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STATE OF INDIANA
LAKE COUNTY
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After Recording Please Return To:

LAKE MORTGAGE COMPANY INC 2009 026381
Company Name

2009 APR 24 AM 8:44

MARGARET L. GASIOR
Name of Natural Person

MICHAEL A. BROWN
RECORDER

4000 W. LINCOLN HIGHWAY
Street Address

MERRILLVILLE, IN 46410
City, State ZIP

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MORTGAGE MODIFICATION AGREEMENT

[To be used to refinance balloon loans documented on Fannie Mae uniform instruments.]

This Mortgage Modification Agreement (the "Refinancing Instrument"), entered into and effective as of the 7th day of APRIL, 2009 (the "Refinancing Date"), between ROBERT A ZARNIK ("Borrower"),

LAKE MORTGAGE COMPANY, INC ("Co-grantor"), and LAKE MORTGAGE COMPANY, INC ("Lender"),

renews and extends the mortgage or deed of trust (the "Security Instrument") to secure the debt evidenced by this Refinancing Instrument. The Security Instrument (i) is dated MARCH 26TH, 2002, (ii) was executed to secure the note (the "Balloon Note") dated MARCH 26th, 2002, in the original principal sum of U.S. ONE HUNDRED TWENTY SIX THOUSAND FIVE HUNDRED and 00 /100 Dollars (\$ 126,500.00), executed by ROBERT A. ZARNIK, and payable to the order of LAKE MORTGAGE COMPANY, INC

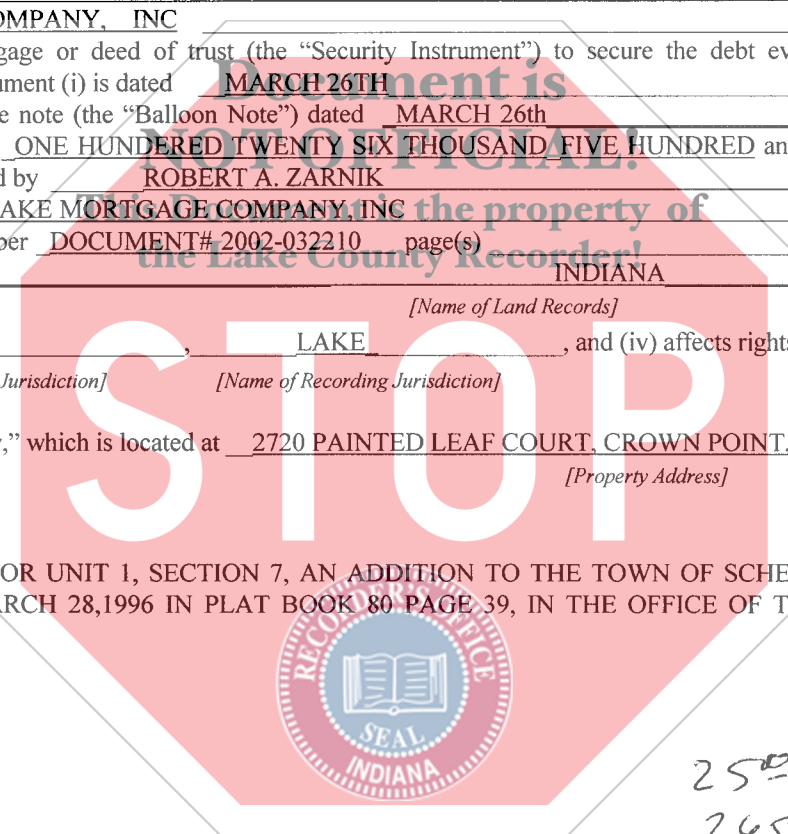
(iii) is recorded in Book or Liber DOCUMENT# 2002-032210 page(s) INDIANA of the INDIANA records of LAKE COUNTY, LAKE and (iv) affects rights with respect to the collateral defined therein as the "Property," which is located at 2720 PAINTED LEAF COURT, CROWN POINT, INDIANA 46307 and is described as follows:

LOT 30 IN HARVEST MANOR UNIT 1, SECTION 7, AN ADDITION TO THE TOWN OF SCHERERVILLE, AS PER PLAT THEREOF, RECORDED MARCH 28,1996 IN PLAT BOOK 80 PAGE 39, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

PTN#45-11-23-281-011.000-036

Indiana Balloon Loan Refinancing Instrument-Single Family-Fannie Mae Uniform Instrument

Form 3269.15 1/02
(page 1 of 6 pages)



250
2454
RM

Initials: RM

The Security Instrument includes a Balloon Rider and the Balloon Note includes a Balloon Note Addendum, both of which provide for a Conditional Right to Refinance. In connection therewith:

(a) As further provided below, the Security Instrument is renewed, extended, and amended to secure repayment of the debt evidenced by this Refinancing Instrument, by delivery hereof to the Lender in recordable form in all respects.

