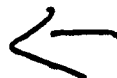


Lucas, Holcomb, Medina - all in account
300 E. 90th Dr
Merrillville, Ind 46410



13

CONTRACT FOR CONDITIONAL SALE OF REAL ESTATE

FILED FOR RECORD

THIS ~~CONTRACT~~ ⁹⁸⁰¹⁰² made and entered into by and between Donald A. Koznicki and Roberta A. Koznicki (hereafter called "Seller") and Albert P. Koznicki and Julia K. Koznicki (hereafter called "Buyer").

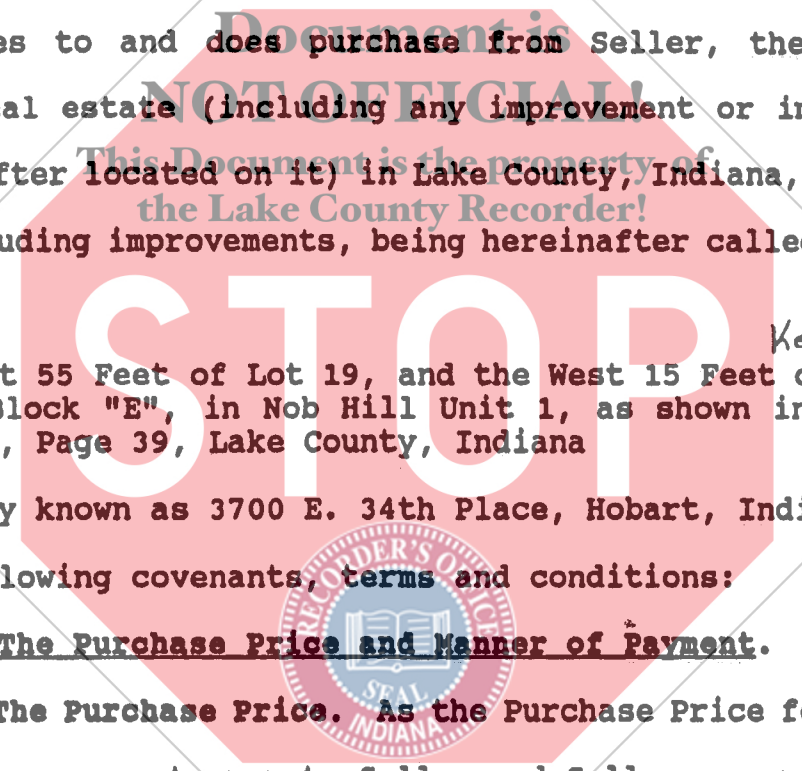
FILED

JUL 06 1998

WITNESSETH:

SAM ORLICH
AUDITOR LAKE COUNTY

Seller hereby agrees to and does sell to Buyer, and Buyer hereby agrees to and does purchase from Seller, the following described real estate (including any improvement or improvements now or hereafter located on it) in Lake County, Indiana, (such real estate, including improvements, being hereinafter called the "Real Estate"):



The East 55 Feet of Lot 19, and the West 15 Feet of Lot 18 in Block "E", in Nob Hill Unit 1, as shown in Plat Book 34, Page 39, Lake County, Indiana

Key # 16-329-25

Commonly known as 3700 E. 34th Place, Hobart, Indiana

upon the following covenants, terms and conditions:

Section 1. The Purchase Price and Manner of Payment.

1.01. **The 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 Ninety-two thousand one hundred eighty dollars and four cents (\$92,180.04).

1.02. **The Manner of Payment.** The Purchase price shall be paid in the following manner:

(a) The sum of Fifty thousand dollars (\$50,000.00) upon the execution and delivery of this Contract. The receipt of such sum is hereby acknowledged by Seller, leaving an unpaid

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balance of the Purchase Price in the sum of Forty-two thousand one hundred eighty dollars and four cents (\$42,180.04). That amount, as it is reduced by payments and expenses of Buyer properly credited under this Contract, and as it is increased by payments and expenses of Seller properly made and incurred under this Contract, is hereinafter called the "Unpaid Purchase Price".

(b) The Unpaid Purchase Price and interest on it shall be paid in monthly installments in the amount of Four hundred fifty-two dollars and ninety-two cents (\$452.92), including interest, all as shown on Exhibit "A" attached hereto and made a part of this Contract. These payments are to pay off the unpaid balance of an existing mortgage on the premises.

(c) Each payment under this Contract shall be sent to Seller at: 1070 Mission Hills Court, Chesterton, Indiana 46304, or at such other address as Seller shall designate in writing.

Section 2. Prepayment of Purchase Price.

