

00-156-CD
SOUTHWEST BANK et al -vs- EVERETT L. BECKNER et al

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

 SOUTHWEST BANK, formerly
SOUTHWEST NATIONAL BANK
OF PENNSYLVANIA,

Plaintiff,

vs.

 (33) EVERETT L. BECKNER and  (23)  DONNA R. BECKNER (33)

Defendants.

CIVIL DIVISION

No. 00-756-CD

CIVIL ACTION - COMPLAINT IN
MORTGAGE FORECLOSURE

Filed on behalf of SOUTHWEST BANK,
formerly SOUTHWEST NATIONAL
BANK OF PENNSYLVANIA, Plaintiff

Counsel of record for this party:

Christopher J. Richardson, Esquire
Pa. I.D. #44841
Brett A. Solomon, Esquire
Pa I. D. #83746
TUCKER ARENSBERG, P.C.
Firm #287
1500 One PPG Place
Pittsburgh, Pennsylvania 15222
(412) 566-1212

I hereby certify that the
property to be foreclosed
upon is:

Coal Road
Dubois, Pennsylvania 15081
Clearfield County
Tax ID# 128-E2-1.6.


Christopher J. Richardson
Brett A. Solomon, Esquire
Attorneys for Plaintiff

FILED

JUN 27 2000

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

SOUTHWEST BANK, formerly) CIVIL DIVISION
SOUTHWEST NATIONAL BANK)
OF PENNSYLVANIA,) No. 00-756-CO
)
 Plaintiff,)
)
 vs.)
)
 EVERETT L. BECKNER and DONNA R.)
 BECKNER,)
)
 Defendants.)

IMPORTANT NOTICE

You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this Complaint and Notice are served by entering a written appearance personally or by attorney and filing in writing with the court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so, the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the Complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

Lawyer Referral Service
800-692-7375

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

SOUTHWEST BANK, formerly) CIVIL DIVISION
SOUTHWEST NATIONAL BANK)
OF PENNSYLVANIA,) No. 00-756-CO
)
 Plaintiff,)
)
 vs.)
)
 EVERETT L. BECKNER and DONNA R.)
 BECKNER,)
)
 Defendants.)

COMPLAINT IN MORTGAGE FORECLOSURE

AND NOW COMES Southwest Bank, formerly Southwest National Bank of Pennsylvania ("Bank"), by and through its counsel, Tucker Arensberg, P.C., and avers the following in support of its Complaint in Mortgage Foreclosure:

1. Southwest Bank, formerly Southwest National Bank of Pennsylvania is a banking association organized under the laws of the Commonwealth of Pennsylvania with a principal place of business at 111 South Main Street, Greensburg, Pennsylvania 15601.
2. Defendants, Everett L. Beckner and Donna R. Beckner, ("Borrowers" or "Defendants"), are adult individuals whose last known address is R.D. #1, Box 160, Stahlstown, Pennsylvania 15687.
3. On or about November 1, 1996, Borrowers executed a Promissory Note (the "Note") whereby Borrowers promised to pay to Bank the principal amount of One Hundred Fourteen Thousand and 00/100 Dollars (\$114,000.00), together with interest thereon in the manner provided therein. A true and correct copy of the Note is attached hereto as Exhibit "A" and incorporated herein.
4. On or about October 29, 1998, Borrowers executed a Change in Terms Agreement (the "Change-In-Terms") whereby the Borrowers' payment terms under the Note

were modified as more particularly set forth therein. A true and correct copy of the Change-In-Terms is attached hereto as Exhibit "B" and incorporated herein.

4. The obligations evidenced by the Note and Agreement are secured by a Mortgage dated November 1, 1996 given by Borrowers to Bank, encumbering certain real property located in the Township of Sandy, County of Clearfield, Pennsylvania (the "Premises"), as more particularly described therein (the "Mortgage"). The Mortgage was recorded in the Office of the Recorder of Deeds of Clearfield County, Pennsylvania in Mortgage Book Volume 1800, page 589. A true and correct copy of the Mortgage, containing the legal description of the Premises, is attached hereto as Exhibit "C" and incorporated herein.

6. The Borrowers are in default of the provisions of the Note and Change-In-Terms for failure to make payment when due.

6. Borrowers are the real and record owners of the Premises.

7. The Bank was not required to provide Borrowers with notice pursuant to 41 P.S. §101 et seq (Act 6) for the reason that the Note obligation is not a "Residential Mortgage" as defined by Act 6.

8. Bank was not required to provide Borrowers with notice pursuant to 35 P.S. §1680.401C (Act 91) for the reason that the Premises is not a "one or two-family owner occupied residence" as required by Act 91.

9. The amount due to the Bank under the Note and the Change-In-Terms as of March 9, 2000 was as follows:

Principal	\$116,411.88
Interest through March 9, 2000	5,271.86
(per diem \$35.78)	
Late Charges	5,058.95
Costs.....	to be added
Attorneys' Fees	<u>to be added</u>
TOTAL	\$126,742.69

10. The total amount due to Bark under the Note and Change-In-Terms as of March 9, 2000 was One Hundred Twenty-Six Thousand Seven Hundred Forty-Tow and 69/100 Dollars (\$126,742.69), plus costs and attorneys' fees.

WHEREFORE, Plaintiff demands judgment in mortgage foreclosure for the amount due of One Hundred Twenty-Six Thousand Seven Hundred Forty-Two and 69/100 Dollars (\$126,742.69), plus continuing interest at the contract rate from March 9, 2000, late charges, increases in any escrow deficiency, reasonable attorneys' fees as authorized by the Agreement and costs of foreclosure and sale of the Premises.

TUCKER ARENSBERG, P.C.

By:


Christopher J. Richardson, Esquire
Pa. I.D. No. 44841
Brett A. Solomon, Esquire
Pa. I.D. No. 83746
1500 One PPG Place
Pittsburgh, Pennsylvania 15222
(412) 566-1212

Attorneys for Southwest Bank, formerly
Southwest National Bank of Pennsylvania, Plaintiff

bf 124474
000025-020031

Southwest Bank

PROMISSORY NOTE

Principal \$114,000.00	Loan Date 11-01-1996	Maturity 05-05-2007	Loan No.	Call 1E0	Collateral 4510	Account	Officer 090	Initials MHC
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: Everett L. Beckner
 Donna R. Beckner
 dba: Beckner's Restaurant
 R.D.#1 Box 160
 Stahlstown, PA 15687

Lender: Southwest National Bank of Pennsylvania
 111 South Main Street
 Greensburg, PA 15601

Principal Amount: \$114,000.00

Initial Rate: 10.750%

Date of Note: November 1, 1996

PROMISE TO PAY. Everett L. Beckner and Donna R. Beckner ("Borrower") promise to pay to Southwest National Bank of Pennsylvania ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Fourteen Thousand & 00/100 Dollars (\$114,000.00) 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 in accordance with the following payment schedule:

6 consecutive monthly interest payments, beginning December 5, 1996, with interest calculated on the unpaid principal balances at an interest rate of 2.500 percentage points over the Index described below; 119 consecutive monthly principal and interest payments in the initial amount of \$1,279.10 each, beginning June 5, 1997, with interest calculated on the unpaid principal balances at an interest rate of 2.500 percentage points over the Index described below; and 1 principal and interest payment in the initial amount of \$60,457.37 on May 5, 2007, with interest calculated on the unpaid principal balances at an interest rate of 2.500 percentage points over the Index described below. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled and that the Index does not change; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note.

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 (365 during leap years), 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 Pittsburgh Banks 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 8.250% per annum. The interest rate to be applied to the unpaid principal balance of this Note will be at a rate of 2.500 percentage points over the Index, resulting in an initial rate of 10.750% 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 agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, 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.

LATE CHARGE. If a payment is 16 days or more late, Borrower will be charged 4.000% of the unpaid portion of the regularly scheduled payment.