(b) This Refinancing Instrument, when duly executed by Borrower, delivered by Borrower to Lender, and accepted by Lender, supersedes and satisfies the Balloon Note (including the Balloon Note Addendum); provided that any sums owed solely by reason of the Security Instrument and not evidenced by the Balloon Note are not released by execution and delivery of this Refinancing Instrument.

(c) Borrower acknowledges that immediately prior to execution of this Refinancing Instrument, the lien of the Security Instrument is valid and subsists against the Property.

(d) The debt evidenced by this Refinancing Instrument is evidenced by Section D hereof, which portion of this Refinancing Instrument is referred to therein as the "Note."

Notwithstanding anything to the contrary contained in the Balloon Note or Security Instrument, Borrower undertakes as follows:

A. RENEWAL AND EXTENSION OF LIEN

It is the intention of the Borrower and Lender that the lien of the Security Instrument shall secure the debt evidenced by this Refinancing Instrument and that the Security Instrument hereby shall be renewed and extended, as of the Refinancing Date, so long as required to secure such debt until it is paid in full. In connection with the foregoing:

(i) The Maturity Date of the debt evidenced by this Refinancing Instrument is set forth in Section D.3(A), below.

(ii) Lender is expressly subrogated to all rights with respect to the Property, prepayment, and acceleration to which the holder of the Balloon Note was entitled by reason of the Security Instrument.

(iii) In the event that any portion of the debt evidenced by this Refinancing Instrument cannot be lawfully secured by the Security Instrument as so renewed and extended, principal payments shall be applied first to that portion not so secured.

(iv) Borrower acknowledges that the lien securing the Balloon Note is hereby renewed and extended, amended as provided immediately below, and is in full force and effect until the debt evidenced by this Refinancing Instrument is paid in full.

B. AMENDMENT OF THE SECURITY INSTRUMENT

All of the terms of the Balloon Rider are cancelled, null, and void as of the Refinancing Date.

C. CO-GRANTOR LIABILITY

Any party that signs below as a "Co-grantor" did not execute the Balloon Note but signs below to grant and convey, under the terms of the Security Instrument, such interest as that party may have in the Property. Such party is not personally obligated to pay the debt evidenced by this Refinancing Instrument and secured by the Security Instrument (as renewed, extended, and amended hereby), and agrees that Lender and Borrower may agree to extend, modify, forbear or make any accommodations with regard to such debt or the Security Instrument (as renewed, extended, and amended hereby) without such party's consent.

D. FULLY AMORTIZING NOTE

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 114,376.15 (this amount is called "Principal"), plus interest, to the order of Lender. I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

Initials: 

2. INTEREST

Interest will be charged on unpaid principal on and after the Refinancing Date until the full amount of Principal has been paid. I will pay interest at a yearly rate of 5.00 %.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section D.6(B) of this Note.

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making a payment every month.

I will make my monthly payments on the 1st day of each month beginning on MAY 1ST, 2009. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. Each monthly payment will be applied as of its scheduled due date and will be applied to interest before Principal. If, on APRIL 1ST, 2032, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I will make my monthly payments at 4000 W. LINCOLN HWY, MERRILLVILLE, IN 46410 or at a different place if required by the Note Holder.

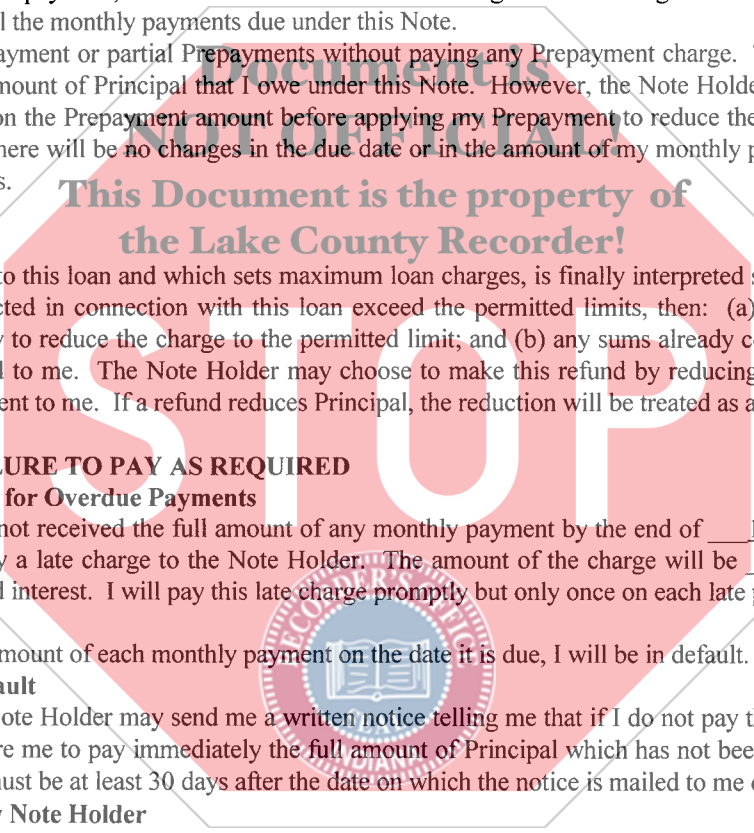
(B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ 698.16.

