

ORIGINAL

53-41-10

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

98075943

98 SEP 24 PM 12:24 SEP 24 1998

CONTRACT FOR CONDITIONAL  
SALE OF BENEFICIAL INTEREST IN REAL ESTATE

This Contract for Conditional Sale of Beneficial Interest in Real Estate is entered into this 11th day of December, 1991, by BETTY FUNKEY, ARNOLD GOUGH, NEVILLE J. GOUGH, C. PAUL IHLE, JR., AND JOYCE PHIPPS (hereinafter collectively referred to as the "Seller") and GEORGE VLAHOS (hereinafter referred to as the "Buyer").

The parties state as follows:

A. The individuals constituting the Seller own, in the aggregate, one hundred percent (100%) of the total outstanding beneficial interests arising under a certain Trust Agreement dated July 10, 1975, and known as Trust Number P-5597 (hereinafter referred to as the "Trust"), with GAINER BANK, NATIONAL ASSOCIATION, successor by merger to Gary National Bank, as Trustee (hereinafter referred to as the "Trustee").

B. The Trustee currently holds a leasehold interest in the real estate commonly known as 8400 Colorado Street, Merrillville, Indiana, and legally described as follows:

Lot 10 in Standard Industrial Park Unit 3, as per Plat thereof, recorded August 14, 1972, in Plat Book 42, Page 62, in the Office of the Recorder of Lake County, Indiana

Key Number 22-51-10

including all improvements and fixtures (excepting tenant-owned fixtures) currently situated thereon (hereinafter called the "Real Estate").

C. The Trustee's interest in the Real Estate constitutes a leasehold interest which arises under an unrecorded Lease dated August 1, 1975, executed by Glenn L. Miller and Isabel M. Grube, as lessor, and the Trustee, as lessee, and a Memorandum of Lease executed by said parties dated August 1, 1975, and recorded November 14, 1975, as Document Number 325795, in the Office of the Recorder of Lake County, Indiana (hereinafter collectively referred to as the "Lease").

D. The Seller wishes to sell to the Buyer, and the Buyer wishes to purchase from the Seller, the entire beneficial interest in and to the Trust, on the terms and conditions provided herein.



47.00  
OK #1673  
CP  
001633

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows:

Section 1. Transfer of Beneficial Interests.

(a) Agreement to Transfer. The Seller hereby agrees to transfer the entire beneficial interest in and to the Trust to the Buyer on the terms and conditions provided herein. The beneficial interest in and to the Trust will be transferred to the Buyer by one or more Assignments of Beneficial Interest. Such Assignments will be in forms acceptable to the Trustee such that all interests of any sort of the Sellers in and to the trust will terminate and the entire beneficial interest in and to the Trust will be held by the Buyer (or its assignee).

(b) Date of Transfer. The beneficial interest in and to the Trust will be transferred, as provided in Subsection (a) of this Section, effective as of the date that full and final payment of all amounts due and owing under this Contract are paid in full.

(c) Warranties as to Ownership. Each of the individuals constituting the Seller hereunder represents and warrants that, as of the date hereof and as of the date of transfer as provided in Subsection (b) of this Section, his respective beneficial interest in and to the Trust is held by him free of all liens and encumbrances of any sort, that on said date his said beneficial interest will be transferred to the Buyer free of all liens and encumbrances of any sort, and that all obligations and debts of the Trust are paid currently, with no arrearage or default on any outstanding obligation. This warranty will survive closing.

Section 2. Purchase Price and Manner of Payment. As the purchase price for the beneficial interests of the Seller in and to the Trust, the Buyer agrees to pay to the Seller and the Seller agrees to accept from the Buyer the sum of \$515,000.00. The purchase price will be paid as follows:

(a) The sum of \$50,000.00 has been paid by the Buyer to the Seller and the Seller acknowledges receipt thereof.

(b) The Buyer will pay the sum of \$4,412.05 to the Seller three months after the date hereof and on the same date of each of the five next succeeding months, for a total of six such payments to be made within eight months after the date hereof. Such payments will be applied against the principal amount due hereunder.

(c) The remaining amount due, adjusted for all credits and prorations as provided herein, will be

paid by the Buyer to the Seller in monthly installments in the amount of \$4,412.05, including principal and all interest then accrued at the rate of nine percent (9%) per year, compounded annually, commencing one month after the date hereof.

(d) All outstanding principal and interest will be paid in full on or before the first anniversary of the date hereof. The Buyer will pay interest at the rate of twelve percent (12%) per year, compounded annually, on any payment more than ten days late, with a minimum late charge of \$100.00 per payment.