DEFAULT. Borrower will be in default if any of the following happens: (a) Borrower fails to make any payment when due. (b) Borrower breaks any promise Borrower has made to Lender, or Borrower fails to comply with or to perform when due any other term, obligation, covenant, or condition contained in this Note or any agreement related to this Note, or in any other agreement or loan Borrower has with Lender. (c) Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the Related Documents. (d) Any representation or statement made or furnished to Lender by Borrower or on Borrower's behalf is false or misleading in any material respect either now or at the time made or furnished. (e) Borrower dies or becomes insolvent, a receiver is appointed for any part of Borrower's property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws. (f) Any creditor tries to take any of Borrower's property on or in which Lender has a lien or security interest. This includes a garnishment of any of Borrower's accounts with Lender. (g) Any of the events described in this default section occurs with respect to any guarantor of this Note. (h) A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired. (i) Lender in good faith deems itself insecure.

If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Borrower, after receiving written notice from Lender demanding cure of such default: (a) cures the default within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may, after giving such notices as required by applicable law, declare the entire Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount. Upon default, including maturity, Lender, at its option, may also, if permitted under applicable law, increase the variable interest rate on this Note over the Index. The interest rate will not exceed the maximum rate permitted by applicable law. Lender may hire or pay for this Note if Borrower does not pay. Borrower also will pay Lender that amount. This includes, subject to any limits under applicable law, attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses

PLAINTIFF'S
EXHIBIT

A

(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 Westmoreland 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. (Initial Here *E.L.B.*) This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

D.R.B.

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.

COLLATERAL. This Note is secured by, in addition to any other collateral, a Mortgage and an Assignment of All Rents dated November 1, 1996, to Lender on real property located in Westmoreland County, Commonwealth of Pennsylvania, and a Mortgage and an Assignment of All Rents dated November 1, 1996, to Lender on real property located in Clearfield County, Commonwealth of Pennsylvania, all the terms and conditions of which are hereby incorporated and made a part of this Note.

LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Note may be requested either orally or in writing 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: Everett L. Beckner, Owner; and Donna R. Beckner, Owner. 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.

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 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. The obligations under this Note are joint and several. 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.

CONFESION 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 CONFESION OF JUDGMENT AND STATES THAT EITHER A REPRESENTATIVE OF LENDER SPECIFICALLY CALLED THIS CONFESION OF JUDGMENT PROVISION TO BORROWER'S ATTENTION OR BORROWER HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL.

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

BORROWER:

Everett L. Beckner (SEAL)
x _____
Everett L. Beckner

Donna R. Beckner (SEAL)
x _____
Donna R. Beckner



CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Call	Collateral	Account	Officer	Initials
\$116,411.88		11-30-1999		1E0	4510		090	

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: Everett L. Beckner
 Donna Beckner
 dba: Beckner's Restaurant
 R.D. #1, Box 160
 Stalstown, PA 15687

Lender: Southwest National Bank of Pennsylvania
 111 South Main Street
 P O Box 760
 Greensburg, PA 15601

Principal Amount: \$116,411.88

Date of Agreement: October 29, 1998

DESCRIPTION OF EXISTING INDEBTEDNESS. A Promissory Note dated November 1, 1996, in the original principal amount of \$114,000.00.

DESCRIPTION OF COLLATERAL. A Mortgage in the amount of \$114,000.00 dated November 1, 1996 and recorded in the Recorder of Deeds Office of Westmoreland County at Mortgage Book Volume 3911 Page 640 on November 1, 1996 against property located at R.D. #1, Box 160, Stalstown, PA; and a Mortgage in the amount of \$114,000.00 dated November 1, 1996, and recorded in the Recorder of Deeds Office of Clearfield County at Mortgage Book Volume 1800 Page 589, against property located at Coal Road, Dubois, PA; AND an Assignment of Rents in the amount of \$114,000.00 dated November 1, 1996 and recorded in the Recorder of Deeds Office of Westmoreland County on November 1, 1996; AND a Security Agreement dated November 1, 1996 and UCC-1 Financing Statements recorded in the Department of State, Commonwealth of Pennsylvania, and in the Counties of Westmoreland and Clearfield, Commonwealth of Pennsylvania against all machinery, equipment, furniture, fixtures, leasehold improvements, inventory, accounts receivable, books, records, invoices, contract rights, chattel paper, documents, instruments, general intangibles, and all right title and interest in and to any and all leases with respect to property located at R.D. #1, Box 160, Stalstown, Donegal Township, Westmoreland County.

DESCRIPTION OF CHANGE IN TERMS. The Original Note called for 6 consecutive monthly interest payments, beginning December 5, 1996; and 119 consecutive monthly principal and interest payments in the initial amount of \$1,279.10 each, beginning June 5, 1997; and 1 principal and interest payment in the initial amount of \$60,457.37 on May 5, 2007. This Change in Terms Agreement, changes the payment schedule and maturity date as outlined below in the section titled "PAYMENT".

PROMISE TO PAY. Everett L. Beckner and Donna Beckner ("Borrower") promise to pay to Southwest National Bank of Pennsylvania ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Sixteen Thousand Four Hundred Eleven & 88/100 Dollars (\$116,411.88), together with interest on the unpaid principal balance from October 29, 1998, until paid in full.

PAYMENT. Borrower will pay this loan in one principal payment of \$116,411.88 plus interest on November 30, 1999. This payment due November 30, 1999, will be for all principal and accrued interest not yet paid. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning November 30, 1998, with all subsequent interest payments to be due on the last day of each month after that. Interest on this Agreement 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 (366 during leap years), 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 Agreement is subject to change from time to time based on changes in an independent index which is the Pittsburgh Banks 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 8.000% per annum. The interest rate to be applied to the unpaid principal balance of this Agreement will be at a rate of 2.500 percentage points over the Index, resulting in an initial rate of 10.500% per annum. NOTICE: Under no circumstances will the interest rate on this Agreement 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 under the payment schedule. Rather, they will reduce the principal balance due.

LATE CHARGE. If a payment is 16 days or more late, Borrower will be charged 4.000% of the unpaid portion of the regularly scheduled payment.

DEFAULT. Borrower will be in default if any of the following happens: (a) Borrower fails to make any payment when due. (b) Borrower breaks any promise Borrower has made to Lender, or Borrower fails to comply with or to perform when due any other term, obligation, covenant, or condition contained in this Agreement or any agreement related to this Agreement, or in any other agreement or loan Borrower has with Lender. (c) Any representation or statement made or furnished to Lender by Borrower or on Borrower's behalf is false or misleading in any material respect either now or at the time made or furnished. (d) Borrower dies or becomes insolvent, a receiver is appointed for any part of Borrower's property, Borrower makes an assignment for the benefit of creditors, or any proceeding is commenced either by Borrower or against Borrower under any bankruptcy or insolvency laws. (e) Any creditor tries to take any of Borrower's property or in which Lender has a lien or security interest. This includes a garnishment of any of Borrower's accounts with Lender. (f) Any of the events described in this default section occurs with respect to any guarantor of this Agreement. (g) A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired. (h) Lender in good faith deems itself insecure.

If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of Agreement within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Borrower gives notice to Lender demanding cure of such default: (a) cures the default within fifteen (15) days; or (b) if the cure requires immediate initiation of steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter takes reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may, after giving such notices as required by applicable law, declare the entire principal amount of this Agreement and all accrued unpaid interest immediately due, and then Borrower will pay that amount. Upon default, including

PLAINTIFF'S
EXHIBIT

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CHANGE IN TERMS AGREEMENT
(Continued)

final maturity, Lender, at its option, may also, if permitted under applicable law, increase the variable interest rate on this Agreement to 4.500 percentage points over the Index. The interest rate will not exceed the maximum rate permitted by applicable law. Lender may hire or pay someone else to help collect this Agreement 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 Agreement, interest will continue to accrue on this Agreement after judgment at the interest rate applicable to this Agreement at the time judgment is entered. This Agreement 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 Westmoreland 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. (Initial Here *E.L.B.*) This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

RIGHT OF SETOFF. Borrower grants to Lender a contractual 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 Agreement against any and all such accounts.

