

Bank of Highland  
2611 Highway Ave.  
Highland 46322

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ENVIRONMENTAL INDEMNITY AGREEMENT

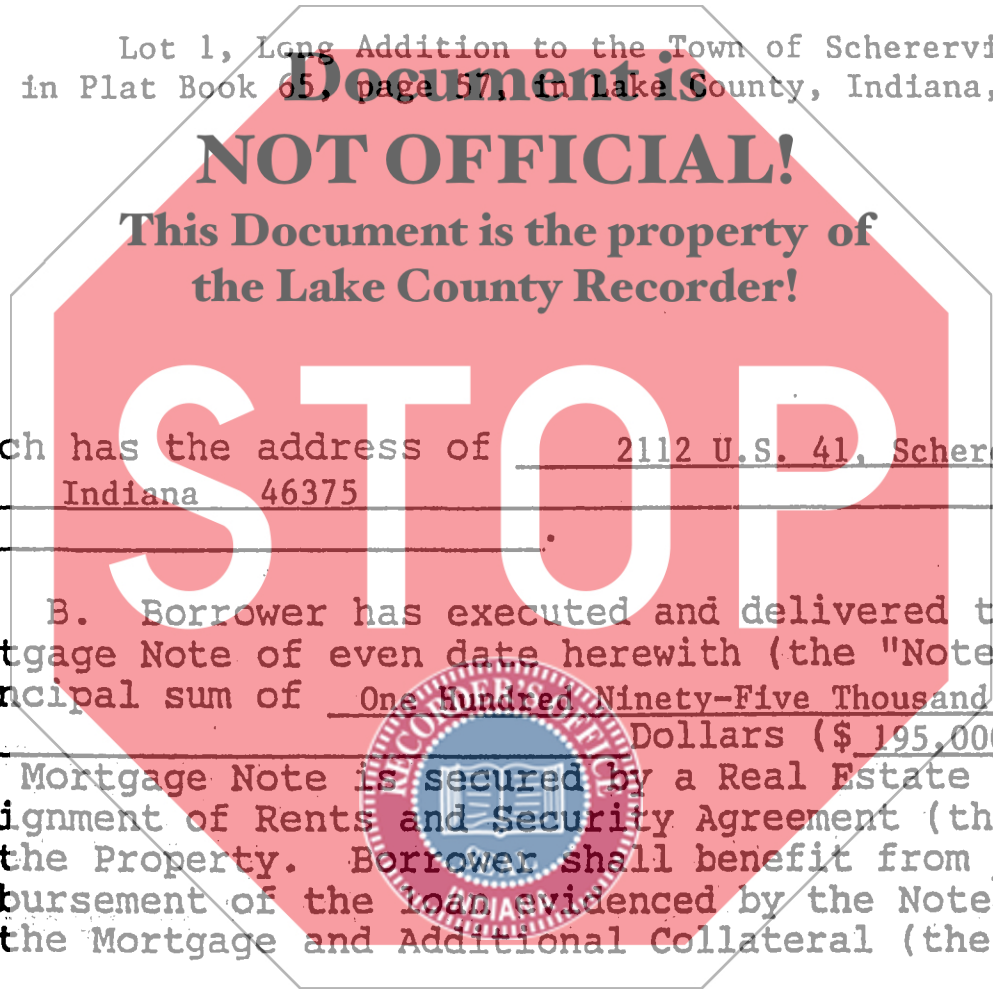
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THIS ENVIRONMENTAL INDEMNITY AGREEMENT (the "Agreement") is made as of this 21st day of MAY, 1991, by DIANNE S. MATHEWS, WHOSE MAILING ADDRESS IS 2112 U.S. 41 Schererville, Indiana 46375 ("Borrower"), with and in favor of BANK OF HIGHLAND, an Indiana corporation, whose address is 2611 Highway Ave., Highland, Indiana 46322 ("Lender").