Section 3. Additional Payments by Buyer.

(a) Taxes and Assessments. In addition to the payments provided in Section 2 hereof and in addition to all other payments provided in this Section, the Buyer will pay to the Seller the sum of \$1,870.59 one month after the date hereof and on the same date of each succeeding month until all amounts due hereunder are paid in full, provided that the amount of such monthly payment will be adjusted to be equal to one-twelfth (1/12) of the 1991 (payable 1992) taxes and assessments with respect to the Real Estate when the amounts of such taxes and assessments are determined. Such amounts will be applied by the Seller to the payment of the 1991 (payable 1992) real estate taxes and assessments. To the extent that such amounts are not applied to the payment of such taxes and assessments as of the date full payment of all amounts due hereunder is made, such amounts not so applied will, as of such date, be credited against the principal balance remaining due. Prior to the date that full and final payment of all amounts due hereunder is made, no part of such amounts will be applied against the principal amount due, and interest will be calculated as though no such payments had been made; the Buyer will receive no interest on such funds.

(b) Insurance Premiums. In addition to the payments provided in Section 2 hereof and in addition to all other payments provided in this Section, the Buyer will pay to the Seller the sum of \$216.67 one month after the date hereof and on the same date of each succeeding month until all amounts due hereunder are paid in full, provided that the amount of such monthly payment will be adjusted to be equal to one-twelfth (1/12) of the annual insurance premiums with respect to the Real Estate, as provided in Section 5 hereof, when there is a change in the amount of such premiums. Such amounts will be applied by the Seller to the payment of the insurance premiums with respect to the Real Estate. To the extent that such amounts are not applied to the payment of such insurance premiums as of the date full payment of all amounts due hereunder is made, such amounts not so applied will, as of such date, be credited against the principal balance remaining due. Prior to the date that full and final payment of all amounts due hereunder is made, no part of



such amounts will be applied against the principal amount due, and interest will be calculated as though no such payments had been made; the Buyer will receive no interest on such funds.

(c) Lease Payments. In addition to the payments provided in Section 2 hereof and in addition to all other payments provided in this Section, the Buyer will pay to the Seller the sum of \$575.00 on or before the first day of the calendar month which follows the calendar month which includes the date hereof, and on or before the first day of each succeeding month until all amounts due hereunder are paid in full. Such amounts will be applied by the Seller to the payment of rentals due under the Lease. The Seller will, as of the date hereof, receive a credit for any prepaid rental amounts under the Lease, prorated from the date hereof; the amount of such credit will be added to the principal amount payable pursuant to Section 2 hereof. Except as otherwise provided in this Subsection, from and after the date hereof, the Buyer will be responsible for and will pay and perform all items, including but not limited to the payment of rent, which may be required of the tenant under the Lease.

(d) Land Trust Fees. In addition to the payments provided in Section 2 hereof and in addition to all other payments provided in this Section, the Buyer will pay to the Seller such amounts as may be payable to the Trustee for annual fees and expenses pursuant to the Trust Agreement under which the Trust was established, excluding document preparation and execution fees incurred on or before the date which is one week after the date hereof. Such amounts will be applied by the Seller to the payment of such fees and expenses. The Seller will, as of the date hereof, receive a credit for any prepaid land trust fees and expenses, prorated from the date hereof; the amount of such credit will be added to the principal amount payable pursuant to Section 2 hereof. Except as otherwise provided in this Subsection, from and after the date hereof, the Buyer will be responsible for and will pay and perform all items which may be required of the beneficiaries under said Land Trust Agreement.

Section 4. Taxes and Assessments.

(a) 1990 Taxes. The Seller will be solely responsible for and will make timely payment of all amounts due with respect to the 1990 (payable 1991) taxes and assessments with respect to the Real Estate.

(b) 1991 Taxes. The parties will be jointly responsible for the payment of the 1991 (payable 1992) taxes and assessments with respect to the Real Estate as provided herein. The Seller will pay a portion of each payment due based upon a proration from January 1, 1991, through the date prior to the date hereof, and the Buyer will pay a portion of each payment due

based upon a proration from the date hereof through December 31, 1991. The Seller may, at its option, make payment of the Seller's and/or the Buyer's share of such taxes and assessments from the amounts received pursuant to Section 3(a) hereof. To the extent that payments of the Seller's share are made from such funds, such amounts so paid will be credited against the principal amount remaining due under Section 2 hereof as of the date of such application.