COLLATERAL. This Agreement is secured by, in addition to any other collateral, a Mortgage to Lender on real property located in Westmoreland County, Commonwealth of Pennsylvania, and a Mortgage to Lender on real property located in Westmoreland County, Commonwealth of Pennsylvania, all the terms and conditions of which are hereby incorporated and made a part of this Agreement.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

MISCELLANEOUS PROVISIONS. Lender may delay or forgo enforcing any of its rights or remedies under this Agreement without losing them. Borrower and any other person who signs, guarantees or endorses this Agreement, to the extent allowed by law, waive presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Agreement, and unless otherwise expressly stated in writing, no party who signs this Agreement, 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 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. The obligations under this Agreement are joint and several. If any portion of this Agreement is for any reason determined to be unenforceable, it will not affect the enforceability of any other provisions of this Agreement.

CONFESION 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 AGREEMENT, AND WITH OR WITHOUT COMPLAINT FILED, AS OF ANY TERM, CONFESS OR ENTER JUDGMENT AGAINST BORROWER FOR THE ENTIRE PRINCIPAL BALANCE OF THIS AGREEMENT, 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 AGREEMENT OR A COPY OF THIS AGREEMENT VERIFIED BY AFFIDAVIT SHALL BE SUFFICIENT WARRANT. THE AUTHORITY GRANTED IN THIS AGREEMENT 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 AGREEMENT. BORROWER HEREBY WAIVES ANY RIGHT BORROWER MAY HAVE TO NOTICE OR TO A HEARING IN CONNECTION WITH ANY SUCH CONFESION 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 CONFESION OF JUDGMENT PROVISION TO BORROWER'S ATTENTION OR BORROWER HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL.

PRIOR TO SIGNING THIS AGREEMENT, EACH BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. EACH BORROWER AGREES TO THE TERMS OF THE AGREEMENT AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE AGREEMENT.

THIS AGREEMENT HAS BEEN SIGNED AND SEALED BY THE UNDERSIGNED.

BORROWER:

Everett L. Beckner (SEAL)
Everett L. Beckner

Donna L. Beckner (SEAL)
Donna Beckner

RECORDATION REQUESTED BY:

Southwest National Bank of Pennsylvania
111 South Main Street
Greensburg, PA 15601

WHEN RECORDED MAIL TO:

Southwest National Bank of Pennsylvania
111 South Main Street
Greensburg, PA 15601

SEND TAX NOTICES TO:

Everett L. Beckner and Donna Beckner
R.D.#1 Box 160
Stahlstown, PA 15687

RECORDED
WESTMORELAND COUNTY PA
96 NOV -1 PM 2:38

Leanne F. Higgins
RECORDED OF DEEDS

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

Southwest

OPEN - END MORTGAGE THIS MORTGAGE SECURES FUTURE ADVANCES

THIS MORTGAGE IS DATED NOVEMBER 1, 1996, between Everett L. Beckner and Donna Beckner, whose address is R.D.#1 Box 160, Stahlstown, PA 15687 (referred to below as "Grantor"); and Southwest National Bank of Pennsylvania, whose address is 111 South Main Street, Greensburg, PA 15601 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor grants, bargains, sells, conveys, assigns, transfers, releases, confirms and mortgages to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all streets, lanes, alleys, passages, and ways; all easements, rights of way, all liberties, privileges, tenements, hereditaments, and appurtenances thereunto belonging or otherwise made appurtenant hereafter, and the reversions and remainders with respect thereto; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in Clearfield County, Commonwealth of Pennsylvania (the "Real Property"):

All that certain real property located in the Township of Sandy, County of Clearfield, Commonwealth of Pennsylvania as more fully described in Deed Book Volume 583 Page 53 and recorded in the Recorder of Deeds Office of Clearfield County, Commonwealth of Pennsylvania.

The Real Property or its address is commonly known as Coal Road, Dubois, PA 15081. The Real Property tax identification number is 128-E2-1.6.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

DEFINITIONS. The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Borrower. The word "Borrower" means each and every person or entity signing the Note, including without limitation Everett L. Beckner and Donna R. Beckner.

Grantor. The word "Grantor" means any and all persons and entities executing this Mortgage, including without limitation all Grantors named above. The Grantor is the mortgagor under this Mortgage. Any Grantor who signs this Mortgage, but does not sign the Note, is signing this Mortgage only to grant and convey that Grantor's interest in the Real Property and to grant a security interest in Grantor's interest in the Rents and Personal Property to Lender and is not personally liable under the Note except as otherwise provided by contract or law.

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the Indebtedness.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal up to \$114,000.00 outstanding under the Note at any time and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage. The liens and security interests created pursuant to this Mortgage covering the Indebtedness which may be created in the future shall relate back to the date of this Mortgage.

Lender. The word "Lender" means Southwest National Bank of Pennsylvania, its successors and assigns. The Lender is the mortgagee under this Mortgage.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender, and includes without limitation interest provisions relating to the Personal Property and Rents.

Note. The word "Note" means the promissory note or credit agreement dated November 1, 1996, in the original

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EXHIBIT

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\$114,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

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.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Mortgage and to hypothecate the Property; (c) the provisions of this Mortgage do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Borrower shall pay to Lender all Indebtedness secured by this Mortgage as it becomes due, and Borrower and Grantor shall strictly perform all their respective obligations under this Mortgage.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor and Borrower agree that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until in default or until Lender exercises its right to collect Rents as provided for in the Assignment of Rents form executed by Grantor in connection with the Property, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Mortgage, shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, about or from the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance on, under, about or from the Property by any prior owners or occupants of the Property or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (c) Except as previously disclosed to and acknowledged by Lender in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, about or from the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste and hazardous substances. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in

effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at its option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case may be, of Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Pennsylvania law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are a part of this Mortgage.

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, and except as otherwise provided in the following paragraph.

Right To Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds \$1,000.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage.

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property at any time become located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, to the extent such insurance is required by Lender and is or becomes available, for the term of the loan or for the full unpaid principal balance of the loan, or the maximum limit of coverage that is available, whichever is less.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$1,000.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at its election, apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default hereunder. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to prepay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor.

Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or at any foreclosure sale of such Property.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured, the then current replacement value of such property, and the manner of determining that value; and (e) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

TAX AND INSURANCE RESERVES. Upon request by Lender and subject to applicable law, Grantor shall pay to Lender each month on the day payments are due under the Note until the Note is paid in full, a sum ("Escrow Funds") equal to one-twelfth of (a) all annual taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property and (b) annual premiums for policies of fire insurance with all risks standard extended coverage required under this Mortgage ("Escrow Items"). Lender may estimate the amount of Escrow Funds on the basis of current data and a reasonable estimate of future Escrow Items. All Escrow Funds shall be held by Lender and applied to pay the Escrow Items when due. Lender will not charge for holding and applying the Escrow Funds, analyzing the account, or verifying the Escrow Items, unless Lender pays Grantor interest on the Escrow Funds and applicable law permits Lender to make such a charge. Grantor and Lender may agree

in writing that interest shall be paid on the Escrow Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Grantor any interest or earnings on the Escrow Funds. The Escrow Funds are pledged as additional security for the amounts secured by this Mortgage. If the amount of the Escrow Funds held by Lender, together with the future monthly payments of Escrow Funds prior to the due dates of the Escrow Items, shall exceed the amount required to pay the Escrow Items when due, the excess shall be, at Grantor's option, either promptly repaid to Grantor or credited to Grantor in scheduled payments of Escrow Funds. If the amount of the Escrow Funds held by Lender is not sufficient to pay the Escrow Items when due, Grantor shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

EXPENDITURES BY LENDER. If Grantor fails to comply with any provision of this Mortgage, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender on Grantor's behalf may, but shall not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate provided for in the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Mortgage also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had. Grantor's obligation to Lender for all such expenses shall survive the entry of any mortgage foreclosure judgment.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage.

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

CONDEMNATION. The following provisions relating to condemnation of the Property are a part of this Mortgage.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all actual costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested by it from time to time to permit such participation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (a) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (b) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (c) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (d) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default (as defined below), and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (a) pays the tax before it becomes delinquent, or (b) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage.

Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party), from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code), are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage.

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates,

and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the obligations of Grantor and Borrower under the Note, this Mortgage, and the Related Documents, and (b) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or agreed to the contrary by Lender in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

DEFAULT. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Mortgage:

Default on Indebtedness. Failure of Borrower to make any payment when due on the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Compliance Default. Failure of Grantor or Borrower to comply with any other term, obligation, covenant or condition contained in this Mortgage, the Note or in any of the Related Documents.