Recitals

A. Borrower is the present owner in fee simple of the real estate with improvements thereon (the "Property") in LAKE County, State of Indiana, legally described as follows:

Lot 1, Long Addition to the Town of Schererville, as shown in Plat Book 65, page 57, in Lake County, Indiana,



which has the address of 2112 U.S. 41, Schererville, Indiana 46375

B. Borrower has executed and delivered to Lender an Mortgage Note of even date herewith (the "Note"), in the principal sum of One Hundred Ninety-Five Thousand and no/100----- Dollars (\$ 195,000.00).

The Mortgage Note is secured by a Real Estate Mortgage, Assignment of Rents and Security Agreement (the "Mortgage") on the Property. Borrower shall benefit from the disbursement of the loan evidenced by the Note and secured by the Mortgage and Additional Collateral (the "Loan"); and

C. Lender requires this Agreement as further security for the Loan.

Agreements

NOW THEREFORE, in order to induce Lender to disburse the proceeds of the Loan, and in consideration of the matters described in the foregoing Recitals, which are incorporated herein and made a part hereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees as follows:

INDIANA TITLE INSURANCE COMPANY  
INDIANA DIVISION  
INDIANA/S.S.N.D.  
LAKE COUNTY  
FILED FOR RECORD

ROBERT BOB FREELAND  
RECORDER

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1. Covenants Regarding Environmental Compliance.

(a) Borrower will not use, generate, manufacture, produce, store, release, discharge, or dispose of on, under or about the Property or transport to or from the Property any Hazardous Substance (as defined below) or allow any other person or entity to do so except in minor amounts under conditions permitted by applicable laws. Minor amounts shall mean those amounts reasonably necessary in connection with the construction, maintenance, operation or repair of the Property.

(b) Borrower shall keep and maintain the Property in compliance with, and shall not cause or permit the Property to be in violation of any Environmental Law (as defined below).

(c) Borrower shall give prompt written notice to Lender of:

(i) any proceeding or inquiry by a governmental authority with respect to the presence of any Hazardous Substance on the Property or the migration thereof from or to other property;

(ii) any claims made or threatened by any third party against Borrower or the Property relating to any loss or injury resulting from any Hazardous Substance; and

(iii) Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use of the property under any Environmental Law.

(d) Lender shall have the right to join and participate in, as a part if it so elects, any legal proceedings or actions initiated with respect to the Property in connection with any Environmental Law and have its attorneys' fees in connection therewith paid by Borrower.

(e) Borrower shall protect, indemnify and hold harmless Lender, its directors, officers, employees, agents, successors and assigns from and against any and all loss, damage, cost, expense or liability (including attorneys' fees and costs) directly or indirectly arising out of or attributable to the use, generation, manufacture, production, storage, release, threatened release, discharge, disposal, or presence of a Hazardous Substance on, under or about the Property including without limitation (i) all foreseeable consequential damages; and (ii) the costs of any

required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, remedial or other required plans. This indemnity shall survive the release of lien of the Mortgage, or the extinguishment of the lien by foreclosure or deed in lieu thereof or by any other action, and this covenant shall survive such reconveyance or extinguishment.

(f) In the event that any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is reasonably necessary or desirable under any applicable local, state or federal law or regulation, any judicial order, or by any governmental or nongovernmental entity or person because of, or in connection with, the current or future presence, suspected presence, release or suspected release of a Hazardous Substance in or into the air, soil, ground water, surface water or soil vapor at, on, about, under or within the Property (or any portion thereof), Borrower shall within thirty (30) days after written demand for performance thereof by Lender (or such shorter period of time as may be required under any applicable law, regulation, order or agreement), commence and thereafter diligently prosecute to completion, all such Remedial Work. All Remedial Work shall be performed by contractors approved in advance by Lender, and under the supervision of a consulting engineer approved by Lender. All costs and expenses of such Remedial Work shall be paid by Borrower including, without limitation, Lender's reasonable attorney's fees and costs incurred in connection with monitoring or review of such Remedial Work. In the event Borrower shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, Lender may, but shall not be required to, cause such Remedial Work to be performed and all costs and expenses thereof, or incurred in connection therewith, shall become part of the indebtedness secured hereby.