4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under this Note.

I may make a full Prepayment or partial Prepayments without paying any Prepayment charge. The Note Holder will use all of my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount before applying my Prepayment to reduce the Principal amount of this Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.



5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me that exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

6. BORROWER'S FAILURE TO PAY AS REQUIRED

(A) Late Charges for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.000 % of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

(B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

(C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of Principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me or delivered by other means.

(D) No Waiver by Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the

Initials: RLC

Note Holder will still have the right to do so if I am in default at a later time.

(E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. These expenses include, for example, reasonable attorneys' fees.

7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section D.3(A) above or at a different address if I am given a notice of that different address.

8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

9. WAIVERS

I and any other person who has obligations under this Note waive the rights of Presentment and Notice of Dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of Dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. SECURITY INSTRUMENT

In addition to the protections given to the Note Holder under this Note, the Security Instrument protects the Note Holder from possible losses which might result if I do not keep the promises that I make in this Note. The Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on Borrower.

11. RIGHTS OF TRANSFEREES

A transferee of this Refinancing Instrument shall have the rights of a "holder in due course" under the Uniform Commercial Code if the transferee took rights under this Refinancing Instrument in good faith, for value, and without notice of a claim or defense, and if there has been endorsement and delivery as are required by the Uniform Commercial Code to become a "holder in due course."

Initials: AJR

THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN (ORAL) AGREEMENTS BETWEEN THE PARTIES.

(Seal) -Borrower *Robert A. Zarnik* (Seal) -Borrower
ROBERT A ZARNIK

(Seal) -Borrower _____ (Seal) -Borrower

(Seal) -Co-grantor _____ (Seal) -Co-grantor

Lender does not, by its execution hereof, waive any right it may have against any person not a party hereto.

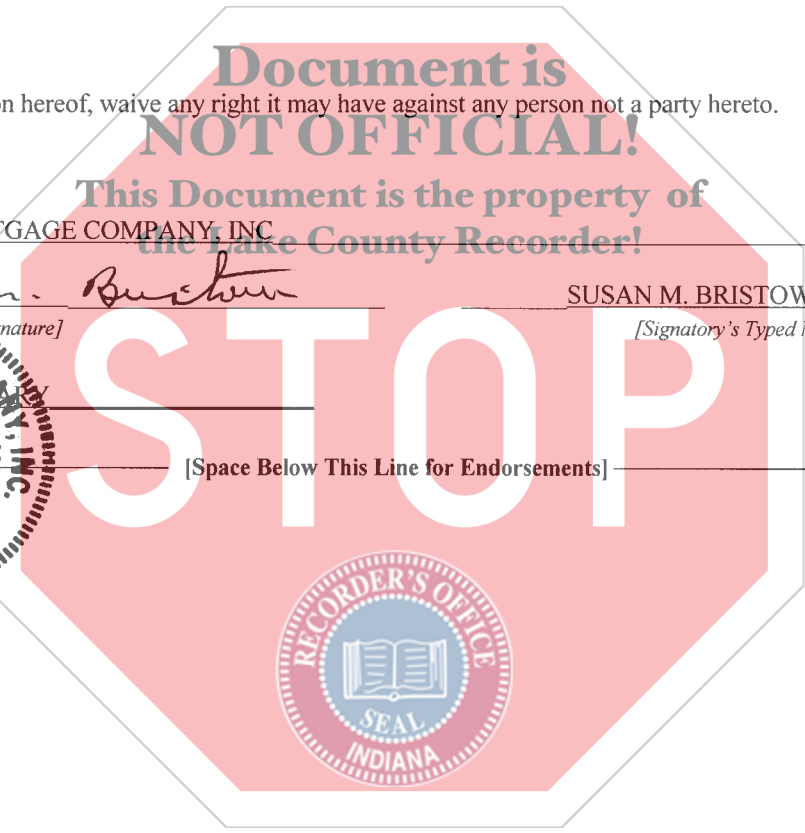
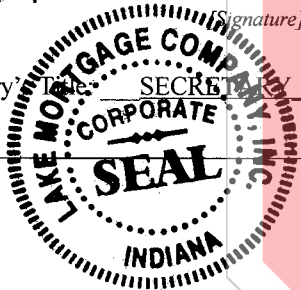
Accepted by Lender:

Lender Name: LAKE MORTGAGE COMPANY, INC

By: *Susan M. Bristow* [Signature] SUSAN M. BRISTOW [Signatory's Typed Name]

Signatory's Title: SECRETARY

[Space Below This Line for Endorsements]



Initials: *RAZ*

[Space Below This Line for Acknowledgement]

(Individual)

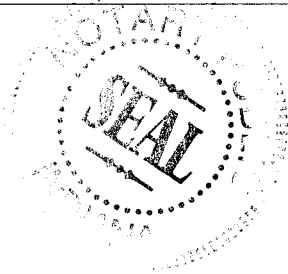
State of INDIANA
County of LAKE

§ ROBERT A ZARNIK
§

The foregoing instrument was acknowledged before me on APRIL 7, 2009, by

Donna J Rust (Seal)
Notary Public, State of INDIANA

My Commission Expires: 11/18/16



(Corporate)

State of _____
County of _____

§
§

The foregoing instrument was acknowledged before me on _____, _____, by

of _____
on behalf of the corporation.

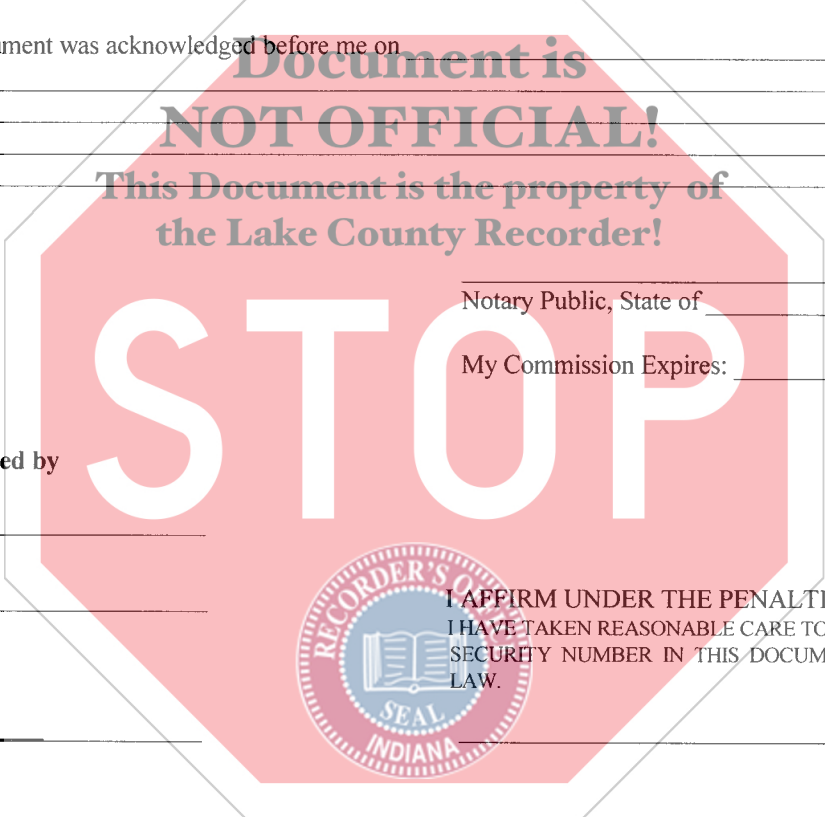
Notary Public, State of _____
My Commission Expires: _____

This instrument was prepared by

MARGARET L. GASIOR
Name of Natural Person

4000 W. LINCOLN HWY
Street Address

MERRILLVILLE, IN 46410
City, State ZIP



I AFFIRM UNDER THE PENALTIES OF PERJURY, THAT I HAVE TAKEN REASONABLE CARE TO REDACT EACH SOCIAL SECURITY NUMBER IN THIS DOCUMENT, UNLESS REQUIRED BY LAW.

Initials: SAC