(c) Payments. Except as specifically provided in Subsections (a) and (b) of this Section, the Buyer will make timely payment of all taxes and assessments (including any penalties and interest applicable thereto) with respect to the Real Estate payable on or after the date hereof. The Buyer, upon written notice to the Seller, and at the Buyer's expense, may contest on behalf of the parties any changes in the assessed value of the Real Estate. The Buyer will deliver to the Seller, when received, a copy of all statements for taxes and any assessments on the Real Estate, and the Buyer will deliver to the Seller proof of payment of all such items.

Section 5. Insurance.

(a) Maintenance of Policies. Immediately upon execution hereof, the Buyer will deliver to the Seller, and the Buyer will thereafter maintain, one or more policies of insurance with respect to the Real Estate, which insurance will insure against damage to the Real Estate by fire, vandalism, explosion, windstorm, or any other cause customarily included in the term "extended coverage", the policies to be issued by insurance companies and to contain terms reasonably acceptable to the Seller, such insurance to be in a sum not at any time less than the total amount remaining unpaid hereunder. In addition, immediately upon execution hereof, the Buyer will deliver to the Seller, and the Buyer will thereafter maintain, one or more policies of general liability insurance with respect to business operated on the Real Estate, which liability insurance will have limits not less than \$1,000,000.00 per person for personal injury and \$250,000.00 per occurrence for property damage, the policies to be issued by insurance companies and to contain terms reasonably acceptable to the Seller. All or a portion of such coverage may be established by a transfer of the existing policies with respect to the Real Estate from the Seller to the Buyer; to the extent that such policies do not provide the coverage required under this Section, the Buyer will obtain new policies. All such policies will provide that coverage may not be cancelled without at least thirty (30) days' prior notice to the Seller. Such policies will list the Seller as a named insured.

(b) Payment of Premiums. If any policies are transferred from the Seller to the Buyer, the Seller will receive a credit as of the date hereof for any prepaid premiums, prorated

from the date hereof. The amount of such credit will be added to the principal amount due pursuant to Section 2 hereof. To the extent that funds are available from the amounts paid to the Seller pursuant to Section 3(b) hereof, the Seller will make timely payment of all premiums due during the term hereof. Except as otherwise provided herein, the Buyer will make timely payment of all premiums for all such insurance policies. The Buyer will provide proof of all such payments to the Seller at the times that payments are made.

(c) Application of Proceeds. Except as otherwise agreed in writing, any insurance proceeds received as payment for any loss of, or damage to, the Real Estate covered by such insurance, will be applied to restoration and repair of the loss or damage in such fashion as the Seller reasonable may require, unless such restoration and repair is not economically feasible, or there exists an uncured Event of Default by Buyer under this Contract on the date of receipt of such proceeds. In either of such events, the proceeds may be applied, at the Seller's option, toward prepayment of the principal amount remaining due hereunder and any interest or other charges then payable under this Contract, with any excess to be paid to the Buyer.

Section 6. Rights of Parties to Perform Other's Covenants.

(a) Right to Make Payments. If one of the parties hereto (hereinafter called "Responsible Party") fails to perform any act or to make any payment required by Section 4 or Section 5 hereof, the other party (hereinafter called "Nonresponsible Party") will have the right at any time and without notice, to perform any such act or to make any such payments, and in exercising such right, to incur necessary and incidental costs and expenses, including attorney fees. Nothing in this provision will imply any obligation on the part of the Nonresponsible Party to perform any act or to make any payment required of the Responsible Party under the terms of this Contract.

(b) No Release. The exercise of such right by a Nonresponsible Party will not constitute a release of any obligation of the Responsible Party hereunder or a waiver of any remedy available under this Contract or under the Note; not will such exercise constitute an estoppel to the exercise by a Nonresponsible Party of any right or remedy of it for a subsequent failure by the Responsible Party to perform any act or make any payment required by it hereunder.

(c) Application of Payments. Payments made and all costs and expenses incurred by a Nonresponsible Party in connection with the exercise of such right will, at its option, either (i) be paid to it by the Responsible Party within thirty (30) days after written demand therefor; or (ii) on the date the next installment payment is due under this Contract, following



written notice, be added to the principal amount remaining unpaid hereunder, if the Buyer is the Responsible Party, or applied to to reduce such principal amount, if the Seller is the Responsible Party.

(d) Interest on Amounts Paid. In the event a Nonresponsible Party makes any such payments or incurs any such costs and expenses, the amount thereof will bear interest at the rate of twelve percent (12%) per year, compounded annually, 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 principal amount hereunder.

