

**CONTRACT FOR CONDITIONAL SALE
OF REAL ESTATE**

1 This Contract is made and entered into by Robert D. & Patricia Zdonek hereinafter called seller and Adrian Tartareanu & Minas E. Litos, hereinafter called buyers

WITNESSETH: 2005 053207

Seller hereby agrees to and does sell to Buyers and Buyers hereby agree to and do purchase from seller the following described Real Estate including any improvements now or hereafter located on it in Lake County, including improvements, being hereafter called the "Real Estate":

Parcel 1: Pt. S2. W2 NW (46.15 x 239) S.15 T.35 R.8 .266A. Subject to Easement

Commonly known as 7101 Broadway, Merrillville, IN 46410. Subject to any and all easement, restrictions, and covenants of record.

Parcel 2: Pt. S2. W2. NW N.92 ft. of S. 1133.40 ft. of E. 172ft. of W.503 ft S.15 T.35 R.8 .362 AC.

Commonly known as 7090 Catherine, Merrillville, IN 46410. Subject to any and all easement, restrictions, and covenants of record.

Upon the following covenants, terms and conditions:

I. PURCHASE PRICE AND MANNER OF PAYMENT.

- 1. THE PURCHASE PRICE.** As to the Purchase Price for the real estate the buyers agrees to pay the seller the sum of Three Hundred fifty thousand dollars (\$350,000.00).
- 2. THE MANNER OF PAYMENT.** Purchase Price to be paid in the following manner.
 - (a) The sum of Thirty Five Thousand Dollars (\$35,000.00) paid to seller at the time of the execution of this contract, leaving an unpaid balance of the purchase price in the sum of Three Hundred Fifteen thousand dollars (\$315,000.00)
 - (b) The sum of Two thousand two hundred and two dollars and fifty three cents. (\$2202.53) beginning July 23rd and on the same date thereafter, until the terms of the contract is paid in full with a balloon payment due July 23, 2013.
 - (c) The unpaid balance of the purchase price shall bear interest at the rate of seven and a half per cent (7.5%) per annum, such interest to be computed monthly in arrears, on the 28th day of each month upon the principal sum unpaid at the beginning of such period. *1st AT MEL R.3.*
 - (d) Buyer shall have a grace period of seven (7) days from the due date of any installment, after the 7 days then a late charge of one hundred and forty dollars (\$140.00) shall accrue and be immediately due and payable.
 - (e) All payments due hereunder shall be made to Robert & Patricia Zdonek at 618 South Wisconsin Street, Hobart, Indiana, 46342 or at such other place as seller shall designate in writing.

FILED

STEPHEN R. STIGLICH
LAKE COUNTY AUDITOR

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II. Buyer Receives Equity Rights, After one third (1/3) of Purchase Price is Paid.

III. TAXES, ASSESSMENTS AND INSURANCE.

- 1. Taxes.** Buyer agrees to assume and pay the taxes on the Real Estate beginning with the second installment of 2005 payable in the year 2006 and taxes thereafter, and **Seller agrees to pay all taxes on the Real Estate due prior to said installment.** 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 evidence of payment of such taxes and assessments.
- 2. 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 agreement, are constructed or installed on or about the Real Estate or otherwise serve the Real Estate.
- 3. Penalties.** Buyer agrees to pay any penalties, whether in the form of interest or otherwise, in connection with the late or untimely payment of such taxes, or assessments or charges.
- 4. Insurance.** Buyer agrees to keep the improvements included in the Real Estate insured under fire and extended coverage policies in an amount not less than the unpaid balance of the purchase price and obtain standard liability insurance with coverage in amounts not less than **One Hundred Thousand Dollars (\$100,000.00) per person and Three Hundred Thousand Dollars (\$300,000.00) per occurrence,** and to pay premiums on such insurance policies as they become due. Such insurance shall be carried in the company or companies approved by Seller. Such policy or policies shall be issued in the name of Seller and Buyer, as their respective interest may appear, and shall be delivered to and be retained by Seller during the continuance of this contract.
- 5. (a)** If one of the parties hereto fails to perform any act or to make any payment required by this Section 3, the other party shall have the right at any time and with 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 performing party to perform any act or make any payment required of the non-performing party.
(b) The exercise of the right by performing party shall not constitute a release of any obligation of the non-performing party under this Article III or a waiver of any remedy given performing party under this contract, nor shall such exercise constitute to exercise by performing party of any right or remedy of his for a subsequent failure by non-performing party to perform any act or make any payment required by him under this Article III.

