

00-745-CD
SKY BANK, successor by merger -vs- BRUNIE HORCHEN

(11/1) SKY BANK, successor by merger
with (11/1) FIRST WESTERN BANK, N.A.
Plaintiff

v.

BRUNIE HORCHEN, (11/1)
Defendant

) IN THE COURT OF COMMON PLEAS
) OF CLEARFIELD COUNTY, PA
)
)

) CIVIL ACTION - LAW
)
)

) NO. 00-745-CD

TO THE ABOVE DEFENDANT:

YOU ARE HEREBY NOTIFIED as required by law that a judgment has been entered against you in the amount of \$59,692.95, plus interest and costs at the above term and number on June 23, 2000. You will find enclosed copies of all documents filed in this office in support of the Confession of Judgment.

FILED

JUN 23 2000

William A. Shaw
Prothonotary

CLERK OF RECORDS
PROTHONOTARY DIVISION

By



Deputy Clerk

If you have any questions regarding this Notice, please contact the filing party:

Name: Richard J. Parks, Esq.

Address: MacDonald, Illig, Jones & Britton LLP
100 State Street, Suite 700
Erie, Pennsylvania 16507-1498

Telephone No.: (814) 870-7754

(This Notice is given in accordance with Pa.R.C.P. 236).

SKY BANK, successor by merger)	IN THE COURT OF COMMON PLEAS
with FIRST WESTERN BANK, N.A.)	OF CLEARFIELD COUNTY, PA
Plaintiff)	
)	
v.)	CIVIL ACTION - LAW
)	
BRUNIE HORCHEN,)	
Defendant)	NO. 00-746-CO

COMPLAINT IN CONFESSION OF JUDGMENT

AND NOW, comes the plaintiffs, by and through its attorneys, MacDonald, Illig, Jones & Britton LLP, averring the following facts as the basis for its Complaint in Judgment against the Defendants:

1. The plaintiff is Sky Bank, successor by merger with First Western Bank, National Association, (hereinafter "Plaintiff"), a lending institution duly authorized to conduct business in the Commonwealth of Pennsylvania, with a principal place of business located at 101 East Washington Street, New Castle, Pennsylvania 16103-1488.

2. The defendant is Brunie Horchen whose last known address is 5 Larissa Court, DuBois, Pennsylvania 15801.

3. On or about December 23, 1998, Horchens Cabinetry and Fine Woodworking, a partnership, borrowed money for its business from plaintiff pursuant to a written Promissory Note. A true and correct copy of the Promissory Note is attached hereto and incorporated herein by reference as Exhibit "A."

4. As part of the aforementioned transaction, defendant entered into a Commercial Guaranty with a Power to Confess Judgment in order to induce plaintiff to issue the loan to Horchens Cabinetry and Fine Woodworking, the defendant's business. A true and correct copy of the Guaranty signed by the defendant evidencing defendant's signature and agreement and warrant of attorney for the debt of Horchens Cabinetry and Fine Woodworking, is attached hereto and incorporated herein as Exhibit "B".

5. The aforementioned instrument has not been assigned.

6. Judgment has not been entered on the aforementioned instrument in any jurisdiction.

7. Judgment may be entered under the terms of the Warrant of Attorney contained in Exhibit "B" after a default.

8. Horchen Cabinetry and Fine Woodworking, has defaulted on its loan obligation to plaintiff by failing to make payment when due.

9. Defendant is in default under the terms of the guaranty agreement for failure to make payment when due.

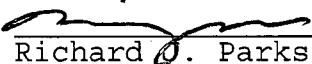
10. The amount due from the defendant to plaintiff for which judgment is authorized, as of May 30, 2000, is \$59,692.95, computed as follows:

Unpaid Principal Balance:	\$49,249.87
Interest to May 30, 2000:	\$ 3,910.32
Late Charges:	\$ 1,106.13
Attorney Fee at 10%:	<u>\$ 5,426.63</u>
TOTAL:	<u>\$59,692.95</u>

11. Judgment is not being entered by confession against a natural person in connection with a consumer credit transaction.