Section 7. Condemnation. From the date hereof, the Buyer will 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 will constitute a failure or consideration or cause for rescission to this Contract by the 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 will be retained by the Buyer, and the net amount received for the Real Estate value will be paid to the Seller and applied as a reduction of the principal amount remaining unpaid hereunder. The authority and responsibility for negotiation, settlement, or suit will be the Buyer's. If the Buyer incurs expenses for appraisers, attorneys accountants or other professional advisers, whether with or without suit, such expenses and any other applicable costs will be deducted from the total proceeds to calculate the "net amount" and will 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 will be divided equally between the Buyer and the Seller, with the Seller's amount to be applied as a reduction of the principal amount remaining unpaid hereunder.

Section 8. Leases.

(a) Duties and Rights under Leases. As of the date hereof, the Buyer will assume all responsibilities as landlord under the leases currently in effect with respect to the Real Estate, which leases are listed on Exhibit A, which is attached hereto and made a part hereof (hereinafter collectively referred to as the "Store Leases"). Provided that no Event of Default has occurred and is continuing, the Buyer will, from and after the date hereof, be entitled to receive and retain all rental amounts pursuant to the Store Leases. Upon execution hereof, the Seller will execute notices to each of the tenants under the Store Leases directing such tenants to make all further rental payments to the Buyer or its designee.

(b) Prorations and Credits. Rents under the Store Leases will be prorated as of the date hereof; the Buyer will receive a credit for the prorated amounts of all prepaid rents and the Seller will receive a credit for the prorated amounts of any unpaid and late rents. Such credits will be applied to or against the principal amount due under Section 2 hereof. In addition, the amounts of all security deposits as listed on Exhibit A hereto will be credited against the principal amount due under Section 2 hereof as of the date full and final payment of all amounts due hereunder is made; the Buyer will thereafter be solely responsible for all such security deposits.

(c) Indemnification. The Seller will indemnify and hold harmless the Buyer from and against any and all costs, liabilities, judgments, and claims of any sort relating to or arising from any one or more of the Store Leases with respect to events which occurred or liabilities which accrued prior to the date hereof. Such indemnification will include, but not be limited to, the payment of all reasonable attorneys' fees and costs. The Buyer will indemnify and hold harmless the Seller from and against any and all costs, liabilities, judgments, and claims of any sort relating to or arising from any one or more of the Store Leases with respect to events which occurred or liabilities which accrue on or after the date hereof. Such indemnification will include, but not be limited to, the payment of all reasonable attorneys' fees and costs.

(d) Credit for Rent Shortfall. The Seller represents that it is receiving the monthly rental amounts listed on Exhibit A with respect to the Store Leases. To the extent that the total monthly rentals received with respect to the Store Leases (or any other leases with respect to the Real Estate or any portion thereof) from the date hereof through the earlier of the date that full and final payment of all amounts due hereunder is made and the first anniversary of the date hereof are less than the total amounts of such rentals for such period as provided on Exhibit A, the amount of such shortfall (if any) will be credited against the principal amount due hereunder as of the date full and final payment of all amounts due hereunder is made. The Buyer will, in good faith, make all reasonable efforts to maximize the rental amounts with respect to the Real Estate and will fully comply with all of the requirements under all such leases which are imposed upon the landlord.

Section 9. Possession. The Seller will deliver to the Buyer full and complete possession of the Real Estate on the date hereof, subject to all terms of the Lease and the Store Leases. The Buyer's rights of possession will continue until terminated pursuant hereunder. All utility bills with respect to the Real Estate will be paid by the Buyer.



Section 10. Title.

(a) Condition of Title. The Seller has furnished the Buyer with a commitment for the issuance of a leasehold title insurance policy, subject to exceptions listed thereon, and the Buyer will accept title in this condition, subject to the provision that, upon or prior to the completion of the payment of the principal amount by the Buyer pursuant to Section 2 hereof, the Seller will effectuate the release of the following:

(i) Mortgage for \$450,000.00, to Gary National Bank, dated November 3, 1975, and recorded November 6, 1975, as Document Number 324546; and

(ii) Conditional Assignment of Rentals, to Gary National Bank, dated November 3, 1975, and recorded November 6, 1975, as Document Number 324547.

The Seller represents and warrants that there are currently no defaults under said documents and that the current total principal amount remaining unpaid with respect to the loan secured by said documents is less than \$200,000.00.

(b) Issuance of Policy. Upon execution hereof, the Seller will pay all expenses for the issuance of such a leasehold title insurance policy, excepting only customary buyer's charges. A title insurance policy furnished under this Contract will be in the amount of the purchase price hereunder and will be issued by Stewart Title Guaranty Company, or by any other issuer mutually acceptable to the parties.

