. SINGULAR and PLURAL

All promises, covenants, and agreements herein made are joint and several and any references herein to a party in singular shall be also understood to cover and refer to the plural, and vis a versa.

14. ADDITIONAL COVENANTS

The following additional covenants are hereby made part of this contract, to wit:

- a. BUYER agrees to the final price and method of Inventory cost determination, as shown on closing statement.
- b. SELLERS shall transfer to BUYER any and all applicable state and local licenses and permits.
- c. BUYER shall obtain a new Retail Merchants Certificate from the State of Indiana in her own name.
- d. SELLERS shall assume and pay all supplier accounts due up to the closing date only.

15. HEIRS, ETC.

The covenants and agreement herein contained shall be binding upon the heirs, executors, administrators, and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names the day and year above written.

SELLERS
Michael D. Kostelnik

MICHAEL D. KOSTELNIK

Vera M. Kostelnik

VERA M. KOSTELNIK

BUYER
Regina M. Hurst

REGINA M. HURST

Witness
[Signature]

Document is
~~NOT OFFICIAL!~~
[Signature]

This Document is the property of
the Lake County Recorder!

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