12. The underlying transaction, as evidenced in part by Exhibit "B", is a commercial transaction.

WHEREFORE, plaintiff demands that judgment be entered in its favor and against the defendant in the amount of \$59,692.95, plus costs and interest at the rate of \$14.84 per diem from and after May 30, 2000, as provided in Exhibit "B".


Richard O. Parks
MacDONALD, ILLIG, JONES & BRITTON LLP
100 State Street, Suite 700
Erie, Pennsylvania 16507-1498
(814) 870-7754

Attorneys for Plaintiff(s)
Sky Bank. successor by merger
with First Western Bank, N.A.

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call	Collateral	Account	Officer	Initials
\$50,000.00			1100020942	410	27		291	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

Borrower: Horchens Cabinetry and Fine Woodworking
305 Aspen Way
DuBois, PA 15801

Lender: FIRST WESTERN BANK, NATIONAL ASSOCIATION
PUNXSUTAWNEY
PO BOX 1488
NEW CASTLE, PA 16103

Principal Amount: \$50,000.00

Initial Rate: 9.750%

Date of Note: 12-3-98

PROMISE TO PAY. Horchens Cabinetry and Fine Woodworking ("Borrower") promises to pay to FIRST WESTERN BANK, NATIONAL ASSOCIATION ("Lender"), or order, in lawful money of the United States of America, on demand, the principal amount of Fifty Thousand & 00/100 Dollars (\$50,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan immediately upon Lender's demand. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning January 1, 1999, with all subsequent interest payments to be due on the same day of each month after that. Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the annual interest rate over the number of days in a year, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the maximum Wall Street Journal Prime Rate (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notice to Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. Borrower understands that Lender may make loans based on other rates as well. The interest rate change will not occur more often than each day. The Index currently is 7.750% per annum. The interest rate to be applied to the unpaid principal balance of this Note will be at a rate of 2.000 percentage points over the Index, resulting in an initial rate of 9.750% per annum. NOTICE: Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law.

PREPAYMENT. Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, they will reduce the principal balance due.

LENDER'S RIGHTS. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law. If judgment is entered in connection with this Note, interest will continue to accrue on this Note after judgment at the interest rate applicable to this Note at the time judgment is entered. This Note has been delivered to Lender and accepted by Lender in the Commonwealth of Pennsylvania. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of JEFFERSON County, the Commonwealth of Pennsylvania. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$20.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. Borrower grants to Lender a contractual possessory security interest in, and hereby assigns, conveys, delivers, pledges, and transfers to Lender all Borrower's right, title and interest in and to, Borrower's accounts with Lender (whether checking, savings, or some other account), including without limitation all accounts held jointly with someone else and all accounts Borrower may open in the future, excluding however all IRA and Keogh accounts, and all trust accounts for which the grant of a security interest would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on this Note against any and all such accounts.

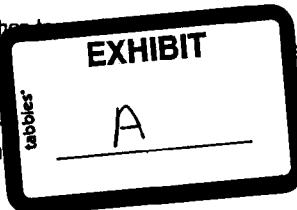
LINE OF CREDIT. This Note evidences a revolving line of credit. Advances under this Note may be requested orally by Borrower or by an authorized person. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following party or parties are authorized to request advances under the line of credit until Lender receives from Borrower at Lender's address shown above written notice of revocation of their authority: **Brunie Horchen, Partner; Dustin James Horchen, Partner; and Ryan Michael Horchen, Partner.** Borrower agrees to be liable for all sums either: (a) advanced in accordance with the instructions of an authorized person or (b) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs. Lender will have no obligation to advance funds under this Note if: (a) Borrower or any guarantor is in default under the terms of this Note or any agreement that Borrower or any guarantor has with Lender, including any agreement made in connection with the signing of this Note; (b) Borrower or any guarantor ceases doing business or is insolvent; (c) any guarantor seeks, claims or otherwise attempts to limit, modify or revoke such guarantor's guarantee of this Note or any other loan with Lender; (d) Borrower has applied funds provided pursuant to this Note for purposes other than those authorized by Lender; or (e) Lender in good faith deems itself insecure under this Note or any other agreement between Lender and Borrower.

