

CONTRACT FOR CONDITIONAL SALE OF REAL ESTATE

THIS CONTRACT made by and between William L. Brown, 11416 Benton Street, Crown Point, Indiana, 46307, called "Seller" and Ray Bumbales and Norma Bumbales, 2723 East 36th Ave., Lake Station, Indiana, 46405, called "Buyer", WITNESSETH:

Seller hereby agrees to and does sell to Buyer, and Buyer hereby agrees to and does purchase from Seller, the following described property, including any improvements now or improvements hereafter located on it, hereinafter called the "Real Estate":

Lot 6 and the West 20 feet of Lot 7, in Block 8, in Spielman's Addition to Gary, as per plat thereof, recorded in Plat Book 13, page 7, in the Office of the Recorder of Lake County, Indiana.

upon the following covenants, terms and conditions:

Improvements to Real Estate

1. Structures. The above-described real estate is improved by the following: a two-story frame dwelling house with separate finished garage.

2. Fixtures and Equipment. This sale includes all appurtenances to said real estate and all fixtures and equipment which are a part thereof used in connection with the premises, which Seller represents are owned free from all liens and encumbrances unless otherwise stated herein.

Purchase Price and Manner of Payment

1. Purchase Price. As the purchase price for the Real Estate, Buyer agrees to pay to Seller and Seller agrees to accept from Buyer the sum of Seventy-One Thousand, Three Hundred, Seventy-Seven Dollars and 40/100 Cents (\$71,377.40).

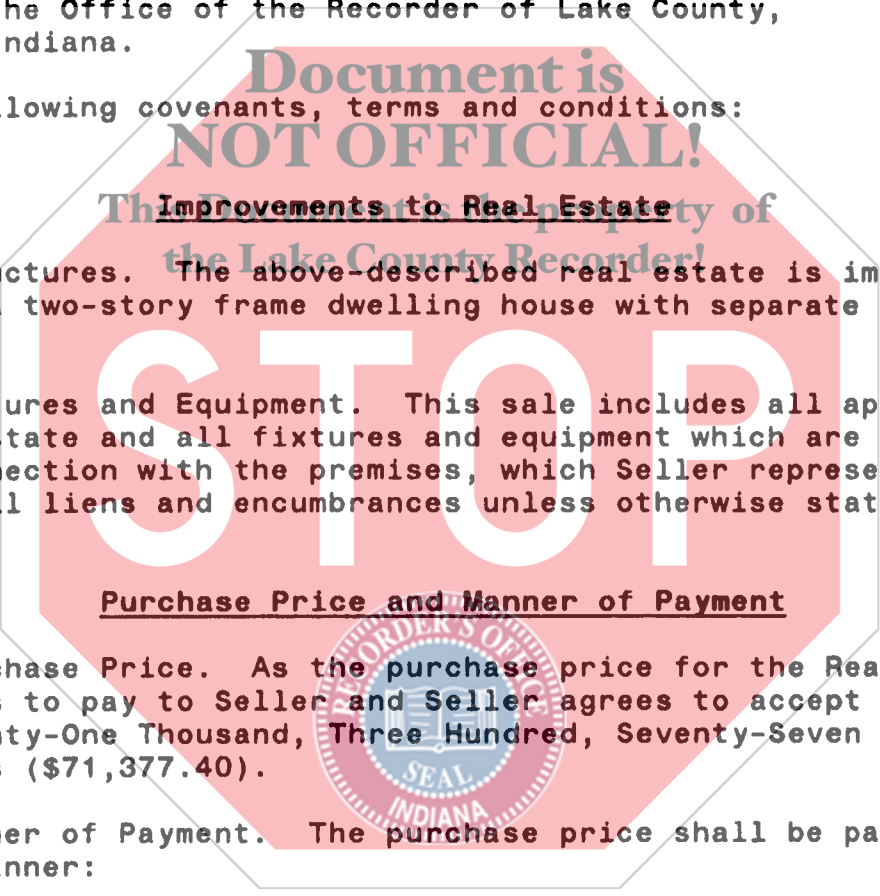
2. Manner of Payment. The purchase price shall be paid in the following manner:

A. \$2,000.00 upon execution of this Contract, the receipt of said \$2,000.00 being acknowledged by the Seller.

B. \$385.43 in cash each month on the 15th day thereof, in consecutive installments, until the full \$38,000.00 principal balance, and all interest thereon, have been paid.