(c) Additional Title Evidence. Any additional title evidence will be at the expense of the Buyer, provided, however, that the costs of additional title evidence necessitated by the acts or omissions of the Seller will be borne by the Seller.

Section 10. Conveyance of Beneficial Interest.

(a) Delivery of Documents in Escrow by Seller. Upon execution hereof, the Seller will execute and deliver to the Trustee, as escrowee, the Assignment(s) of Beneficial Interest as provided in Section 1 hereof. Such Assignment(s) of Beneficial Interest will be released from escrow and will become effective upon the payment of all sums due under this Contract and completion of the performance by the Buyer of all covenants and agreements herein made.

(b) Delivery of Documents in Escrow by Buyer. Upon execution hereof and upon the making of any leases with respect to the Real Estate, the Buyer will execute and deliver to the Trustee, as escrowee, notices to each of the tenants on the Real Estate directing such tenants to make all further payments under their respective leases to the Seller or its designee. Such

notices will be released from escrow and will be delivered to the Buyer upon payment of all sums due under this Contract and completion of the performance by the Buyer of all covenants and agreements herein made.

(c) Default. Upon any exercise of the Seller's remedies pursuant to Section 13(d)(i) hereof, the Trustee will deliver to the Seller all documents held in escrow pursuant to this Section.

Section 11. Assignment

(a) By Buyer. The Buyer will not sell or assign its rights under this Contract without the prior written consent of the Seller, which consent will not unreasonably be withheld. No assignment or sale will operate to relieve the Buyer from any liability hereunder.

(b) By Seller. The Seller may assign any and all of its rights under this Contract at any time with the written consent of the Buyer, which consent will not be unreasonably withheld. However, the consent of the Buyer will not be required if the Buyer is then in default hereunder. Upon completion of such assignment, the assignee will succeed to all rights of the Seller hereunder.

Section 12. Use of the Real Estate by Buyer; Seller's Right to Inspection.

(a) Use. The Real Estate will be used for the operation of retail stores and/or offices and for no other purpose without the written consent of the Seller, which consent will not unreasonably be withheld.

(b) Leasing. All leases with respect to the Real Estate will be made by the Trustee as landlord. All leases executed prior to the completion of all payments due hereunder will be subject to the approval of the Seller, which consent will not be unreasonably withheld.

(c) Improvement. The 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 the Seller, which consent will not be unreasonably withheld. The Buyer will not create, or allow any mechanics, laborers, materialmen, or other creditors of the Buyer to obtain a lien or attachment against the Seller's interest herein. The Buyer accepts the Real Estate "as is" in its present condition as of the date hereof. The Buyer will, at its own expense, maintain the Real Estate and all improvements in as good order and repair, ordinary wear and tear, and acts of God or public authorities excepted. The Buyer will not commit waste on the Real Estate, and, with respect to occupancy and use, will

comply with all laws, ordinances and regulations of any governmental authority having jurisdiction thereof.

(d) Buyer's Responsibility for Accidents. The Buyer assumes all risk and responsibility for injury or damage to person or property arising from the Buyer's use and control of the Real Estate and any improvements thereon. The Buyer will defend and hold harmless the Seller from and against any and all claims, expenses, damages, causes of action, losses, fees, and costs arising from or related to any such injury or damage.

Section 13. Buyer's Default and Seller's Remedies.

(a) Time. Time is of the essence of this Contract.

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

(c) Event of Default. The following will each constitute an Event of Default for purposes of this Contract:

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

(ii) Failure by the Buyer for a period of 30 days to perform any act (other than the payment of money to the Seller) required to be performed by the Buyer under this Contract when such act is required to be performed.

(iii) Lease or encumbrance of the Real Estate or any part thereof or any interest therein by the Buyer, other than as expressly permitted by this Contract.

(iv) Encumbrance of the beneficial interests in and to the Trust, other than as expressly permitted by this Contract.

(v) Causing or permitting by the Buyer of the making of any levy, seizure, or attachment of the Real Estate or any part thereof or of the Trust or any interest therein.

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

(vii) Institution of insolvency proceedings against any person who is one of the individuals constituting the Buyer hereunder, or the adjustment, liquidation, extension or composition or arrangement of debts of any such person or for any other relief under any insolvency law relating to



the relief of debtors; or, assignment by any such person 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 or the Trust or any interest under the Lease.

(viii) Desertion or abandonment of any portion of the Real Estate.

(ix) 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.

(x) Failure by the Buyer, for a period of thirty (30) days after written notice is given to the Buyer, to perform or observe any other covenant or term of this Contract.