Default In Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's ability to repay the Note or Borrower's or Grantor's ability to perform their respective obligations under this Mortgage or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor or Borrower under this Mortgage, the Note or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral documents to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The death of Grantor or Borrower or the dissolution or termination of Grantor or Borrower's existence as a going business, the insolvency of Grantor or Borrower, the appointment of a receiver for any part of Grantor or Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor or Borrower.

Foreclosure, Forfeiture, etc. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any of the Property. However, this subsection shall not apply in the event of a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the foreclosure or forfeiture proceeding, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender.

Breach of Other Agreement. Any breach by Grantor or Borrower under the terms of any other agreement between Grantor or Borrower and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor or Borrower to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure the Event of Default.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith deems itself insecure.

Right to Cure. If such a failure is curable and if Grantor or Borrower has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Grantor or Borrower, after Lender sends written notice demanding cure of such failure: (a) cures the failure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Subject to applicable law, Lender shall have the right at its option without notice to Borrower to declare the entire Indebtedness immediately due and payable.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor or Borrower, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a

substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Possession of the Property. For the purpose of procuring possession of the Property, Grantor hereby authorizes and empowers any attorney of any court of record in the Commonwealth of Pennsylvania or elsewhere, as attorney for Lender and all persons claiming under or through Lender, to sign an agreement for entering in any competent court an amicable action in ejectment for possession of the Property and to appear for and confess judgment against Grantor, and against all persons claiming under or through Grantor, for the recovery by Lender of possession of the Property, without any stay of execution, for which this Mortgage, or a copy of this Mortgage verified by affidavit, shall be a sufficient warrant; and thereupon a writ of possession may be issued forthwith, without any prior writ or proceeding whatsoever.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by nonjudicial sale.

Deficiency Judgment. Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (a) pay a reasonable rental for the use of the Property, or (b) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor or Borrower hereby waive any and all right to have the property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Unless otherwise required by applicable law, reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition.

Waiver; Election of Remedies. A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor or Borrower under this Mortgage after failure of Grantor or Borrower to perform shall not affect Lender's right to declare a default and exercise its remedies under this Mortgage.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Lender that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the rate provided for in the Note. Expenses covered by this paragraph include, without limitation, however 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 for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, and title insurance, to the extent permitted by applicable law. Borrower also will pay any court costs, in addition to all other sums provided by law.

NOTICES TO GRANTOR AND OTHER PARTIES. Unless otherwise provided by applicable law, any notice under this Mortgage shall be in writing, may be sent by telefacsimile, and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or, if mailed, shall be deemed effective when deposited in the United States mail first class, certified or registered mail, postage prepaid, directed to the addresses shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage, and notices pursuant 42 Pa. C.S.A. Section 8143, et seq., shall be sent to Lender's address, as shown near the beginning of this Mortgage. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address.

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

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage 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.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Applicable Law. This Mortgage has been delivered to Lender and accepted by Lender in the Commonwealth of Pennsylvania. This Mortgage shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Multiple Parties. All obligations of Grantor and Borrower under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each of the persons signing below is responsible for all obligations in this Mortgage.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage 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. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

Successors and Assigns. Subject to the limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their heirs, personal representatives, successors and assigns. If ownership of the Property becomes vested

VOL 1800 PAGE 500

AGREEMENT TO SUBORDINATE MORTGAGE
TO ANOTHER LIEN

AGREEMENT made this 22nd day of October, 1996, by and between Everett L. Beckner and Donna Beckner, his wife, of Box 160, Stahlstown, Westmoreland County, Pennsylvania and Beneficial Consumer Discount Company which is organized and existing under the laws of the United States of America and whose address is 1122 East Pittsburgh St., Greensburg, Westmoreland County, Pennsylvania.

WHEREAS, Everett L. Beckner and Donna Beckner are the owners of certain real property located in Sandy Township, Clearfield County, Pennsylvania; and which is particularly described in Deed Book 583, Page 53 in the Office of the Recorder of Deeds of Clearfield County, Pennsylvania; and

WHEREAS, Beneficial Consumer Discount Company is the holder of a mortgage against the said real property recorded at Mortgage Book Volume 1603, Page 379 in the Office of the Recorder of Deeds of Clearfield County, Pennsylvania; and

WHEREAS, Southwest National Bank of Pennsylvania; which is organized and existing under the laws of the Commonwealth of Pennsylvania and whose address is 111 South Main Street, Greensburg, Westmoreland County, Pennsylvania, has made available a mortgage loan to Everett L. Beckner and Donna Beckner, his wife, in the sum of One Hundred Thousand Dollars (\$100,000.00) and as a condition thereof requires first lien priority for said loan.

NOW THEREFORE, in consideration of one dollar (\$1.00) and intending to be legally bound, the parties agree as follows:

1. Beneficial Consumer Discount Company shall subordinate its aforesaid mortgage lien to a first mortgage lien of Southwest National Bank of Pennsylvania, in the principal sum of One Hundred Thousand Dollars (\$114,000.00) to be executed and recorded herewith.
2. Everett L. Beckner and Donna Beckner, his wife, shall execute all instruments required by the Southwest National Bank of Pennsylvania to insure a first mortgage lien interest in the aforesaid real property situate in Sandy Township, Clearfield County, Pennsylvania.



3. All terms and conditions of the mortgage of Beneficial Consumer Discount Company dated the 4th day of May, 1994 and given by Everett L. Beckner and Donna Beckner, his wife, remain unmodified and unaffected by this Agreement.

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have executed this Agreement the day and year hereinabove written.

Alesa Kolar
Witness

Everett L. Beckner
Everett L. Beckner

Alesa Kolar
Witness

Donna Beckner
Donna Beckner

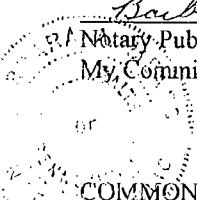
Carole E. Kostik
Witness

Beneficial Consumer Discount Company
for: Beneficial Consumer Discount Company

COMMONWEALTH OF PENNSYLVANIA]
] SS:
COUNTY OF WESTMORELAND]

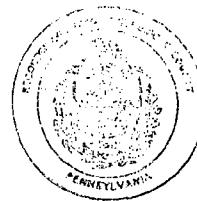
On this 23rd day of October, 1996, before me, a Notary Public, the undersigned officer, appeared Everett L. Beckner and Donna Beckner, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Barbara A. Means
Notary Public
My Commission Expires: 

I hereby CERTIFY that this document is recorded in the Recorder's Office of Clearfield County, Pennsylvania.

COMMONWEALTH OF PENNSYLVANIA]
] SS:
COUNTY OF FAYETTE]



Karen L. Starck
Recorder of Deeds

And now, this 28TH day of OCTOBER, 1996, before me, the undersigned authority, personally appeared ROBERT E. FLOCKVICH who acknowledges he/she is authorized by the Beneficial Consumer Discount Company to sign this Subordination Agreement for the purposes therein contained and hereby acknowledges that he/she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

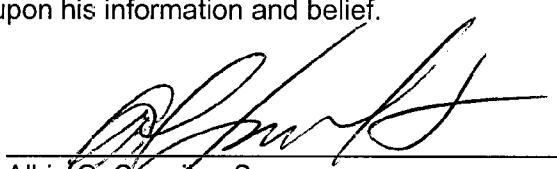
Carole E. Kostik
Notary Public
My Commission Expires:

Notarial Seal
Carole E. Kostik, Notary Public
Connellsville, Fayette County
My Commission Expires Feb. 16, 1998
Member, Pennsylvania Association of Notaries

11/5/96
CLEARFIELD COUNTY
ENTERED OF RECORD
TIME 1:17 PM
BY Richard A. Snyder
FEES 13.50
Karen L. Starck, Recorder

VERIFICATION

Albin C. Cromika, Sr., Vice President Special Assets Department and duly authorized representative of Southwest Bank, formerly Southwest National Bank of Pennsylvania, deposes and says subject to the penalties of 18 Pa. C.S.A. §4904 relating to unsworn falsification to authorities, that the facts set forth in the foregoing Complaint in Mortgage Foreclosure are true and correct upon his information and belief.