ANNUAL CLEAN-UP. Borrower agrees that for a period of at least thirty (30) consecutive days during each of its fiscal years, there shall be no principal outstanding under the Note.

COLLATERAL. This Loan is secured by a secured interest in inventory, chattel paper, accounts, equipment and general intangibles of the Borrower as evidenced by a Commercial Security Agreement of even date herewith.

PURPOSE. This Loan is for the purpose of working capital.

AUTOMATIC OVERDRAFT PROTECTION. Borrower wishes to open a Deposit Account, No. 4600752406 with the automatic overdraft protection. The parties hereto, intending to be legally bound hereby agree that this Promissory Note authorizes Lender to authorize the said transaction account from becoming overdrawn, so that no contact need be made by Borrower to Lender or by Lender to Borrower by check or otherwise from Borrower's transaction account.



of Credit, No. 1100020942, and Borrower's general Demand Account. The parties hereto, intending to be legally bound hereby agree that this Promissory Note authorizes Lender to authorize the said transaction account from time to time funds sufficient to keep the said transaction account from becoming overdrawn, so that no contact need be made by Borrower to Lender or by Lender to Borrower by check or otherwise from Borrower's transaction account. In regard to said transfer, it is understood that any person authorized to withdraw funds either from the said transaction account or from the Line of Credit with funds which will be debited to Borrower's Line of Credit with

PROMISSORY NOTE
(Continued)

Page 2

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Lender, if such funds transfer is necessary to keep the said transaction account from becoming overdrawn. Anything herein contained to the contrary notwithstanding, Lender shall be under no obligation to transfer funds if such transfer would raise the aggregate outstanding balance under the Line of Credit Note beyond its maximum credit limit..

DEPOSITORY. Borrower shall maintain its main depository accounts with Lender during the term of the loans.

GENERAL PROVISIONS. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan, or release any party, partner, or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. If any portion of this Note is for any reason determined to be unenforceable, it will not affect the enforceability of any other provisions of this Note.

CONFESSION OF JUDGMENT. BORROWER HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OR THE PROTHONOTARY OR CLERK OF ANY COURT IN THE COMMONWEALTH OF PENNSYLVANIA, OR ELSEWHERE, TO APPEAR AT ANY TIME FOR BORROWER AFTER A DEFAULT UNDER THIS NOTE, AND WITH OR WITHOUT COMPLAINT FILED, AS OF ANY TERM, CONFESS OR ENTER JUDGMENT AGAINST BORROWER FOR THE ENTIRE PRINCIPAL BALANCE OF THIS NOTE, ALL ACCRUED INTEREST, LATE CHARGES, AND ANY AND ALL AMOUNTS EXPENDED OR ADVANCED BY LENDER RELATING TO ANY COLLATERAL SECURING THIS NOTE TOGETHER WITH INTEREST ON SUCH AMOUNTS, TOGETHER WITH COSTS OF SUIT, AND AN ATTORNEY'S COMMISSION OF TEN PERCENT (10%) OF THE UNPAID PRINCIPAL BALANCE AND ACCRUED INTEREST FOR COLLECTION, BUT IN ANY EVENT NOT LESS THAN FIVE HUNDRED DOLLARS (\$500) ON WHICH JUDGMENT OR JUDGMENTS ONE OR MORE EXECUTIONS MAY ISSUE IMMEDIATELY; AND FOR SO DOING, THIS NOTE OR A COPY OF THIS NOTE VERIFIED BY AFFIDAVIT SHALL BE SUFFICIENT WARRANT. THE AUTHORITY GRANTED IN THIS NOTE TO CONFESS JUDGMENT AGAINST BORROWER SHALL NOT BE EXHAUSTED BY ANY EXERCISE OF THAT AUTHORITY, BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL PAYMENT IN FULL OF ALL AMOUNTS DUE UNDER THIS NOTE. BORROWER HEREBY WAIVES ANY RIGHT BORROWER MAY HAVE TO NOTICE OR TO A HEARING IN CONNECTION WITH ANY SUCH CONFESSION OF JUDGMENT, EXCEPT ANY NOTICE AND/OR HEARING REQUIRED UNDER APPLICABLE LAW WITH RESPECT TO EXECUTION OF THE JUDGMENT, AND STATES THAT EITHER A REPRESENTATIVE OF LENDER SPECIFICALLY CALLED THIS CONFESSION OF JUDGMENT PROVISION TO BORROWER'S ATTENTION OR BORROWER HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.