2.01. Buyer shall have the privilege of paying without penalty, at any time, any sum or sums in addition to the payments herein required. It is agreed that no such prepayments, except payment in full, shall stop the accrual of interest on the amounts so paid until the next succeeding computation of interest after such payment is made. Interest shall not accrue after the date on which Buyer makes any payment that constitutes full payment of the Unpaid Purchase Price.

Section 3. Taxes, Assessments, Insurance, and Condemnation.

3.01 Taxes. Buyer agrees to assume and pay the taxes on the Real Estate beginning with the installment payable May, 1998, together with all installments of real estate taxes due and payable thereafter, and Seller agrees to pay all taxes on the Real Estate due prior to said installment. Buyer, upon written notice to Seller, and at Buyer's expense, may contest on behalf of the parties any changes in the assessed value of the Real Estate. Seller shall forward or cause to be forwarded to Buyer, when received, a copy of all statements for taxes and any assessments on the Real Estate which are payable by Buyer hereunder, and Buyer shall provide to Seller, upon request, evidence of payment of such taxes and assessments.

3.02. Assessments. Buyer agrees to pay any assessments or charges upon or applying to the Real Estate for public or municipal improvements or services which, after the date of this Contract, are assessed or charged to the Real Estate. Seller agrees to pay any such assessments or charges to and including the date of this Contract.

3.03. Penalties. The parties hereto agree to pay any penalties, whether in the form of interest or otherwise, in connection with the late or untimely payment of such taxes, assessments or charges, for which they are responsible under this Section 3.

3.04 Insurance. At all times during the period of this Contract, Buyer shall:

(a) Keep the improvements located upon the Real Estate insured under fire and extended coverage policies in an amount not less than the Unpaid Purchase Price, and

(b) Keep standard liability insurance with coverages in amounts not less than One hundred thousand dollars (\$100,000.00) per person and Three hundred thousand dollars (\$300,000.0) per occurrence, and

(c) Pay premiums on such insurance policies as they become due and provide Seller with written proof of such insurance coverage annually and as Seller may reasonably request. Such policies of insurance shall be carried with a company or companies approved by Seller and legally authorized by the State of Indiana to engage in such business. Such policies of insurance shall also be issued in the name of Seller and Buyer, as co-insureds, and shall provide that the insurer may not cancel or materially change coverage without at least thirty (30) days prior written notice to Seller and Buyer.

3.05. Rights of Parties to Perform Other's Covenants.

(a) If one of the parties hereto (hereinafter called "Responsible Party") fails to perform any act or to make any payment required by this Section 3, the other party (hereinafter called "Non-Responsible Party") shall have the right at any time and without notice, to perform any such act or to make any such payment, and in exercising such right, to incur necessary and incidental costs and expenses, including

attorney fees. Nothing in this provision shall imply any obligation on the part of the Non-Responsible Party to perform any act or to make any payment required of the Responsible Party under the terms of this Contract.

(b) In the event a Non-Responsible Party makes any such payments or incurs any such costs and expenses, the amount thereof shall bear interest at the rate provided under Section 1 of this Contract, from the respective dates of making the same, until paid in full, or to the date such amounts are added to, or applied against, the Unpaid Purchase Price.

3.06. Condemnation. From the date hereof, Buyer shall assume all risk of loss or damage by reason of condemnation or taking of all or any part of the Real Estate for public or quasi-public purposes, and no such taking shall constitute a failure of consideration or cause for rescission of this Contract by Buyer. Should all or any part of the Real Estate be condemned and sold by court order, or sold under the threat of condemnation to any public or quasi-public body, the net amount received for the damage portion shall be retained by Buyer, and net amount received for the Real Estate value shall be paid to Seller and applied as a reduction of the Unpaid Purchase Price. The authority and responsibility for negotiation, settlement, or suit shall be Buyer's. If Buyer incurs expenses for appraisers, attorneys, accountants or other professional advisers, whether with or without suit, such expenses and any other applicable costs shall be deducted from the total proceeds to calculate the "net amount" and

shall be allocated proportionately between the amount determined as damages and the amount determined for value of the Real Estate. If no determination is made of separate amounts for damages and Real Estate value, then the net amount shall be divided equally between Buyer and Seller, with Seller's amount to be applied as a reduction of the Unpaid Purchase Price.

Section 4. Possession.

4.01. Delivery of Possession. Seller shall deliver to Buyer full and complete possession of the Real Estate on or before June 2, 1997.

Section 5. Evidence of Title.

5.01. If Buyer is not in default under this Contract, Seller will furnish to Buyer an Owner's title insurance policy disclosing marketable title to the Real Estate to a date which is the earlier of: (a) a date after execution of this Contract specified by Buyer in a notice to Seller; or (b) a date sixty (60) days prior to the date the final payment under this Contract is due.

