

CONSTRUCTION CONTRACT BETWEEN OWNER AND CONTRACTOR
(No Lien Agreement)

THIS AGREEMENT is made as of the 24th day of October, 1997,
BETWEEN the Owner: SAND RIDGE BANK, not individually but as
trustee under a Trust Agreement dated October 23, 1997, and known
as Trust Number 13-1927, having offices located at 2611 Highway
Avenue, Highland, Indiana 46322,

and the Contractor: MYSLIWY CONSTRUCTION, INC., having offices
located at 501 Canterbury Court, Griffith, Indiana 46319.

The Project covered by this Agreement is identified as:
Cherub Manor Subdivision located north of 42nd Place,
between Liable and Kleinman Roads, in Highland, Indiana

and is proposed for construction on real estate legally described
as follows:

TT/40 2/3979

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

97OCT27 AM 11:00

97072727

Part of the North one-half of the South one-half of the
Northwest one-quarter of the Southeast one-quarter of Section
27, Township 36 North, Range 9 West of the Second Principal
Meridian, described as beginning at the Southwest corner
thereof; thence North 00 degrees 05 minutes 55 seconds East
along the West line thereof a distance of 330.54 feet to the
Northwest corner thereof; thence South 89 degrees 23 minutes
05 seconds east along the North line thereof a distance of
167.90 feet; thence South 00 degrees 36 minutes 55 seconds
West a distance of 80 feet; thence South 36 degrees 24
minutes 55 seconds West a distance of 72.61; thence
Southeasterly along the arc of a curve concave to the West
and having a radius of 100.0 feet a distance of 50.85 feet;
thence North 65 degrees 32 minutes 55 seconds East a distance
of 157.65 feet; thence South 00 degrees 12 minutes 17 seconds
West a distance of 119.17 feet; thence North 89 degrees 23
minutes 05 seconds West a distance of 134.24 feet; thence
South 00 degrees 36 minutes 55 seconds West a distance of
91.50 feet; thence South 89 degrees 23 minutes 09 seconds
East a distance of 164.90 feet to a point on the East line of
the Northwest Quarter of the Southeast Quarter of said
Section 27; thence South 00 degrees 12 minutes 17 seconds
West along said East line a distance of 9.0 feet to a point
on the South Line of the North Half of the South Half of the
Northwest Quarter of the Southeast Quarter of said Section
27; thence North 89 degrees 23 minutes 09 seconds West along
the South Line thereof a distance of 1328.91 feet to the
point of beginning, all in the Town of Highland, Lake County,
Indiana, containing 9.1022 acres, more or less.

Tax Key No. 27-19-6

Said parcel of real estate is hereinafter referred to as the "Real
Estate."

B. B. O.
T. J.

The Engineer for this Project is: Chester J. Ziemniak, having offices located at 2929 Highway Avenue, Highland, Indiana 46322.

The Owner and Contractor in regard to the Project to be constructed on the Real Estate agree as set forth below.

ARTICLE 1 - THE WORK OF THIS CONTRACT

The Contractor shall execute the entire Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others, which Work of the Contractor shall include, but not be limited to: performing all site grading and excavation, and installation of all pavements, curbs, gutters, sanitary sewers, storm sewers, pumping stations, water mains, fire hydrants and other improvements as specified on the plans and subdivision application for Cherub Manor Subdivision, as approved by the Town of Highland Plan Commission, and in accordance with the Town of Highland specifications and recommendations for such subdivision improvements.

ARTICLE 2 - DATE OR COMMENCEMENT AND SUBSTANTIAL COMPLETION

2.1 The date of commencement is the later of the date of this Agreement, as written above, or the date as stated in a notice to proceed to be issued by the Owner.

2.2 The Contractor shall attain Substantial Completion of the Project not later than December 31, 1998, unless extended for adjustments of this contract time as provided in the Contract Documents.

ARTICLE 3 - CONTRACT PRICE

3.1 The Owner shall pay the Contractor for the Contractor's performance of the work on the Project the Contract Price of Four Hundred Fifty Thousand and 00/100 Dollars (\$450,000.00), subject to additions and deductions as provided in the Contract Documents.

3.2 The Owner shall pay Contractor this Contract Price from the proceeds of the sale of the subdivision lots that are being developed as part of the Project.

ARTICLE 4 - PAYMENT TO CONTRACTOR

4.1 Payment of the Contract Price shall be made by the Owner to the Contractor when (1) the Contract has been fully performed by the Contractor, except for the Contractor's responsibility to correct nonconforming work as identified by the Engineer, and (2) the Town of Highland has inspected the Project and has issued approval of the final subdivision plat for the Project. Such payment to the Contractor will be made by the Owner not more than

sixty (60) days after the issuance of the final plat for the subdivision.