Albin C. Cromika, Sr.
Vice President, Special Assets Department
Southwest Bank, formerly Southwest National Bank
of Pennsylvania

FILED

for JUN 27 2000
10/9/03 atty, Richardson
William A. Shaw
Prothonotary

pd \$80.00

acc Sherry

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

SOUTHWEST BANK, formerly SOUTHWEST NATIONAL BANK OF PENNSYLVANIA, Plaintiff)	NO. 00-756 CD
)	ANSWER TO COMPLAINT AND NEW MATTER
)	
vs.)	Filed on behalf of: Defendants
EVERETT L. BECKNER and DONNA BECKNER Defendants)	Counsel of record for this party:
)	THOMAS L. PLAITANO, ESQUIRE PA. I.D. #56191
)	BLUM REISS & PLAITANO 353 West Main Street Mount Pleasant, PA 15666 (724) 547-4539

FILED

AUG 01 2000

William A. Shaw
Prothonotary

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

SOUTHWEST BANK, formerly)
SOUTHWEST NATIONAL BANK) NO. 00-756 CD
OF PENNSYLVANIA,)
Plaintiff)
)
)
)
)
vs.)
)
EVERETT L. BECKNER and)
DONNA BECKNER)
Defendants)
)

ANSWER TO COMPLAINT AND NEW MATTER

1. Admitted.
2. Admitted.
3. Admitted.
4. Admitted in part and denied in part. It is admitted that the Defendants executed a Change in Terms Agreement. It is denied that the Defendants are in breach of said agreement.
4. (incorrectly numbered) Admitted.
6. (incorrectly numbered) Denied. It is denied that the borrowers are in default of the agreement. To the contrary, the Defendants believe and aver that the Plaintiff breached the terms of the Agreement prior to any failure to make payment on behalf of the Defendants; the existence of which strict proof is demanded at the time of trial.
6. (incorrectly numbered) Admitted.

7. Denied. It is denied that the bank is not required to provide notice pursuant to Act 6. Strict proof of the same is demanded at the time of trial.

8. Denied. It is denied that the bank is not required to provide notice pursuant to Act 91. Strict proof of the same is demanded at the time of trial.

9. Denied. It is denied that the sum set forth in paragraph 9 is owed to the Plaintiff. Strict proof thereof is demanded at the time of trial.

10. Denied. It is denied that the sum set forth in paragraph 10 is owed to the Plaintiff. Strict proof thereof is demanded at the time of trial.

WHEREFORE, the Defendants request judgment in their favor and against the Plaintiff with costs and expenses.

NEW MATTER

11. Defendants incorporate herein by reference thereto all of the allegations contained in paragraphs 1 through 10 inclusive as though the same were more fully set forth herein at length.

12. The Plaintiff has failed to provide the Defendants with the notices required pursuant to Act 6 and Act 91.

13. The terms of the Agreements attached as exhibits A and B were modified pursuant to subsequent forbearance Agreements between the parties.

WHEREFORE, the Defendants request judgment in their favor and against the Plaintiff with costs and expenses.

Respectfully submitted,

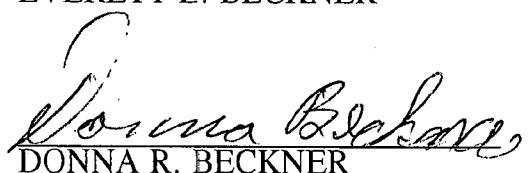

THOMAS L. PLAITANO, ESQUIRE
BLUM REISS & PLAITANO
Attorney for Defendants

VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF WESTMORELAND) SS:
)

We verify that the statements made in this Answer to Complaint and New Matter are true and correct; that the attached Answer to Complaint and New Matter is based upon information which has been gathered by our counsel in the preparation of the lawsuit. The language of the Answer to Complaint and New Matter is that of counsel and not to Defendants. We have read the Answer to Complaint and New Matter and to the extent that the Answer to Complaint and New Matter is based upon information which we have given to our counsel, it is true and correct to the best of our knowledge, information and belief. To the extent that the content of the Answer to Complaint and New Matter is that of counsel, We have relied upon counsel in making this Verification. We understand that false statements herein made are subject to the penalties of 18 Pa. C.S. Section 4904 relating to unsworn falsification to authorities.


EVERETT L. BECKNER


DONNA R. BECKNER

DATED: 7/31/00

FILED

AUG 01 2000
10:35 AM
William A. Shaw
Prothonotary
cc
cc
cc
cc

CHRISTOPHER J. RICHARDSON

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
SOUTHWEST BANK, FORMERLY
VS
BECKNER, EVERETT L.

00-756-CD

COMPLAINT IN MORTGAGE FORECLOSURE
SHERIFF RETURNS

NOW JUNE 27, 2000, CHRIS SCHERER, SHERIFF OF WESTMORLAND COUNTY WAS DEPUTIZED BY CHESTER A. HAWKINS, SHERIFF OF CLEARFIELD COUNTY TO SERVE THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON EVERETT L. BECKNER AND DONNA R. BECKNER, DEFENDANTS.

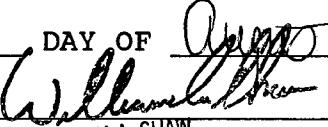
NOW JULY 13, 2000 SERVED THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON EVERETT L. BECKNER AND DONNA R. BECKNER, DEFENDANTS BY DEPUTIZING THE SHERIFF OF WESTMORELAND COUNTY. THE RETURN OF SHERIFF SCHERER IS HERETO ATTACHED AND MADE A PART OF THIS RETURN.

FILED

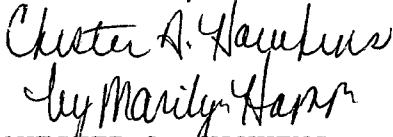
36.20 SHFF. HAWKINS PAID BY: ATTY.
61.20 SHFF. SCHERER PAID BY: ATTY.
20.00 SURCHARGE PAID BY: ATTY.

AUG 04 2000
013.13
William A. Shaw
Prothonotary

SWORN TO BEFORE ME THIS

4th DAY OF August 2000


WILLIAM A. SHAW
Prothonotary
My Commission Expires
1st Monday in Jan. 2002
Clearfield Co., Clearfield, PA.

SO ANSWERS,

by Marilyn Harris
CHESTER A. HAWKINS
SHERIFF

KAES

WESTMORELAND COUNTY SHERIFF OFFICE
2 NORTH MAIN STREET
GREENSBURG, PA 15601
(724) 830-3822
FAX (724) 836-3660

CHRIS SCHERER
SHERIFF

PLAINTIFF: Southwest Bank

DEFT(S): Everett L. Beckner and
vs.
Donna R. Beckner

SERVE: Both Defendants at:
(Deft (s)/Garnishee)

ADDRESS: R.D. #1, Box 160
Stahls town, PA 15687

LAST DAY TO SERVE: 07-27-00

INDICATE TYPE OF SERVICE: PERSONAL PERSON IN CHARGE DEPUTIZE CERT.MAIL POSTED OTHER LEVY SEIZED & STORED

NOW: 20 I, SHERIFF OF WESTMORELAND COUNTY, PA do hereby depelize the Sheriff of County to execute this Writ and make return thereof according to law
This deputation being made at the request and risk of the Plaintiff.