3. Interest. The unpaid balance of the purchase price shall bear interest at the rate of nine percent (9%), such interest to be computed monthly on the 15th day of each month upon the principal sum unpaid at the beginning of such period. The amount of interest so found due shall be deducted from the amount of aggregate payments made during the

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succeeding period and the balance of the aggregate of such payments shall be credited against the principal.

4. Place of Payments. Payments due hereunder shall be made to William L. Brown, at his address given above, or at such other place as Seller shall designate in writing.

5. Grace Period. Buyer shall have a grace period of thirty (30) days from the due date of any installment required under this Contract within which to pay such installment. If such installment is not actually received by Seller within the grace period, then a late charge in a sum equal to five percent (5%) of such installment shall accrue and be immediately due and payable.

6. Application of Payment. Each installment received by Seller shall be applied: first to accrued late charges, then to interest accrued to the due date of such installment, and then to the reduction of the unpaid purchase price.

7. Prepayment of Purchase Price. The Buyer may prepay any amount not less than \$100.00 on any installment payment date, without penalty or premium. Prepayment of any amount due pursuant to this Contract shall not relieve the Buyer from continuing to make scheduled payments, as they become due and payable. All prepayments made by either (a) be payable to Seller by Buyer within 30 days after demand; or (b) be added to principal. In any event such payments and such costs and expenses shall bear interest from the respective dates of making payment or incurring costs and expenses.

Possession

Seller shall deliver to Buyer full and complete possession of the Real Estate on the date of this Contract.

Deed

Seller covenants and agrees that upon the payment of all sums due under this Contract and the prompt and full performance by Buyer of all his covenants and agreements herein made, Seller will convey or cause to be conveyed to Buyer, by Warranty Deed, the above-described Real Estate subject to restrictions and easements of record, and all taxes and assessments which are Buyer's obligations.

Assignment of Contract

Buyer may not sell or assign this Contract, Buyer's interest therein, or Buyer's interest in the Real Estate, without the written consent of Seller and no assignment shall operate to relieve either party from liability hereunder.

**Use of the Real Estate by Buyer, Seller's Right to Inspection
and Buyer's Responsibility for Injuries**

1. Use. The Real Estate may not be rented or leased by the Buyer, without the prior written consent of the Seller. Buyer may materially alter, change or remove any improvements now or hereafter located on the Real Estate, or make any additional improvements, only with prior written consent of Seller. Buyer shall use the Real Estate carefully, and shall keep the same in good repair at his expense and maintain insurance coverage sufficient to protect Seller's interest in Real Estate. No clause in this Contract shall be interpreted so as to create or allow any mechanic's, labor, materialmen, or other creditors of Buyer or of an assignee of Buyer to obtain a lien or attachment against Seller's interest herein. Buyer shall not commit waste on the Real Estate. In his occupancy of the Real Estate, Buyer shall comply with all applicable laws, ordinances, and regulations of the United States of America, of the State of Indiana, and of the City and County where the Real Estate is situated. In the event of Buyer's breach of this covenant and a re-entry by Seller, Buyer shall deliver the Real Estate and improvements thereon to Seller in as good condition as they are now, ordinary wear and tear, acts of God and public authorities excepted.

2. Seller's Right of Inspection. Seller shall have the right to enter and inspect the Real Estate at any reasonable time.

3. Buyer's Responsibility for Accidents. As a part of the consideration hereof, Buyer assumes all risk and responsibility for accident or damage to person or property arising from the use of or in or about the Real Estate after Buyer takes possession.

Buyer's Default and Seller's Remedies

1. Time. Time is of the essence of this Contract.

2. Buyer's Default. Upon the occurrence of any Event of Default, as hereinafter defined, Seller shall have the right to pursue immediately any remedy available under this Contract as may be necessary or appropriate to protect Seller's interest under this Contract and in the Real Estate.