THIS NOTE HAS BEEN SIGNED AND SEALED BY THE UNDERSIGNED.

BORROWER:

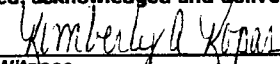
Horchens Cabinetry and Fine Woodworking

By:  (SEAL)
Brunie Horchen, General Partner

By:  (SEAL)
Dustin James Horchen, General Partner

By:  (SEAL)
Ryan Michael Horchen, General Partner

Signed, acknowledged and delivered in the presence of:

X 
Witness

X 
Witness

COMMERCIAL GUARANTY

Principal	Loan Date	Maturity	Loan No	Call 410	Collateral 27	Account	Officer 291	Initials
References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.								

Borrower: Horchens Cabinetry and Fine Woodworking
305 Aspen Way
DuBois, PA 15801

Lender: FIRST WESTERN BANK, NATIONAL ASSOCIATION
PUNXSUTAWNEY
PO BOX 1488
NEW CASTLE, PA 16103

Guarantor: Brunie Horchen
5 Larissa Court
DuBois, PA 15801

AMOUNT OF GUARANTY. The amount of this Guaranty is Unlimited.

CONTINUING UNLIMITED GUARANTY. For good and valuable consideration, Brunie Horchen ("Guarantor") absolutely and unconditionally guarantees and promises to pay to FIRST WESTERN BANK, NATIONAL ASSOCIATION ("Lender") or its order, on demand, in legal tender of the United States of America, the indebtedness (as that term is defined below) of Horchens Cabinetry and Fine Woodworking ("Borrower") to Lender on the terms and conditions set forth in this Guaranty. Under this Guaranty, the liability of Guarantor is unlimited and the obligations of Guarantor are continuing.

DEFINITIONS. The following words shall have the following meanings when used in this Guaranty:

Borrower. The word "Borrower" means Horchens Cabinetry and Fine Woodworking.

Guarantor. The word "Guarantor" means Brunie Horchen.

Guaranty. The word "Guaranty" means this Guaranty made by Guarantor for the benefit of Lender dated 12-3-98.

Indebtedness. The word "Indebtedness" is used in its most comprehensive sense and means and includes any and all of Borrower's liabilities, obligations, debts, and indebtedness to Lender, now existing or hereinafter incurred or created, including, without limitation, all loans, advances, interest, costs, debts, overdraft indebtedness, credit card indebtedness, lease obligations, other obligations, and liabilities of Borrower, or any of them, and any present or future judgments against Borrower, or any of them; and whether any such Indebtedness is voluntarily or involuntarily incurred, due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined; whether Borrower may be liable individually or jointly with others, or primarily or secondarily, or as guarantor or surety; whether recovery on the Indebtedness may be or may become barred or unenforceable against Borrower for any reason whatsoever; and whether the Indebtedness arises from transactions which may be voidable on account of infancy, insanity, ultra vires, or otherwise.

Lender. The word "Lender" means FIRST WESTERN BANK, NATIONAL ASSOCIATION, its successors and assigns.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