- (c) Payments made by performing party and all costs and expenses incurred by him in connection with the exercise of such right shall, at the option of performing party, either;
- (a) be payable to the performing party by the non-performing party within 30 days after demand, or
 - (b) be added to or deducted from the principal balance as the case may be. 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 until paid by the non-performing party.

6. CONDEMNATION. From the date of this contract 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 have any effect on this contract. Any payment received by Buyer by reason of the taking shall be paid to Seller to be applied to the balance of the purchase price.

IV. POSSESSION. Seller shall deliver to Buyer full and complete possession of the Real Estate at Closing.

V. EVIDENCE OF TITLE. Seller covenants and agrees that title to the Real Estate is in Fee Simple and that upon 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 as of a date or before the date of this contract and all taxes and assessments which are Buyer's obligation.

VI. SELLER'S RIGHT TO MORTGAGE THE REAL ESTATE.

VII. ASSIGNMENT OF CONTRACT. Buyer **MAY NOT** sell or assign this contract, Buyer's interest in the Real Estate, without the written consent of Seller; Seller may consent at his discretion provided that Buyer furnished to Seller the name, address, telephone, and employment history of the proposed assignee, together with a properly certified financial statement showing all assets and liabilities, and total net worth of the proposed assignee; provided however that any such consent shall not operate to relieve either party from liability hereon.

VIII. BUYER'S USE OF THE REAL ESTATE.

SELLER'S RIGHT OF INSPECTION.

RESPONSIBILITY FOR INJURIES.

- 1. Use.** The Real Estate may be rented or leased, or occupied by persons other than Buyer. Buyer may make alterations, changes and made additional improvements only with the written consent of Seller having first been obtained. Buyer shall use the Real Estate carefully, and shall keep the same in good repair at his expense. No clause in this contract shall be interpreted so as to create or allow any mechanics, labor, material liens, or other creditors of Buyer or of an assignee or 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, 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 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 part of the consideration hereof, Buyer assumes all risk and responsibility for accident or damage to persons or property arising from the use of or in or about the Real Estate.

IX. SELLER'S REMEDIES ON BUYER'S DEFAULT.

Time shall be of the essence of this contract.

If Buyer fails, neglects or refuses to make any payments under this contract when due or to perform any of Buyer's covenants, terms and conditions when and as required under this contract:

1. Seller shall have the right to declare this contract breached and terminated, and upon such declaration, all right, title and interest of Buyer in and to the Real Estate shall immediately cease and Buyer shall then be considered as a tenant holding over without permission and Seller shall be entitled to peaceably re-enter and take immediate possession of the Real Estate and to evict through judicial process the Buyer and all persons claiming under him.
2. Separately or in conjunction with his right under item (1.) above, as Seller may elect, Seller shall have the right to file in a court of competent jurisdiction an action to have this contract forfeited and terminated and to recover from Buyer all or any of the following:
 - (a) possession of the Real Estate;
 - (b) any installments 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 on the principal from the last date to which interest was paid until judgment or possession is recovered by Seller whichever shall occur first; provided, however, that this shall not be construed as allowing Seller to recover any interest which would be included under item (2) (b) above;
 - (d) due and unpaid real estate taxes, assessments, charges and penalties which Buyer is obligated to pay under this contract;
 - (e) premiums due and unpaid for insurance which Buyer is obligated to provide under Article all of this contract;
 - (f) the reasonable cost of repair of any physical damage or waste to the Real Estate other than damage caused by ordinary wear and tear, acts of God and public authorities;

(g) any other amounts (other than payment of the purchase price) which Buyer is obligated to pay under this contract.