Ck# \$

SHERIFF'S OFFICE USE ONLY

BANDA #31

I hereby CERTIFY and RETURN that on the 15th day of July, 2000, at 10:15 o'clock, A.M. (P.M.) Address Above/Address Below, County of Westmoreland, Pennsylvania
I have served in the manner Described below:

Defendant(s) personally served. Both personally

- Adult in charge of Defendant's residence at time of service (name & relationship)
- Manager/other person authorized to accept service
- Agent or person in charge of Defendant(s) office or usual place of business.
- Other
- Property Posted

Defendant not found because: Moved Unknown No Answer Vacant Other

Certified Mail Regular Mail

ATTEMPTS / / / /

Westmoreland County Costs	DS/Notary	Deputized County Costs	Costs Due	Refund	Total Costs (West. Co. Only)
\$ <u>39.20</u>	<u>200</u>				<u>61.20</u>

AFFIRMED and subscribed to before me this

19th day of July, 2000

Chris Scherer
Notary Public/Prothonotary

NOTARIAL SEAL
ETHEL MONTICUE, Notary Public
City of Greensburg, Westmoreland Co.
My Commission Expires 12-31-00

Deputized Sheriff

Date

7-17-00

Date

Prothonotary White copy
DATE 06-30-00

Attorney Canary Copy

PAGE# 93

Sheriff Pink Copy

Deputized Sheriff Gold Copy

RECEIPT# 1598



CHESTER A. HAWKINS
SHERIFF

**Sheriff's Office
Clearfield County**

SUITE 116
1 NORTH SECOND STREET - COURTHOUSE
CLEARFIELD, PENNSYLVANIA 16830

OFFICE (814) 765-2641
AFTER 4:00 P.M. (814) 765-1533

CLEARFIELD COUNTY FAX
(814) 765-6089

DARLENE SHULTZ
CHIEF DEPUTY
MARGARET PUTT
OFFICE MANAGER

MARILYN HAMM
DEPT. CLERK
PETER F. SMITH
SOLICITOR

DEPUTATION

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

SOUTHWEST BANK

NO. 00-756-CD

VS

ACTION: COMPLAINT IN MORTGAGE FORECLOSURE

EVERETT L. BECKNER
& DONNA R. BECKNER

SERVE BY: 7/27/00

or

HEARING DATE:

SERVE: EVERETT L. BECKNER and DONNA R. BECKNER

ADDRESS: RD#1 Box 160, Stahlstown, Pa. 15687

Know all men by these presents, that I, CHESTER A. HAWKINS,
HIGH SHERIFF of CLEARFIELD COUNTY, State of Pennsylvania, do hereby
deputize the SHERIFF of WESTMORELAND County to execute this writ.

This deputation being made at the request and risk of the plaintiff
this 27th day of JUNE 2000.

Respectfully,

CHESTER A. HAWKINS,
SHERIFF OF CLEARFIELD COUNTY

MAKE REFUND PAYABLE TO: TUCKER ARENSBERG, Attorney

CUSTOMER'S COPY

REFER TO THIS
NUMBER



CHRIS SCHERER, SHERIFF

WESTMORELAND COUNTY

2 NORTH MAIN STREET

GREENSBURG, WESTMORELAND COUNTY, PA 15601

01598

PLAINTIFF	<i>Southwest Bank</i>		
DEFENDANT	<i>Everett Beckner / Donna Beckner</i>		
FILED BY	<i>Christopher Richardson</i>		
NO. AND TERM	<i>Clearfield Co. # 00756 Cr 01/03/00</i>		DATE
DESCRIPTION		AMOUNT	
<input checked="" type="checkbox"/> Complaints, Writs, etc.		59	20
<input type="checkbox"/> Deputy Surcharge			
<input checked="" type="checkbox"/> Notary		2	00
<input type="checkbox"/> Execution			
<input type="checkbox"/> Garnishment			
<input type="checkbox"/> Property Claim			
<input type="checkbox"/> Pistol Permit No.			
<input type="checkbox"/> License			
<input type="checkbox"/> Other			
<input checked="" type="checkbox"/> CHECK	CHECK NO.	CLERK	TOTAL ►
<input type="checkbox"/> CASH	<i>203148</i>	<i>mf</i>	<i>61 20</i>

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IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

SOUTHWEST BANK, formerly Southwest
National Bank of Pennsylvania,

CIVIL DIVISION

Plaintiff,

Case No. 00-756-CD

vs.

Code: _____

EVERETT L. BECKNER and
DONNA BECKNER,

REPLY TO NEW MATTER

Defendants.

Filed on behalf of SOUTHWEST
BANK, formerly Southwest National
Bank of Pennsylvania, Plaintiff

Counsel of record for this party:

Christopher J. Richardson, Esquire
Pa. I.D. No. 44841
Brett A. Solomon, Esquire
Pa. I.D. No. 83746
TUCKER ARENSBERG, P.C.
Firm #287
1500 One PPG Place
Pittsburgh, Pennsylvania 15222
(412) 566-1212

FILED

SEP 05 2000

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

SOUTHWEST BANK, formerly Southwest National Bank of Pennsylvania,) CIVIL DIVISION
)
Plaintiff,) Case No. 00-756-CD
)
vs.)
EVERETT L. BECKNER and)
DONNA BECKNER,)
)
Defendants.)

REPLY TO NEW MATTER

AND NOW COMES Plaintiff, Southwest Bank, formerly Southwest National Bank of Pennsylvania, by and through its counsel, Tucker Arensberg, P.C., and files the within Reply to the New Matter filed by defendants, Everett L. Beckner and Donna Beckner, in support of which Plaintiff avers the following:

1. No responsive pleading is required to Paragraph 11 of Defendant's New Matter.

2. Paragraph 12 of Defendant's New Matter contains a conclusion of law to which no responsive pleading is required. To the extent that a responsive pleading is required, Plaintiff believes and therefore avers that the Mortgage described in the Plaintiff's Complaint is not a "Residential Mortgage" as defined by 41 P.S. §101 and that the Premises described in the Plaintiff's Complaint is not "the principal residence of the mortgagor", as required by 35 P.S. §1680.402; therefore, Act 6 and Act 91 Notices were not required.

3. Paragraph 13 of Defendant's New Matter is admitted in part and denied in part. It is admitted that there was a Forbearance Agreement between the Plaintiff and Defendants, a copy of which, marked as Exhibit "A", is attached hereto and incorporated herein. However, Defendants are in default under the terms of the Forbearance Agreement for failure to

make payment when due, and as a result, Plaintiff has the right to enforce all remedies available under the Note and Mortgage.

WHEREFORE, Plaintiff, Southwest Bank, formerly Southwest National Bank of Pennsylvania, hereby requests that Defendants', Everett L. Beckner and Donna Beckner, New Matter in this action be dismissed, and that judgment in foreclosure be entered in favor of Plaintiff in the amounts stated in Plaintiff's Complaint.

Respectfully submitted,

TUCKER ARENSBERG, P.C.

By: 

Christopher J. Richardson, Esquire
Pa. ID No. 44841
Brett A. Solomon, Esquire
Pa. ID No. 83746
1500 One PPG Place
Pittsburgh, Pennsylvania 15222
(412) 566-1212
Counsel for Southwest Bank, formerly Southwest National Bank of Pennsylvania, Plaintiff

VERIFICATION

I, Christopher J. Richardson, Attorney for Southwest Bank, formerly Southwest National Bank of Pennsylvania, Plaintiff, do hereby depose and say, subject to the penalties of 18 Pa. C.S.A. §4904 relating to unsworn falsification to authorities, that the facts set forth in the foregoing Reply to New Matter are true and correct upon my information and belief. I further depose and say that, in my position as attorney for Plaintiff, I am duly authorized to make this authorization on behalf of the Plaintiff.



Christopher J. Richardson
Attorney for Southwest Bank, formerly Southwest
Bank of Pennsylvania, Plaintiff

133336.1:BF
000025-016886

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Reply to New Matter was served upon the party listed below by first class, postage prepaid U.S. Mail this 30th day of August, 2000.

Thomas L. Plaitano, Esquire
Blum Reiss & Plaitano
353 West Main Street
Mount Pleasant, PA 15666

TUCKER ARENSBERG, P.C.

By:

C.J. Richardson
Christopher J. Richardson, Esquire

104024.1.BF
9944-20258

FORBEARANCE AGREEMENT

THIS FORBEARANCE AGREEMENT dated October 29, 1998 ("Agreement") by and between SOUTHWEST NATIONAL BANK OF PENNSYLVANIA ("Southwest"), a national banking association with its principal place of business at 111 South Main Street, Greensburg, Pennsylvania 15601, and EVERETT L. BECKNER and DONNA R. BECKNER, d/b/a BECKNER'S RESTAURANT ("Borrowers"), individuals whose last known address is R.D. #1, Box 160, Stahlstown, Pennsylvania 15687.