5.02 Title Insurance. A title insurance policy furnished under this Contract shall be in the amount of the Purchase Price and shall be issued by an insurer satisfactory to Buyer.

5.03. Additional Title Evidence. Any additional title evidence shall be at the expense of Buyer, provided, however, that the cost of additional title evidence necessitated by the acts or omissions of Seller shall be borne by Seller.

5.04. Conveyance of Title. 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 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 as of the date of this Contract and all taxes and assessments which are Buyer's obligations.

Section 6. Seller's Right to Mortgage the Real Estate.

6.01. Mortgage Loan. Seller has a mortgage loan on the property and has the right to retain, obtain, renew, extend or renegotiate the loan secured by the mortgage on the Real Estate, provided that the terms of the loan do not conflict with the provisions of this Contract. Seller shall pay each loan when due.

6.02. Provision of Loan. Any loan made by Seller shall:

(a) be in such principal amount that the aggregate principal balance of all loans shall not exceed the Unpaid Purchase Price for the Real Estate;

(b) have total periodic payments which do not exceed the periodic payments by Buyer under this Contract, and shall provide for the regular amortization rate of the principal of Seller's loan which exceeds the amortization rate of the Unpaid Purchase Price of this Contract;

(c) provide for prepayment in full at Seller's option, whether with or without premium, at any time.

6.03. Default of Loan. If Seller would default on any loan on the premises, the Buyer shall have the right on behalf of the Seller to make loan payments or to cure any other defaults. Seller

shall upon written demand of Buyer, pay to Buyer the amount of such payments and the costs incurred by the Buyer in curing other defaults, including attorney fees and interest at the rate of ten (10%) percent.

Section 7. Assignment of Contract or Sale of Interest in Real Estate.

7.01. Buyer shall have the right to assign their interest in the Contract subject to the payment of the Unpaid Purchase Price and any other amounts that may be due under this Contract.

Section 8. Use of the Real Estate by Buyer; Seller's Right to Inspection.

8.01. Use. The Real Estate may be leased or occupied by persons other than the Buyer without the prior written consent of Seller.

8.02. Improvements. Buyer may materially alter, change, or remove any improvements now or hereafter located on the Real Estate, or make any additional improvements without prior written consent of the Seller. Buyer shall not create, or allow any mechanics, laborers, materialmen, or other creditors of Buyer or an assignee of Buyer, to obtain a lien or attachment against Seller's interest herein. Buyer agrees that the Real Estate and any improvements thereon are, as of the date of this Contract, in good condition, order, and repair, and Buyer shall, at his own expense, maintain the Real Estate and any improvements in as good order and repair as they are in on the date of this Contract, ordinary wear and tear, and acts of God or public authorities excepted. Buyer

shall not commit waste on the Real Estate, and with respect to occupancy and use, shall comply with all laws, ordinances and regulations of any governmental authority having jurisdiction thereof.

8.03. Inspection. Seller shall have the right to enter and inspect the Real Estate at any reasonable time.

8.04. Buyer's Responsibility for Accidents. Buyer assumes all risk and responsibility for injury or damage to person or property arising from Buyer's use and control of the Real Estate and any improvements thereon.

Section 9. Buyer's Default and Seller's Remedies.

9.01. 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.

9.02. Event of Default. The following shall each constitute an Event of Default for purposes of this Contract:

(a) Failure by Buyer for a period of thirty (30) days to pay any payments required to be made by Buyer to Seller under this Contract when and as it becomes due and payable.

(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 to any part thereof.

(d) Occurrence of an uninsured loss with respect to the Real Estate or any part thereof.

(e) Institution of insolvency proceedings against Buyer, or the adjustment, liquidation, extension or composition or arrangement of debts of Buyer or for any other relief under any insolvency law relating to the relief of debtors; or, Buyers 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 similar 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 thirty (30) days after written notice is given to Buyer, to perform or observe any other covenant or term of this Contract.

9.03. Seller's Remedies. If 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.

Section 10. Seller's Default and Buyer's Remedies.

10.01. If Seller fails to convey the Real Estate as required by this Contract, Buyer may institute legal action against Seller for specific performance, in which case Seller hereby acknowledges that an adequate remedy for default in such case does not exist at law; or Buyer may pursue such other remedy as is available at law or in equity.

10.02. If, after seven (7) days notice from Buyer, Seller fails to make any payment required of him under this Contract or to perform or observe any other of his covenants or agreements, Buyer shall be entitled to institute legal action against Seller for such relief as may be available at law or in equity. Nothing in this subsection shall interfere with or affect Buyer's right to any reduction, set-off or credit to which Buyer may be entitled in the event of Seller's failure to pay amounts required of him pursuant to this Contract.