NATURE OF GUARANTY. Guarantor's liability under this Guaranty shall be open and continuous for so long as this Guaranty remains in force. Guarantor intends to guarantee at all times the performance and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of all Indebtedness. Accordingly, no payments made upon the Indebtedness will discharge or diminish the continuing liability of Guarantor in connection with any remaining portions of the Indebtedness or any of the Indebtedness which subsequently arises or is thereafter incurred or contracted.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all Indebtedness incurred or contracted before receipt by Lender of any notice of revocation shall have been fully and finally paid and satisfied and all other obligations of Guarantor under this Guaranty shall have been performed in full. If Guarantor elects to revoke this Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender, by certified mail, at the address of Lender listed above or such other place as Lender may designate in writing. Written revocation of this Guaranty will apply only to advances or new Indebtedness created after actual receipt by Lender of Guarantor's written revocation. For this purpose and without limitation, the term "new Indebtedness" does not include Indebtedness which at the time of notice of revocation is contingent, unliquidated, undetermined or not due and which later becomes absolute, liquidated, determined or due. This Guaranty will continue to bind Guarantor for all Indebtedness incurred by Borrower or committed by Lender prior to receipt of Guarantor's written notice of revocation, including any extensions, renewals, substitutions or modifications of the Indebtedness. All renewals, extensions, substitutions, and modifications of the Indebtedness granted after Guarantor's revocation, are contemplated under this Guaranty and, specifically will not be considered to be new Indebtedness. This Guaranty shall bind the estate of Guarantor as to Indebtedness created both before and after the death or incapacity of Guarantor, regardless of Lender's actual notice of Guarantor's death. Subject to the foregoing, Guarantor's executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation received by Lender from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. It is anticipated that fluctuations may occur in the aggregate amount of Indebtedness covered by this Guaranty, and it is specifically acknowledged and agreed by Guarantor that reductions in the amount of Indebtedness, even to zero dollars (\$0.00), prior to written revocation of this Guaranty by Guarantor shall not constitute a termination of this Guaranty. This Guaranty is binding upon Guarantor and Guarantor's heirs, successors and assigns so long as any of the guaranteed Indebtedness remains unpaid and even though the Indebtedness guaranteed may from time to time be zero dollars (\$0.00).

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, either before or after any revocation hereof, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (a) prior to revocation as set forth above, to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (b) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (c) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, sell, lease, convey, or otherwise dispose of such security, or to perfect, or cause to be perfected, such security, with or without the substitution of new collateral; (d) to sue, or cause to be sued, or to defend any suit, or to compromise, settle, or otherwise dispose of any such suit, or to choose; (e) to determine how, when and what application security and direct the order or manner of sale thereof, including security agreement or deed of trust, as Lender in its discretion may determine; (g) to sell, transfer, assign, or otherwise dispose of all or any part of the Indebtedness; and (h) to assign or

EXHIBIT

B

Loan No 1100020942

transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (a) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (b) this Guaranty is executed at Borrower's request and not at the request of Lender; (c) Guarantor has full power, right and authority to enter into this Guaranty; (d) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (e) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (f) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present the financial condition of Guarantor as of the dates the financial information is provided; (g) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (h) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (i) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (j) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (a) to continue lending money or to extend other credit to Borrower; (b) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the indebtedness or in connection with the creation of new or additional loans or obligations; (c) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (d) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (e) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (f) to pursue any other remedy within Lender's power; or (g) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses arising by reason of (a) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (b) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the indebtedness; (c) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the indebtedness; (d) any right to claim discharge of the indebtedness on the basis of unjustified impairment of any collateral for the indebtedness; (e) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced there is outstanding indebtedness of Borrower to Lender which is not barred by any applicable statute of limitations; or (f) any defenses given to guarantors at law or in equity other than actual payment and performance of the indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the indebtedness shall be considered unpaid for the purpose of enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

LENDER'S RIGHT OF SETOFF. In addition to all liens upon and rights of setoff against the moneys, securities or other property of Guarantor given to Lender by law, Lender shall have, with respect to Guarantor's obligations to Lender under this Guaranty and to the extent permitted by law, a contractual possessory security interest in and a right of setoff against, and Guarantor hereby assigns, conveys, delivers, pledges, and transfers to Lender all of Guarantor's right, title and interest in and to, all deposits, moneys, securities and other property of Guarantor now or hereafter in the possession of or on deposit with Lender, whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding however all IRA, Keogh, and trust accounts. Every such security interest and right of setoff may be exercised without demand upon or notice to Guarantor. No security interest or right of setoff shall be deemed to have been waived by any act or conduct on the part of Lender or by any neglect to exercise such right of setoff or to enforce such security interest or by any delay in so doing. Every right of setoff and security interest shall continue in full force and effect until such right of setoff or security interest is specifically waived or released by an instrument in writing executed by Lender.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness of Borrower to Lender, whether now existing or hereafter created, shall be prior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness of Borrower to Lender. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender hereby is authorized, in the name of Guarantor, from time to time to execute and file financing statements and continuation statements and to execute such other documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Guaranty has been delivered to Lender and accepted by Lender in the Commonwealth of Pennsylvania. If there is a