RECITALS:

WHEREAS, Borrowers are indebted to Southwest pursuant to a Promissory Note dated November 1, 1996 in the original principal amount of \$114,000.00 ("Note"); and

WHEREAS, as security for all amounts owed pursuant to the Note ("Indebtedness"), Borrowers executed an Open-End Mortgage dated November 1, 1996 whereby Borrowers granted Southwest a mortgage lien on certain real property commonly known as R.D. #1, Box 160, Stahlstown, Westmoreland County, Pennsylvania ("Donegal Property"), which mortgage was recorded in the Recorder of Deeds Office of Westmoreland County, Pennsylvania on November 1, 1996 at Mortgage Book Volume 3911, page 540 ("Southwest's Donegal Mortgage"); and

WHEREAS, Beneficial Consumer Discount Company ("Beneficial") is the holder of a mortgage against the Donegal Property recorded in the Recorder of Deeds Office of Westmoreland County, Pennsylvania at Mortgage Book Volume 3379, page 242 ("Beneficial's Donegal Mortgage"); and

WHEREAS, the lien of Beneficial's Donegal Mortgage has been subordinated to the lien of Southwest's Donegal Mortgage by virtue of an Agreement to Subordinate Mortgage

EXHIBIT

"A"

to Another Lien dated October 22, 1996 and recorded in the Recorder's Office of Westmoreland County, Pennsylvania at Mortgage Book Volume 3912, page 001 ("Donegal Subordination"); and

WHEREAS, as additional security for the Indebtedness, Borrowers executed and granted to Southwest an Assignment of Rents dated November 1, 1996 covering the Donegal Property, which Assignment of Rents is recorded in the Recorder of Deeds Office of Westmoreland County, Pennsylvania at Deed Book Volume 3450, page 211 ("Assignment of Rents"); and

WHEREAS, as additional security for the Indebtedness, Borrowers executed an Open-End Mortgage dated November 1, 1996 whereby Borrowers granted Southwest a mortgage lien on certain real property known as Coal Road, DuBois, Township of Sandy, Clearfield County, Pennsylvania ("Southwest's DuBois Property"), which mortgage was recorded in the Recorder of Deeds Office of Clearfield County, Pennsylvania on November 1, 1991 at Mortgage Book Volume 1800, page 589 ("DuBois Mortgage") (the Donegal Property and the DuBois Property will hereinafter collectively be referred to as the "Properties")); and

WHEREAS, Beneficial is the holder of a mortgage against the DuBois Property recorded in the Office of the Recorder of Deeds of Clearfield County, Pennsylvania at Mortgage Book Volume 1603, page 379 ("Beneficial's DuBois Mortgage"); and

WHEREAS, the lien of Beneficial's DuBois Mortgage has been subordinated to the lien of Southwest's DuBois Mortgage by virtue of an Agreement to Subordinate Mortgage to Another Lien dated October 28, 1996, and recorded in the Office of the Recorder of Deeds of Clearfield County, Pennsylvania at Mortgage Book Volume 1800, page 596 ("DuBois Subordination"); and

WHEREAS, Borrowers are in default under the terms of the Note for, inter alia, failure to make payment when due. The total amount of the principal and interest due under the Note, as of October 29, 1998, is \$115,259.29. Interest, costs and legal fees continue to accrue pursuant to the terms of the Note, as modified by this Agreement; and

WHEREAS, Borrowers and Southwest agree and acknowledge that as a result of the Borrowers' default under the Note, Southwest may, at its option, exercise its rights under the Donegal Mortgage and/or the DuBois Mortgage (hereinafter collectively referred to as the "Mortgages") to pursue its remedy of foreclosure on the Properties for the purpose of reducing the amount of the Indebtedness; and

WHEREAS, Southwest is willing to forbear from pursuing its legal remedies under the Mortgages in consideration for Borrowers' execution of this Agreement, provided that it is specifically understood and acknowledged by the Borrowers that Southwest's forbearance is an accommodation to the Borrowers to allow them to attempt to satisfy their obligations under the Note in an orderly fashion, and provided further that it is specifically understood and acknowledged by the Borrowers that Southwest's forbearance should not, and shall not, be interpreted as a waiver of any rights that Southwest has to proceed with collection and enforcement of its rights and remedies under the Mortgages, in the event of bankruptcy or otherwise.

NOW, THEREFORE, with the intent to be legally bound hereby, and with good and fair consideration hereby acknowledged, the undersigned Borrowers and Southwest hereby agree, acknowledge and promise as follows:

1. The foregoing recitals are incorporated herein by reference as if set forth verbatim.

2. Except as specifically amended by this Agreement, all terms of the Note, Mortgages and loan documents executed in connection therewith shall remain unmodified and stay in full force and effect.

3. Borrowers and Southwest agree and acknowledge that the Properties shall immediately be listed for sale at prices acceptable to Southwest.

4. So long as there are no defaults under this Agreement, the Note or the Mortgages, Southwest shall forbear from exercising its rights and remedies under the *November 30, 1998 DB* Mortgages, including foreclosure rights, until *October 31, 1999* ("Termination Date").

5. The payment terms for the Indebtedness as set forth in the Note shall be modified pursuant to a Change in Terms Agreement, to be executed contemporaneously herewith. Pursuant to the Change in Terms Agreement, the entire amount of the Indebtedness shall be capitalized and interest will accrue thereon at the rate of prime plus 2-1/2 percent (initial rate of 10.5%). Borrowers shall be responsible for monthly payments of interest only for a period of twelve months. On October 31, 1999, the entire balance of the obligation under the Change in Terms Agreement shall be accelerated and become immediately due and payable.

6. Notwithstanding the foregoing, in the event an Agreement of Sale is not executed on either of the Properties by the Termination Date, Borrowers agree to execute one or more deeds in lieu of foreclosure on both Properties ("Deeds in Lieu"), as well as Consent Judgments in Foreclosure and Affidavits of Service ("Consent Foreclosure Documents") on both Properties. In the event the Properties are not sold in accordance with this Agreement by the Termination Date, Southwest shall retain the right, at its sole option, to either file the Deeds in Lieu or the Consent Foreclosure Documents, so that Southwest shall be in a position to take title to the Properties.

7. Borrowers acknowledge and agree that the Properties do not constitute a one or two family owner-occupied residence under Act 91 (35 P.S. §1680.402b) and, as a result, no notices under Act 91 will be required prior to an amicable action in foreclosure on the Properties.

8. Borrowers agree to make diligent efforts to sell the Properties and to make regular reports to Southwest regarding the progress of same.

9. In the event of Borrowers' bankruptcy or any other default under this Agreement, Southwest shall be entitled to pursue any remedy at law or in equity which Southwest may hold pursuant to the Note, Mortgages or otherwise, and this Agreement shall not be construed to be a waiver of any right Southwest may have to pursue said remedies.

10. Contemporaneously with the execution of this Agreement, Borrowers shall execute Mortgage Modification Agreements to be recorded in the appropriate county recorder's office, which set forth the modified payment terms of the Note pursuant to the Change in Terms Agreements.

11. On a monthly basis, Borrowers agree to provide Southwest with a letter setting forth detail concerning showing activities of both Properties. In addition, upon the execution of an Agreement of sale on either of the Properties, Borrowers shall forthwith provide a copy thereof to Southwest.

12. Borrowers acknowledge and agree that Southwest's rights to pursue remedies under the Mortgages, in the event of default, are cumulative and non-exclusive, and in specific, Southwest reserves the right to foreclose on either property, at its own discretion.

13. Southwest agrees that, in the event it acquires title, either through sheriff's deed or otherwise, to either or both of the Properties, any surplus proceeds

subsequently received by Southwest after resale of the Properties over and above the Indebtedness, shall be returned to Borrowers, as allowed by law. Furthermore, subsequent to any sale of one or both of the Properties, Southwest will provide Borrowers with a strict accounting of the proceeds thereof.

This Forbearance Agreement is signed and executed with the specific intent to be legally binding upon the heirs, assigns and successors of the parties executing below.

DATED this 29th day of October, 1998.