(d) Seller's Remedies. Upon the occurrence of an Event of Default, the Seller will elect a remedy under Subsection (i) or (ii) (unless Subsection (iii) is applicable).

(i) The Seller may declare this Contract forfeited and terminated, and upon such declaration, all right, title and interest of the Buyer in and to the Trust, the Lease, and the Real Estate will immediately cease and the Buyer will then be considered as a tenant holding over without permission and the Seller will be entitled to re-enter and take immediate possession of the Real Estate and to eject the Buyer and all persons claiming under it. Further, the Seller will have the right to institute legal action to have this Contract forfeited and terminated and to recover from the Buyer all or any of the following:

(A) possession of the Real Estate;

(B) any payment due and unpaid at the time of filing of the action and becoming due and unpaid from that time until possession of the Real Estate is recovered;

(C) interest as provided herein from the last date to which interest was paid until judgment or possession is recovered by the Seller, whichever will occur first; provided, however, that this will not be construed as allowing the Seller to recover any interest which would be included under Subsection (B) above;

(D) due and unpaid real estate taxes, assessments, charges and penalties which the Buyer is obligated to pay under this Contract;

(E) premiums due and unpaid for insurance which the Buyer is obligated to provided under this Contract;

(F) the reasonable costs of repair of any physical damage or waste to the Real Estate other than damage caused by ordinary wear and tear and acts of God or public authorities; and

(G) any other amounts which the Buyer is obligated to pay under this Contract; or

(ii) The Seller may declare all of the sums secured by this Contract to be immediately due and payable, and the Seller may institute legal action to recover same. When all of such sums are paid to the Seller, the Seller will convey or cause all beneficial interest in and to the Trust to be conveyed to the Buyer as provided in this Contract.

(iii) If the Buyer has substantial equity in the Trust when an Event of Default occurs, then this Contract will be considered the same as a promissory note secured by a mortgage, and the Seller's remedy will be that of foreclosure in the same manner that collateral assignments of beneficial interests in land trusts are foreclosed under Indiana law and the Seller may not avail himself of the remedies set forth in Subsection (i) or (ii). If this Subsection (iii) is applicable, then the Seller may declare all of the sums secured by this Contract to be immediately due and payable, and the Seller may immediately institute legal action to foreclose this Contract and the Buyer's interest in the Trust and the Real Estate. The parties agree that after Buyer has paid \$75,000.00 of the purchase price (which price means the full original purchase price set forth in Section 1), then the Buyer will have substantial equity in the Trust.

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

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

(ii) Request that a receiver be appointed over the Real Estate in accordance with Indiana law providing for real estate mortgage foreclosures.

(iii) Enforce any right without relief from valuation or appraisal laws.

Section 14. Environmental Condition. The Seller represents to the Buyer that the Real Estate is not "property" as defined in Section 6 of the Indiana Responsible Property Transfer Law, I.C. 13-7-22.5-6. Not by way of limitation, the Seller represents to the Buyer that, to its knowledge, the Real Estate:

(a) Does not contain one or more facilities that are subject to reporting under Section 312 of the federal Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. 11022);

(b) Is not the site of one or more underground storage tanks for which notification is required under 42 U.S.C. 6991a and I.C. 13-7-20-13(A)(8); and

(c) Is not listed on the Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) in accordance with Section 116 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, (42 U.S.C. 9616).

Section 15. Foreign Persons. The Seller represents and warrants that none of the individuals constituting the Seller is a "foreign person", as defined in Section 1445 of the Internal Revenue Code. This Contract will constitute an affidavit stating, under penalty of perjury, that the transferor is not a foreign person, as provided in Section 1445(b)(2) of the Internal Revenue Code.

Section 16. Notices.

(a) Notices under this Contract will be directed to the following addresses:

Seller: c/o C. Paul Ihle, Jr.  
Heritage Realtors, Inc.  
16 West Lincoln Highway  
Merrillville, Indiana 46410

Buyer: c/o Tom Crumpton  
Century 21/Kepchar  
7895 Broadway  
Merrillville, Indiana 46410.

(b) All notices will be in writing and will be personally delivered or mailed (certified mail, return receipt requested). However, if any party attempts to give notice by certified mail and the addressee fails to claim or accept such mail, notice to such party may be given by first class mail.

(c) Any party may change his address for notice purposes by giving notice thereof to all other parties.



Section 17. General Agreements.

(a) This Contract will bind, and inure to the benefit of, the parties and their heirs, personal and legal representative, successors and assigns, and will be interpreted under the laws of the State of Indiana.