ARTICLE 5 - NO LIEN AGREEMENT

5.1 Owner and Contractor hereby stipulate that the work required to be furnished under this Agreement shall be performed without any right of the Contractor, or any person employed or dealing with the Contractor, to claim or charge a lien under the laws of the State of Indiana relative to mechanic's lien, including but not limited to I.C. 32-8-3-1 against the Owner's Real Estate for any amount due as a result of such work. Therefore, in consideration of the contract price to be paid to the Contractor under this Agreement, the Contractor, for itself and for all other persons or corporations who may perform labor or furnish materials, supplies, tools or equipment for the construction of the improvements described herein, or for work incidental to such construction, hereby waives and relinquishes all right to claim or file notice of a mechanic's lien upon the Real Estate or any part thereof or upon any buildings or improvements thereon.

5.2 Contractor, for itself, and for other subcontractors, journeymen, materialmen, mechanics, laborers, and all other persons, firms and corporations performing labor and furnishing materials or machinery for the construction of said building and appurtenances, does hereby agree that no lien or notice of lien shall in any event or circumstance whatsoever, attach to or be claimed or filed against said building and appurtenances, or any part thereof, or against the Real Estate on which the same are located or part thereof; and in the event Contractor shall fail to obtain the release of any liens filed, Contractor shall indemnify, save and hold harmless the Owner from any expenses incurred in obtaining the release of any such lien, including attorney fees.

5.3 The Owner shall be required to record this Contract in the Office of the Recorder of Lake County, Indiana, within five (5) days after its execution.

ARTICLE 6 - TERMINATION OR SUSPENSION

6.1 This Contract may be suspended or terminated by the Owner and the Contractor by mutual agreement made in writing, or otherwise as provided hereafter.

6.2 The Contractor may suspend or terminate the Contract if the Work on the Project is stopped for a period of thirty (30) days or more through no act or fault of the Contractor, for any of the following reasons:

- issuance of an order of a court or other public authority having jurisdiction over the Project;
- an act of god or government makes material unavailable or makes performance of the work impracticable; or,
- an act of the Owner is causing a suspension or delay in

the work on the Project, or a delay in payment to the Contractor as otherwise required under this Contract.

6.3 The Owner may suspend or terminate the Contract if the Contractor:

- persistently or repeatedly refuses or fails for a period of thirty (30) days or more to supply sufficient material, labor and equipment to timely perform the work on the Project;
- fails to make payment to any subcontractors for materials, labor and equipment when such payments otherwise become due for such work of subcontractors on the Project; or,
- persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction over the Project.

6.4 When the Owner terminates the Contract for one of the reasons stated in Paragraph 6.3, the Contractor shall be removed from the Project and shall not be entitled to receive further payment until the work on the Project is finished. The Owner upon such termination of the Contractor shall be entitled to pursue completion of the work on the Project with any existing subcontractors, and shall be entitled at Owner's election to have an assignment of any subcontracts existing with the Contractor for work on the Project.

ARTICLE 7 - CONTRACT DOCUMENTS

7.1 The Contract Documents for the construction of this Project, except for modifications made after the execution of this Contract, shall include the following:

- The Plans and Specifications for the Project prepared by the Engineer, and as approved by the Town of Highland Plan Commission for Cherub Mannor Subdivision.
- This Contract for construction of the Project.

THIS CONTRACT IS ENTERED INTO AS OF THE DAY AND YEAR FIRST WRITTEN ABOVE.

OWNER:

SAND RIDGE BANK, as Trustee
under a Trust Agreement dated
October 23, 1997 and known as
Trust No. 13-1927

BY: [Signature]
Trust Officer

CONTRACTOR:

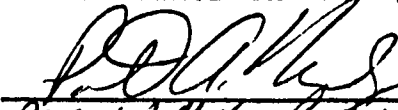
MYSLIWY CONSTRUCTION, INC.

BY: [Signature]
Ronald Mysliwy, its authorized
agent and officer

OWNER'S ACKNOWLEDGMENT

Before me a notary public in and for said county and state, personally appeared Donald L. Hopkins, U.P. & Trust Officer, being authorized representatives of the Owner: Sand Ridge Bank, as trustee under a Trust Agreement dated October 23, 1997 and known as Trust No. 13-1927, and acknowledged the signing of the foregoing Construction Contract between Owner and Contractor, as the voluntary act of said Owner on this 24th day of October, 1997.

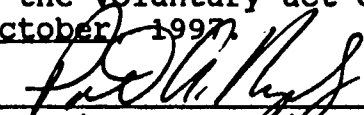
My Commission Expires:
November 6, 1997


Patrick A. Mysliwy, Notary Public
A resident of Lake County, IN.

CONTRACTOR'S ACKNOWLEDGMENT

Before me a notary public in and for said county and state, personally appeared Ronald Mysliwy, being an authorized representative of the Contractor: Mysliwy Construction, Inc., and acknowledged the signing of the foregoing Construction Contract between Owner and Contractor, as the voluntary act of said Contractor on this 24th day of October, 1997.

My Commission Expires:
November 6, 1997


Patrick A. Mysliwy, Notary Public
A resident of Lake County, IN.

THIS DOCUMENT PREPARED BY: Patrick A. Mysliwy, Attorney at Law,
Attorney No. 10002-45, Maish & Mysliwy, Attorneys at Law,
P.O. Box 685, Hammond, Indiana 46320