3. Event of Default. The following shall each constitute an Event of Default for purposes of this Contract, and shall not require notice to Buyer:

(a) Failure by Buyer to pay any payment required to be made by Buyer to Seller under this contract when and as it becomes due and payable, subject to the Grace Period provided for above;

(b) Lease or encumbrance of the Real Estate or any part thereof by Buyer, other than as expressly permitted by this Contract;

(c) Causing or permitting by Buyer of the making of any levy, seizure or attachment of the Real Estate or any part thereof;

(d) Occurrence of an uninsured loss with respect to the Real

Estate or any part thereof;

(e) Institution of insolvency and/or bankruptcy proceedings against Buyer, or the adjustment, liquidation, extention or composition or arrangement of debts of Buyer or for any other relief under any insolvency law relating to the relief of debtors; or, Buyer's assignment for the benefit of creditors or admission in writing of his inability to pay his debts as they become due; or, administration by a receiver or similiar officer of any of the Real Estate;

(f) Desertion or abandonment by Buyer of any portion of the Real Estate;

(g) Actual or threatened alteration, demolition, waste or removal of any improvement now or hereafter located on the Real Estate, except as permitted by this Contract;

(h) Failure by Buyer, for a period of sixty (60) days after written notice is given to Buyer, to perform or observe any other covenant or term of this Contract.

4. Seller's Remedies. Upon the occurrence of an Event of Default, Seller may declare all of the sums secured by this Contract to be immediately due and payable, and Seller may immediately institute legal action to recover the same.

In the event Buyer has substantial equity in the Real Estate when an Event of Default occurs, then this Contract shall be considered the same as a promissory note secured by a real estate mortgage, and Seller's remedy shall be that of foreclosure in the same manner that real estate mortgages are foreclosed under Indiana law. The parties agree that after Buyer has paid \$40,000.00 of the purchase price (meaning the original purchase price set forth above), then Buyer shall have substantial equity in the Real Estate.

5. Sums Payable. All sums payable under this Contract are payable with accrued interest and without relief from valuation or appraisement laws. In addition to any other sums payable by Buyer under this Contract, Buyer shall pay any reasonable expense, including attorney fees, incurred by Seller in connection with the exercise of any right or remedy under this Contract, including the preparation and delivery of any notice as required under this Contract whether said notice is sent by the Seller herein or his attorney.

6. Seller's Additional Remedies. In addition to the remedies set forth above, upon the occurrence of an Event of Default, Seller shall be entitled to:

(a) Retain (without prejudice to his right to recover any other sums from Buyer, or to have any other remedy under this Contract), as an agreed payment for Buyer's use of the Real Estate prior to the Event of Default, all payments made by Buyer to Seller, and all sums received by Seller as proceeds of insurance or as other benefits or considerations pursuant to this Contract;

(b) Request that a receiver be appointed over the Real Estate in

accordance with Indiana law providing for real estate mortgage foreclosures;

(c) Enforce any right at law or in equity without relief from valuation or appraisal laws.

General Agreements of Parties

1. All covenants hereof shall extend to and be obligatory on the heirs, personal representatives, successors and assigns of the parties.

2. When applicable, the singular shall apply to the plural and the masculine to the feminine or the neuter.

3. Any notice to be given hereunder shall be deemed sufficiently given when placed in an envelope directed to the person to be notified at his last known address and deposited in a United States Post Office mail box and sent certified mail, return receipt requested. All time periods as required under this Contract shall begin from date of posting of said notice.

4. The failure or omission of either party to enforce any of his right or remedies upon any breach of any of the covenants, terms or conditions of this Contract shall not bar or abridge any of his rights or remedies upon any subsequent default.

Miscellaneous Further Covenants

In addition to all of the above covenants, terms and conditions, the parties further especially agree as follows:

1. The Buyer is familiar with the condition of the property and all improvements on the parcel of real property, all of which has been inspected by the Buyer. The Buyer accepts the above-described real property and all of the improvements thereto in existing condition, "AS IS". The Seller has made no representations as to the condition of the property or improvements, and the execution of the contract by the Seller, and the delivery of deeds or other papers in connection therewith, shall not in any way constitute or be construed as a warranty of any kind to the Buyer, express or implied.

IN WITNESS WHEREOF, the Seller and Buyer have executed this instrument on this 3rd day of Sept., 1992.