(b) Headings are for reference only, and do not affect the provisions of this Contract. Where appropriate, the masculine gender will include the feminine or the neuter, and the singular will include the plural.

(c) This Contract will not be recorded or otherwise made a public record. The parties will, upon the request of either party, execute a Memorandum of Contract, in recordable form, indicating that the Buyer has a contract purchaser's interest in the Real Estate. Such Memorandum may be recorded in Lake County, Indiana, by either party.

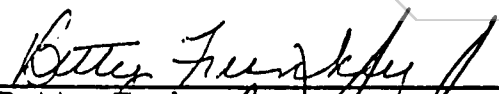
(d) Each party is entitled to recover its reasonable attorney fees, costs, and expenses incurred by reason of enforcing its right hereunder, including the expenses of preparing any notice of delinquency, whether or not any legal action is instituted.

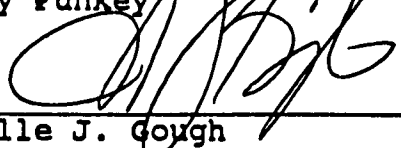
(e) The failure or omissions of either party to enforce any of his right or remedies upon any breach of any of the covenants, terms or conditions of this Contract will not bar or abridge any of his rights or remedies upon any subsequent default.

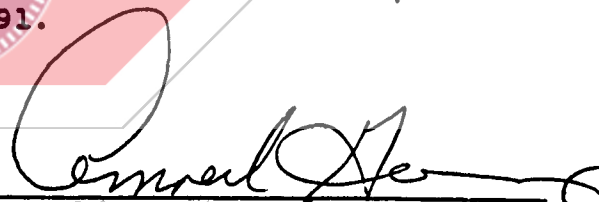
(f) In computing a time period prescribed in this Contract, the day of the act or event will not be counted. All subsequent days, including intervening weekend days and holidays, will be counted in the period.

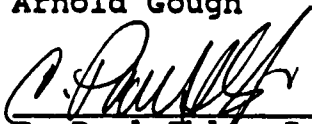
IN WITNESS WHEREOF, this Contract is executed, sealed and delivered as of November 11, 1991.

Seller:

  
Betty Funkey

  
Neville J. Gough

  
Arnold Gough

  
C. Paul Ihle, Jr.

  
Joyce Phipps

Buyer:

G. Vlahos

George Vlahos



STATE OF INDIANA )  
 ) SS:  
COUNTY OF LAKE )

BEFORE ME, the undersigned, a Notary Public, this 11<sup>th</sup> day of December, 1991, personally appeared Betty Funkey, Arnold Gough, Neville J. Gough, C. Paul Ihle, Jr., and Joyce Phipps, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, and being first duly sworn by me upon oath, acknowledged that they have read and understand the foregoing document and that they have affixed their names as their own free and voluntary acts for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

*Rebecca J. Krawcinski*  
Notary Public

My Commission Expires: 10-8-95

County of Residence: Lake

STATE OF INDIANA )  
 ) SS:  
COUNTY OF LAKE )

BEFORE ME, the undersigned, a Notary Public, this 11<sup>th</sup> day of December, 1991, personally appeared George Vlahos, personally known to me to be the same person whose name is subscribed to the foregoing instrument, and being first duly sworn by me upon oath, acknowledged that he has read and understands the foregoing document and that he has affixed his name as his own free and voluntary act for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