Section 11. General Agreements.

11.01. This Contract shall bind, and inure to the benefit of, the parties and their heirs, personal and legal representatives, successors and assigns, and shall be interpreted under the laws of the State of Indiana.

11.02. Each party is entitled to recover his reasonable attorney fees, costs, and expenses incurred by reason of enforcing his rights hereunder, including the expenses of preparing any notice of delinquency, whether or not any legal action is instituted.

11.03. 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.

11.04. Any notices to be given hereunder shall be in writing and deemed sufficiently given when (1) served on the person to be notified, or (2) 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, postage prepaid.

11.05. In computing a time period prescribed in this Contract, the day of the act or event shall not be counted. All subsequent days, including intervening weekend days and holidays, shall be counted in the period.

IN WITNESS WHEREOF, Seller and Buyer have executed this Contract in duplicate on this 2nd day of June, 1997.


Donald A. Koznicki, Seller




Albert P. Koznicki, Buyer


Roberta A. Koznicki, Seller


Julia K. Koznicki, Buyer

STATE OF INDIANA)
) SS:
COUNTY OF)

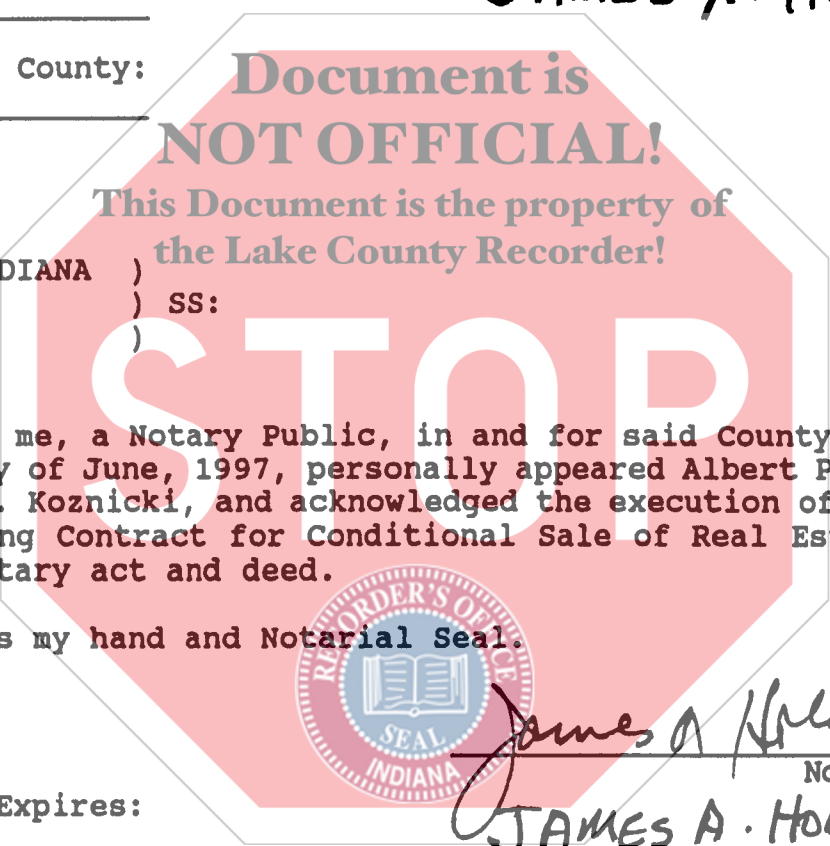
Before me, a Notary Public, in and for said County and State this 2nd day of June, 1997, personally appeared Donald A. Koznicki and Roberta A. Koznicki, and acknowledged the execution of the above and foregoing Contract for Conditional Sale of Real Estate to be their voluntary act and deed.

Witness my hand and Notarial Seal.

James A. Holcomb
Notary Public
JAMES A. HOLCOMB

Commission Expires:
3/10/01

Resident of County:
Lake



STATE OF INDIANA)
) SS:
COUNTY OF)

Before me, a Notary Public, in and for said County and State this 2nd day of June, 1997, personally appeared Albert P. Koznicki and Julia K. Koznicki, and acknowledged the execution of the above and foregoing Contract for Conditional Sale of Real Estate to be their voluntary act and deed.

Witness my hand and Notarial Seal.

James A. Holcomb
Notary Public
JAMES A. HOLCOMB

Commission Expires:
3/10/01

Resident of County:
Lake

THIS INSTRUMENT PREPARED
BY JAMES A. HOLCOMB
13 ATTORNEY AT LAW