COMMERCIAL GUARANTY
(Continued)

Page 3

Loan No 1100020942

lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of JEFFERSON County, Commonwealth of Pennsylvania. Lender and Guarantor hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Guarantor against the other. This Guaranty shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Notices. All notices required to be given by either party to the other under this Guaranty shall be in writing, may be sent by telefacsimile, and, except for revocation notices by Guarantor, shall be effective when actually delivered or when deposited with a nationally recognized overnight courier, or when deposited in the United States mail, first class postage prepaid, addressed to the party to whom the notice is to be given at the address shown above or to such other addresses as either party may designate to the other in writing. All revocation notices by Guarantor shall be in writing and shall be effective only upon delivery to Lender as provided above in the section titled "DURATION OF GUARANTY." If there is more than one Guarantor, notice to any Guarantor will constitute notice to all Guarantors. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty. If a court of competent jurisdiction finds any provision of this Guaranty to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances, and all provisions of this Guaranty in all other respects shall remain valid and enforceable. If any one or more of Borrower or Guarantor are corporations or partnerships, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, or agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Waiver. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

ADDITION TO GUARANTOR'S WAIVERS. Guarantor hereby waives any claim, right or remedy which such Guarantor may now have or hereafter acquire against Borrower that arises hereunder and/or from the performance by any Guarantor hereunder, including, without limitation, any claim, remedy or right of subrogation, reimbursement, exoneration, contribution, indemnification, or participation in any claim, right or remedy of Lender against Borrower or any security which Lender now has or hereafter acquires, whether or not such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise.

CONFESSION OF JUDGMENT. GUARANTOR HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OR THE PROTHONOTARY OR CLERK OF ANY COURT IN THE COMMONWEALTH OF PENNSYLVANIA, OR ELSEWHERE, TO APPEAR AT ANY TIME FOR GUARANTOR AFTER A DEFAULT UNDER THIS GUARANTY, AND WITH OR WITHOUT COMPLAINT FILED, AS OF ANY TERM, CONFESS OR ENTER JUDGMENT AGAINST GUARANTOR FOR THE ENTIRE PRINCIPAL BALANCE OF THIS GUARANTY, ALL ACCRUED INTEREST, LATE CHARGES, AND ANY AND ALL AMOUNTS EXPENDED OR ADVANCED BY LENDER RELATING TO ANY COLLATERAL SECURING THE INDEBTEDNESS TOGETHER WITH INTEREST ON SUCH AMOUNTS, TOGETHER WITH COSTS OF SUIT, AND AN ATTORNEY'S COMMISSION OF TEN PERCENT (10%) OF THE UNPAID PRINCIPAL BALANCE AND ACCRUED INTEREST FOR COLLECTION, BUT IN ANY EVENT NOT LESS THAN FIVE HUNDRED DOLLARS (\$500) ON WHICH JUDGMENT OR JUDGMENTS ONE OR MORE EXECUTIONS MAY ISSUE IMMEDIATELY; AND FOR SO DOING, THIS GUARANTY OR A COPY OF THIS GUARANTY VERIFIED BY AFFIDAVIT SHALL BE SUFFICIENT WARRANT. THE AUTHORITY GRANTED IN THIS GUARANTY TO CONFESS JUDGMENT AGAINST GUARANTOR SHALL NOT BE EXHAUSTED BY ANY EXERCISE OF THAT AUTHORITY, BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL PAYMENT IN FULL OF ALL AMOUNTS DUE UNDER THIS GUARANTY. GUARANTOR HEREBY WAIVES ANY RIGHT GUARANTOR MAY HAVE TO NOTICE OR TO A HEARING IN CONNECTION WITH ANY SUCH CONFESSION OF JUDGMENT, EXCEPT ANY NOTICE AND/OR HEARING REQUIRED UNDER APPLICABLE LAW WITH RESPECT TO EXECUTION OF THE JUDGMENT, AND STATES THAT EITHER A REPRESENTATIVE OF LENDER SPECIFICALLY CALLED THIS CONFESSION OF JUDGMENT PROVISION TO GUARANTOR'S ATTENTION OR GUARANTOR HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL.