*Wm R. Damm*  
Notary Public

My Commission Expires: 8/5/94

County of Residence: LAKE

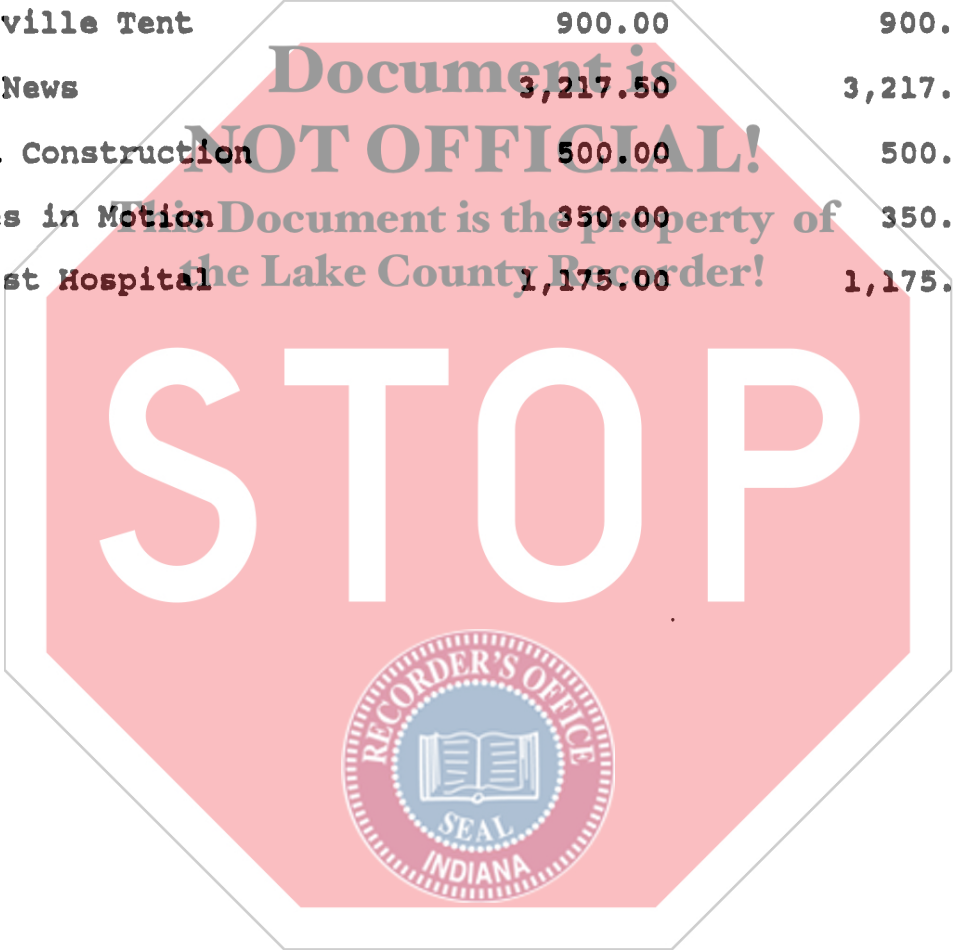
This document prepared by: Demetri J. Retson  
Burke, Murphy, Costanza & Cuppy  
8585 Broadway, Suite 610  
Merrillville, Indiana 46410  
(219) 769-1313



EXHIBIT A

Store Leases

<u>Tenant</u>	<u>Space</u>	<u>Monthly Rent</u>	<u>Security Deposit</u>
Southlake Auto		\$ 450.00	\$ 450.00
Apex Auto		3,517.35	3,517.35
Merrillville Tent		900.00	900.00
Herald News		3,217.50	3,217.50
Midwest Construction		500.00	500.00
Athletes in Motion		350.00	350.00
Methodist Hospital		1,175.00	1,175.00



**ASSIGNMENT OF LEASES**

Southlake Buildings, a Partnership consisting of the following:

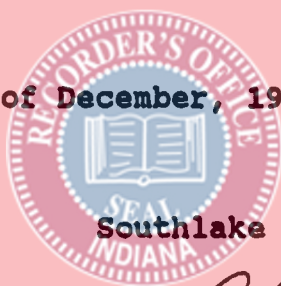
Arnold Gough  
Neville J. Gough  
C. Paul Ihle  
Joyce M. Phipps  
Betty L. Funkey

does hereby set over and assign to George Vlahos all of its right, title and interest to the following Leases:

Document is  
**NOT OFFICIAL!**  
This Document is the property of  
the Lake County Recorder!  
**STOP**

Southlake Auto (George Smith)	Expires 11/30/92
Apex Auto	Expires 5/31/92 Option to Renew
Merrillville Tent dated 4/1/89	Expires 3/31/92
Herald News Group	Expires 4/30/93
Midwest Construction	Expires
Athletes in Motion	Expires 11/30/92
Methodist Hospital	Expires 11/30/92

Dated this 11th day of December, 1992.



Southlake Buildings, a Partnership

By: C. Paul Ihle

**PAYMENTS**

**Schedule of payments to be made:**

<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>	<u>Due Date</u>	<u>Frequency</u>
Seller (1)	Real Estate Taxes	\$1,870.59	1/11/92	Monthly
Seller (2)	Insurance	216.67	1/11/92	Monthly
Seller (3)	Land Lease	575.00	1/01/92	Monthly
Seller (4)	Principal & Interest	4,412.05	1/11/92	Monthly
Seller (5)	Principal & Interest	4,412.05	3/11/92	Monthly (for 6 months)

Document is NOT OFFICIAL!  
This Document is the property of  
the Lake County Recorder!

11,486.36

STOP

Sellers' payments should be made to:

Southlake Buildings  
c/o Joyce Phipps  
P.O. Box 10484  
Merrillville, IN 46410



2345:6