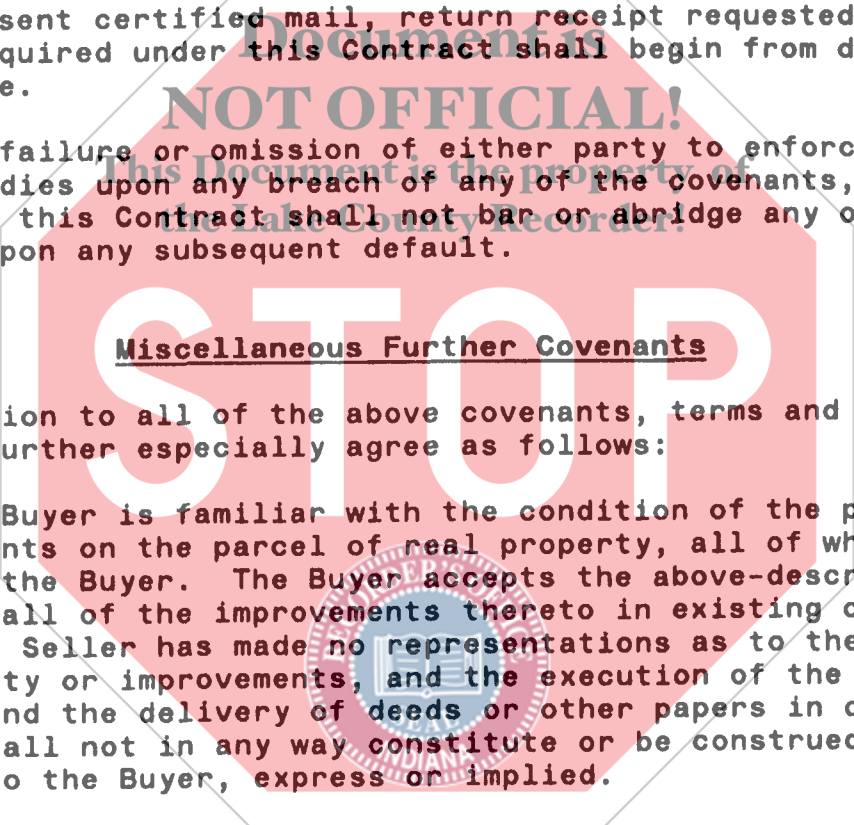
BUYER:

SELLER:

Ray Bumbales
Ray Bumbales

William L. Brown
William L. Brown

Norma Bumbales
Norma Bumbales



PROMISSORY NOTE

1. Promise to Pay. For value received, we promise to pay to the order of William L. Brown, the sum of \$ 71,377.40, with interest at the rate of nine percent (9%) per annum, in monthly installments of \$ 385.43 the first of which shall be payable on October 15, 1992, and the remaining installments on the same day in each successive month for Fifteen (15) years. All payments are to be made to William L. Brown at 11416 Benton Street, Crown Point, Indiana 46307.

2. Acceleration on Default in Payment of Any Installment - Grace Period. On default in the payment in full of any installment of this note, which default continues for more than thirty (30) days, the entire unpaid balance shall, at the option of the holder of the note, become immediately due and payable.

3. Acceleration Upon Occurrence of Specified Events. This note shall become due and payable immediately upon the occurrence of any of the events of default as described in the Contract for Conditional Sale of Real Estate made between William L. Brown and Ray Bumbales and Norma Bumbales jointly and executed on the Sept day of 3rd, 1992.

4. Attorney's Fees on Collection. If an attorney is used to enforce or collect this note for nonpayment at maturity or when due, reasonable attorney's fees shall be added to the sum then due, should the note become due before maturity.

5. Waiver of Jury Trial, Defense, Counterclaim, Setoff. The Maker waives trial by jury and the right to interpose any defense, setoff, or counterclaim in any litigation arising out of this promissory note.

6. Joint and Several Liability. Each Maker shall be jointly and severally liable on this note. The provisions of Paragraph 3 relating to the acceleration of the maturity of this note shall be applicable to the acts of either Maker.

7. Applicable Law. This note shall be construed in accordance with the laws of the State of Indiana.

Dated: Sept. 3rd - 1992

Ray Bumbales
Maker - Ray Bumbales

Dated: Sept. 3rd - 1992

Norma Bumbales
Maker - Norma Bumbales