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY." NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED 12-3-98.

THIS GUARANTY HAS BEEN SIGNED AND SEALED BY THE UNDERSIGNED.

GUARANTOR:

X  (SEAL)
Brunie Horchen

Loan No 1100020942

COMMERCIAL GUARANTY
(Continued)

Page 4

Signed, acknowledged and delivered in the presence of:

X

Kimberly A. Kopas
Witness

X

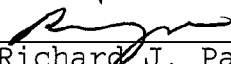
Witness

CONFESSION OF JUDGMENT

Pursuant to the authority contained in the warrant of attorney, a copy of which is attached to the Complaint filed in this action, I hereby appear for the defendants and confess judgment in favor of Sky Bank, successor by merger with First Western Bank, N.A. and against defendants as follows:

Unpaid Principal Balance:	\$49,249.87
Interest to May 30, 2000:	\$ 3,910.32
Late Charges:	\$ 1,106.13
Attorney Fee at 10%:	<u>\$ 5,426.63</u>
 TOTAL:	 <u>\$59,692.95</u>

Plus costs and interest at the contractual rate of \$14.84 per diem from and after May 30, 2000.

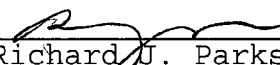


Richard J. Parks
Attorney for Defendants

CERTIFICATE

I hereby certify that the precise address of the plaintiff is: 101 East Washington Street, New Castle, Pennsylvania 16103-1488. I further certify that the last known address of the defendant is: 5 Larissa Court, DuBois, Pennsylvania 15801.

I further certify that the underlying transaction, as evidenced in part by Exhibit "A" attached hereto, is a commercial transaction.



Richard J. Parks
Attorney for Plaintiff

SKY BANK, successor by merger
with FIRST WESTERN BANK, N.A.
Plaintiff

v.

BRUNIE HORCHEN,
Defendant

) IN THE COURT OF COMMON PLEAS
) OF CLEARFIELD COUNTY, PA
)
)

) CIVIL ACTION - LAW
)
)

) NO. 00-745-CD

UNSWORN VERIFICATION UNDER 18 PA.C.S.A. § 4904

The undersigned, Donna Maley, duly authorized representative of Sky Bank, successor by merger with First Western Bank, N.A., does hereby swear and affirm that she is authorized to make this Verification on behalf of Sky Bank, successor by merger with First Western Bank, N.A., and that the averments set forth in the foregoing Complaint in Confession of Judgment are true and correct to the best of her knowledge or information and belief. This statement is made subject to the penalties of 18 Pa.C.S.A. § 4904 relating to unsworn falsification to authorities.

Donna Maley
Donna Maley, duly authorized
representative of Sky Bank,
successor by merger with
First Western Bank, N.A.

FILED

JUN 23 2000
City of Atty Parks
m/g:10/10
William A. Shaw
Prothonotary
not. to Dey. B. Hochen
Statement to Atty Parks

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
STATEMENT OF JUDGMENT

COPY

SKY BANK, Successor by merger with

FIRST WESTERN BANK, N.A.,

Plaintiff(s)

No. 00-745-CD

vs.

Real Debt \$59,562.95

BRUNIE HORCHEN,

Atty's Comm _____

Defendant(s)

Costs \$ _____

Int. From _____

Entry \$20.00

Instrument Confession Judgment

Date of Entry June 23, 2000

Expires June 23, 2005

Certified from the record this 23rd day of June, 2000

William A. Shaw, Prothonotary

SIGN BELOW FOR SATISFACTION

Received on _____, 20____, of defendant full
satisfaction of this Judgment, Debt, Interest and Costs and Prothonotary
is authorized to enter Satisfaction on the same.