- 3.** In addition to any other remedy under this contract, Seller shall have such other remedies as are available at law or in equity.
- 4.** In any case Seller shall have the right to retain (without prejudice to his right to recover any other sums from Buyer, or to have any other remedy, under this contract) all payments made by Buyer to Seller and all sums received by Seller as proceeds of insurance or as other benefits or considerations, in each case made or received under this contract.
- 5.** Seller shall have the right to file in a court of competent jurisdiction an action to recover all of the unpaid balance of the purchase price (which upon default by Buyer under this contract shall, at the option of Seller, become immediately due and payable) and interest on such unpaid balance until such unpaid balance is paid, together with any taxes, assessments, charges, penalties and insurance premiums paid by Seller under this contract and interest on such amounts until they are paid, unless such amounts (and interest on them) have been added to principal under this contract.

The exercise or attempted exercise by Seller of any right or remedy available under this contract shall not preclude Seller from exercising any other right or remedy so available, nor shall any such exercise or attempted exercise constitute or be construed to be an election of remedies, so that no such right or remedy shall be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and in addition to any other right or remedy available under this contract.

In any judicial proceeding to enforce this contract Buyer specifically waives, to the extent he lawfully may do, his right, if any, to a hearing preliminary to a judicial order for immediate possession of the Real Estate to be granted to Seller under applicable law.

All sums payable under this contract are payable with accrued interest and without relief from valuation or apportionment laws. In addition to any other sum payable by Buyer under this contract, Buyer shall pay any reasonable expense, including attorney's fees, incurred by Seller in connection with the exercise of any right or remedy under this contract, and the preparation and delivery of notice.

This failure or omission of Seller to enforce any of these rights of 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.

Before Seller shall pursue any of his rights or remedies under this Article IX, he shall first give Buyer written notice of the default complained of and Buyer shall have Thirty (30) days from the posting of such notice to correct any default; provided, however, Seven (7) days' notice shall be required in the case of any default in payment of any Moines agreed to be paid by Buyer under this contract.

In the event that 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 and Seller may not avail himself of the remedies set forth in previous sections. Seller may institute legal action to foreclose this contract and Buyer's interest in the Real Estate. The parties agree that after Buyer as paid 1/3 of the purchase price, then Buyer shall have substantial equity in the Real Estate.

X. GENERAL AGREEMENTS OF PARTIES. All covenants hereof extend to and be obligatory on the heirs, personal representatives, successors and assigns of the parties. When applicable, the singular shall apply to the plural and the masculine to the feminine or the neuter. Any notices to be given hereunder shall be 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.

Unless the rate of interest is otherwise specifically stated, interest provided by this contract shall be computed at the rate set forth in paragraph 2 of Article 1 of this contract or if no rate is there set forth at the rate of seven and one-half per cent (7.5%) per annum.

The failure or omission of either party to enforce any of his rights 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.

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

XI. ADDITIONAL COVENANTS.

1. The Real Estate is being purchased in an "as is" condition and there are no **warranties extended.**
2. This contract contains several non-standard clauses requested by Seller which are a pre-condition to the sale of the real estate.
3. There are no representations being made by Seller to Buyer with regard to condition of the real estate.
4. By signing this contract, purchaser's elects to waive any further inspections of the above property and accepts property as is condition.
5. There is a Balloon Payment Due on or before the Year 2013. A 30 Year Amortization is being used for Principal and Interest Payments due Monthly on this contract.
6. Possession – Subject to Tenants Rights.
7. This instrument contains the entire agreement between the parties concerning it's subject Matter and supersedes and cancels all prior agreements – whether written or oral or understanding. The terms of this agreement are contractual and not a mere recital.

All Terms And Conditions have been read and agreed upon by all parties To This Contract. In Witness where of:

Seller and Buyer have executed this instrument in duplicate on this 23 Day of JUNE 2005.

Adrian Tartareanu

Adrian Tartareanu, Buyer

Robert D. Zdonek

Robert D. Zdonek, Seller

Minas E. Litos

Minas E. Litos, Buyer

Patricia Zdonek

Patricia Zdonek, Seller