WITNESS:

BORROWERS:

Everett L. Beckner
Everett L. Beckner

Donna R. Beckner
Donna R. Beckner

ATTEST:

James P. Riehl
James P. Riehl

SOUTHWEST NATIONAL BANK
OF PENNSYLVANIA

By: Albin C. Cromika, Sr.
Name: Albin C. Cromika, Sr.
Title: Vice President

94702.1:BF
0025-20031

FILED

SEP 05 2000

11:20 AM

William A. Shaw
Prothonotary

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OFFICE OF COURT ADMINISTRATOR
FORTY-SIXTH JUDICIAL DISTRICT OF PENNSYLVANIA

 COPY

CLEARFIELD COUNTY COURTHOUSE
SUITE 228, 230 EAST MARKET STREET
CLEARFIELD, PENNSYLVANIA 16830

DAVID S. MEHOLICK
COURT ADMINISTRATOR

PHONE: (814) 765-2641
FAX: 1-814-765-7649

MARCY KELLEY
DEPUTY COURT ADMINISTRATOR

Notice of Proposed Termination of Court Case

November 10, 2005

FILED

NOV 10 2005 

William A. Shaw
Prothonotary, Clerk of Courts

RE: 00-756-CD
Southwest Bank, formerly Southwest National Bank of Pennsylvania
Vs.
Everett L. Beckner and Donna R. Beckner

Dear Plaintiff/Defendant:

Please be advised that the Court intends to terminate the above captioned case without notice, because the Court records show no activity in the case for a period of at least two years.

You may stop the Court terminating the case by filing a Statement of Intention to Proceed. The Statement of Intention to Proceed must be filed with the **Prothonotary** of Clearfield County, 230 East Market Street, Clearfield, Pennsylvania 16830. The Statement of Intention to Proceed must be filed on or before January 17, 2005.

If you fail to file the required statement of intention to proceed within the required time period, the case will be terminated.

By the Court,

A handwritten signature in black ink that appears to read "David S. Meholick".

David S. Meholick
Court Administrator



**OFFICE OF COURT ADMINISTRATOR
FORTY-SIXTH JUDICIAL DISTRICT OF PENNSYLVANIA**

CLEARFIELD COUNTY COURTHOUSE
SUITE 228, 230 EAST MARKET STREET
CLEARFIELD, PENNSYLVANIA 16830

DAVID S. MEHOLICK
COURT ADMINISTRATOR

PHONE: (814) 765-2641
FAX: 1-814-765-7649

MARCY KELLEY
DEPUTY COURT ADMINISTRATOR

Notice of Proposed Termination of Court Case

November 10, 2005

RE: 00-756-CD
Southwest Bank, formerly Southwest National Bank of Pennsylvania
Vs.
Everett L. Beckner and Donna R. Beckner

Dear Plaintiff/Defendant:

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By the Court,

A handwritten signature in black ink that reads "David S. Meholick".

David S. Meholick
Court Administrator

DO-756-C

WILLIAM A. SHAW
PROTHONOTARY
and CLERK of COURTS
P.O. BOX 549
CLEARFIELD, PENNSYLVANIA 16830

FILED

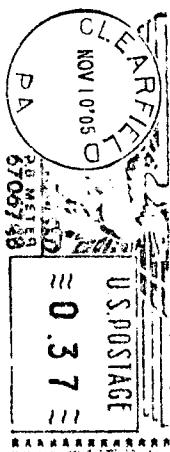
NOV 16 2005

William A. Shaw
Prothonotary/Clerk of Courts

Thomas L. Plaitano, Esq.
353 West Main Street
Mount Pleasant, PA

A
 C
 S

INSUFFICIENT ADDRESS
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NOT DELIVERABLE AS ADDRESSED
NOT DELIVERABLE TO FORWARD



RTS
RETURN TO SENDER



**OFFICE OF COURT ADMINISTRATOR
FORTY-SIXTH JUDICIAL DISTRICT OF PENNSYLVANIA**

CLEARFIELD COUNTY COURTHOUSE
SUITE 228, 230 EAST MARKET STREET
CLEARFIELD, PENNSYLVANIA 16830

DAVID S. MEHOLICK
COURT ADMINISTRATOR

PHONE: (814) 765-2641
FAX: 1-814-765-7649

MARCY KELLEY
DEPUTY COURT ADMINISTRATOR

Notice of Proposed Termination of Court Case

November 10, 2005

RE: 00-756-CD
Southwest Bank, formerly Southwest National Bank of Pennsylvania
Vs.
Everett L. Beckner and Donna R. Beckner

b
v

Dear Plaintiff/Defendant:

Please be advised that the Court intends to terminate the above captioned case without notice, because the Court records show no activity in the case for a period of at least two years.

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If you fail to file the required statement of intention to proceed within the required time period, the case will be terminated.

By the Court,

A handwritten signature in black ink that reads "David S. Meholic".

David S. Meholic
Court Administrator

In the Court of Common Pleas of Clearfield County, Pennsylvania
Civil Division

In Re: Inactive Case Dismissal

06-01-MD

I, William A. Shaw, hereby certify that notice of termination for the following inactive cases was published in the Clearfield County Legal Journal January 27, 2006, per Rule 230.2:

96-0188-CD	00-0793-CD	00-1532-CD
96-1586-CD	00-0799-CD	01-0146-CD
98-1317-CD	00-0822-CD	01-0237-CD
00-0046-CD	00-0823-CD	01-1030-CD
00-0143-CD	00-0992-CD	01-1869-CD
00-0203-CD	00-1019-CD	02-0373-CD
00-0533-CD	00-1061-CD	02-0374-CD
00-0543-CD	00-1062-CD	02-1300-CD
00-0567-CD	00-1078-CD	02-1308-CD
00-0629-CD	00-1085-CD	02-1610-CD
00-0732-CD	00-1220-CD	03-0091-CD
00-0756-CD	00-1264-CD	03-0138-CD
00-0760-CD	00-1321-CD	03-0172-CD
00-0768-CD	00-1372-CD	03-1148-CD
00-0782-CD	00-1386-CD	03-1176-CD
00-0791-CD	00-1492-CD	


William A. Shaw, Prothonotary

FILED
MAY 04 2006
William A. Shaw
Prothonotary/Clerk of Courts

In the Court of Common Pleas of Clearfield County, Pennsylvania
Civil Division

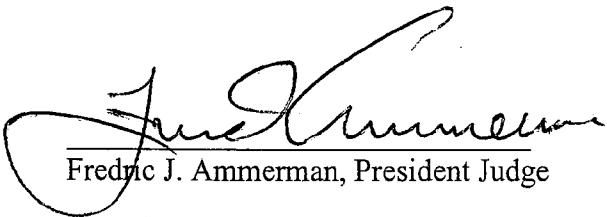
In Re: Inactive Case Dismissal

06-01-MD

NOW, this 3rd day of May, 2006, the Court hereby directs the
Prothonotary to terminate the following cases for inactivity, per Rule 230.2:

96-0188-CD	00-0793-CD	00-1532-CD
96-1586-CD	00-0799-CD	01-0146-CD
98-1317-CD	00-0822-CD	01-0237-CD
00-0046-CD	00-0823-CD	01-1030-CD
00-0143-CD	00-0992-CD	01-1869-CD
00-0203-CD	00-1019-CD	02-0373-CD
00-0533-CD	00-1061-CD	02-0374-CD
00-0543-CD	00-1062-CD	02-1300-CD
00-0567-CD	00-1078-CD	02-1308-CD
00-0629-CD	00-1085-CD	02-1610-CD
00-0732-CD	00-1220-CD	03-0091-CD
00-0756-CD	00-1264-CD	03-0138-CD
00-0760-CD	00-1321-CD	03-0172-CD
00-0768-CD	00-1372-CD	03-1148-CD
00-0782-CD	00-1386-CD	03-1176-CD
00-0791-CD	00-1492-CD	

BY THE COURT:


Fredric J. Ammerman, President Judge

FILED
MAY 04 2006
1cc CIA

MAY 04 2006 1cc MDJS

Ford, Ireland, Budella

William A. Shaw
Prothonotary/Clerk of Courts