Plaintiff/Attorney

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
AMENDED STATEMENT OF JUDGMENT

COPY

SKY BANK, Successor by merger with
FIRST WESTERN BANK, N.A.,

Plaintiff(s)

No. 00-745-CD

Real Debt \$59,692.95

vs.

Atty's Comm _____

BRUNIE HORCHEN,

Defendant(s)

Costs \$ _____

Int. From _____

Entry \$20.00

Instrument Confession Judgment

Date of Entry June 23, 2000

Expires June 23, 2005

Certified from the record this 26th day of June, 2000

William A. Shaw, Prothonotary

SIGN BELOW FOR SATISFACTION

Received on _____, 20____, of defendant full
satisfaction of this Judgment, Debt, Interest and Costs and Prothonotary
is authorized to enter Satisfaction on the same.

Plaintiff/Attorney

SAT SKY BANK, successor by merger) IN THE COURT OF COMMON PLEAS
 with FIRST WESTERN BANK, N.A.) OF CLEARFIELD COUNTY, PA
 Plaintiff)
)
 v.) CIVIL ACTION - LAW
)
 SAT BRUNIE HORCHEN,)
 Defendant) NO. 00-745-CD

PRAECIPE AND POWER OF ATTORNEY FOR
SATISFACTION AND/OR TERMINATION

TO THE PROTHONOTARY/CLERK OF SAID COURT:

You are hereby authorized, empowered, and directed to enter, as indicated, the following on the records thereof:

- A. 1. ___ The within suit is Settled, Discontinued, Ended and costs paid.
2. ___ The within suit is Settled, Discontinued, Ended WITH Prejudice and costs paid.
3. ___ The within suit is Settled, Discontinued, Ended WITHOUT Prejudice and costs paid as a result of a "cure" of the mortgage arrearages.
- * * * * *
- B. 1. ___ Satisfaction of the Award in the within suit is acknowledged.
2. X Satisfaction of Judgment, with interest and costs, in the within matter is acknowledged.
- * * * * *
- C. ___ Other:

DATE: 8/17/00


 Signature of authorizing party

WITNESS (if signer is other than a registered attorney):

 Attorney or Notary

COST PAYMENT VERIFICATION

I UNDERSTAND THAT THE ABOVE ACTION CANNOT BE FILED AND DOCKETED
UNTIL ALL COSTS HAVE BEEN PAID, INCLUDING SHERIFF'S COSTS; AND
HEREBY VERIFY THAT ALL COSTS HAVE BEEN PAID. I UNDERSTAND THAT
FALSE STATEMENTS HEREIN ARE MADE SUBJECT TO THE PENALTIES OF 18
PA.C.S. SEC. 4904 RELATING TO UNSWORN FALSIFICATION TO AUTHORITIES.


 Richard J. Parks

FILED

AUG 16 2000

William A. Shaw
 Prothonotary

FILED

01/21/30 PM 700
AUG 16 2000

William A. Shaw

Prothonotary

2 dated stamped to
Att.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION
CERTIFICATE OF SATISFACTION OF JUDGMENT

Docket No.281

No. 00-745-CD

COPY

SKY BANK, successor by merger with
FIRST WESTERN BANK, N.A.

Plaintiff(s)

Debt. \$ 59,692.95

Atty's Comm. _____

vs.

Interest From _____

BRUNIE HORCHEN

Defendant(s)

Costs \$ 7.00

NOW, August 16, 2000, directions for satisfaction having been received, and all costs having been paid, SATISFACTION was entered of record.

Certified from the record this
16th day of August A.D. 2000.

Prothonotary

FILED

AUG 16 2000

William A. Shaw
Prothonotary

FILED

0/2:30pm pl. 700
AUG 16 2000 by att
McDonald
WILLIAM A. STEWART
Prothonotary
ST. ST. C. TO att Ges