2. Representations and Warranties Relating to Environmental Matters.

Borrower represents and warrants to Lender that:

(a) Neither the Property nor the Borrower is in violation of or subject to any existing, pending or, to the best knowledge of Borrower, threatened investigation by any governmental authority under any Environmental Law.

(b) Borrower has not and is not required by any Environmental Law to obtain any permits or license to construct or use any improvements, fixtures or equipment forming a part of the Property.



(c) Borrower has made inquiry into the previous uses and ownership of the Property, and after such inquiry has determined that no Hazardous Substance (as defined below) has been disposed of or released on or to the Property.

(d) Borrower's prior, present and intended use of the Property will not result in the release of any Hazardous Substance on or to the Property, except Minor Amounts, or the disposal of any Hazardous Substance on or in the Property.

### 3. Definitions.

"Environmental Law" means any federal, state or local law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or the environmental conditions on, under or about the Property, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") as amended, 42 U.S.C. Sections 9601, et seq., and the Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. Section 6901, et seq.

The term "Hazardous Substance" includes without limitations:

(i) Those substances included within the definitions of "hazardous substances", "hazardous materials", "toxic substances", or "solid waste" in CERCLA, RCRA, and the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801, et seq., and in the regulations promulgated pursuant to said laws;

(ii) Those substances defined in Indiana Code Section 13-7-1-1, et seq. and in the regulations promulgated thereunder or other Indiana laws pertaining thereto;

(iii) Those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto);

(iv) Such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, or the United States government, or which are classified as hazardous or toxic under federal, state or local laws or regulations; and

(v) Any material, waste or substance which is (A) asbestos, (B) polychlorinated biphenyls, (C) designated

as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Sections 1251 et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317); (D) explosives; or (E) radioactive materials.

4. Validity of Agreement.

Whenever possible, each provision of the Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of the Agreement.

5. Binding on Successors.

The terms and provisions of the Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereunder and shall survive the cancellation of the Note and the release of the Mortgage and Additional Collateral, whether resulting from payment of the Note, foreclosure of the Mortgage or otherwise.

6. Survival of Statements.

All covenants, representations or warranties of Borrower contained in the Agreement shall survive the execution and delivery of the Agreement.

7. Notices.

Any notices which any party may be required, or may desire, to give hereunder shall be deemed to have been given if delivered personally, or if mailed by United States Registered or Certified Mail, postage prepaid, return receipt requested, or if delivered to a reputable overnight express courier, freight prepaid, addressed:

In the case of Borrower, to:

DIANE S. MATHEWS  
2112 U.S. 41  
SCHERERVILLE, IN 46375

In the case of Lender, to:

Bank of Highland  
2611 Highway Ave.  
Highland, IN 46322

ATTN: Commercial Loan Department

or such other address(es) or addressee(s) as the party to be served with notice may have furnished to the other party in the manner herein provided for the service of notice. Notice by mail shall be deemed received three (3) days after the date of such mailing. Notice by reputable overnight express courier shall be deemed received the day after delivery to such courier.

8. The Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute the Agreement by signing any such counterpart.

IN WITNESS WHEREOF, this Agreement has been executed and delivered as of the date first above written.

BORROWER:

Dianne S. Mathews  
DIANE S. MATHEWS

LENDER: This Document is the property of  
the Lake County Recorder!  
BANK OF HIGHLAND

By: Gerald Van Prooyen  
Gerald Van Prooyen - Vice President

STATE OF INDIANA )  
                                  ) SS:  
COUNTY OF LAKE      )

Before me, the undersigned, a Notary Public, in and for said County and State, this 21st day of May, 199 91, personally appeared Dianne S. Mathews and Gerald Van Prooyen, duly acknowledged the execution of the above and foregoing Environmental Indemnity Agreement as aforesaid and as their voluntary act and deed.

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

Janice L. Tinsley  
Janice L. Tinsley Notary Public

My Commission Expires:  
9/29/91

County of Residence:  
Lake

Prepared by: Donald L. Harris, Vice President