

01-676-CD
JOHN L. G. FERGUSON -vs- HUNICE FERGUSON

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JOHN L. G. FERGUSON
Plaintiff

vs.

EUNICE FERGUSON
Defendant

:

: No. 01- 676-CD

: Document filed: Complaint
: Filed on behalf of: Plaintiff

: Counsel for this Party:

John R. Carfley, Esq.
P. O. Box 249
Philipsburg, Pa., 16866
(814) 342-5581
ID# 17621

FILED

MAY 09 2001

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JOHN L. G. FERGUSON
Plaintiff

vs. : No. 01-

EUNICE FERGUSON
Defendant

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 claims 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 FIND ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

COURT ADMINISTRATOR
COURTHOUSE
CLEARFIELD, PA., 16830
(814) 765-2641

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JOHN L. G. FERGUSON
Plaintiff

vs. : No. 01-

EUNICE FERGUSON
Defendant

COMPLAINT

AND NOW comes the plaintiff, John L. G. Ferguson, who by and through his attorney, John R. Carfley, Esquire, files this claim against the defendant, the following of which is a statement:

1. Plaintiff is John L. G. Ferguson, an adult individual presently residing at Chester Hill, Philipsburg, Clearfield County, Pennsylvania.

2. Defendant is Eunice Ferguson, an adult individual who presently resides at R. R. 2, Box 59, Philipsburg, Clearfield County, Pennsylvania.

3. Plaintiff and defendant were formerly husband and wife, having been married on January 29, 1993, in Winchester, Virginia, and divorced from the bonds of matrimony by a Decree of Court dated February 16, 1999.

4. During the course of their marriage, the parties acquired title to certain parcels of land situate in Morris Township, Clearfield County, from Grantor, Joan C. Kovach by deed recorded in the Office of the Recorder of Deeds of Clearfield County at Records Volume 1863, Page 5. Said parcels are more fully described in the aforementioned deed attached hereto as Exhibit "A" and incorporated

as if set forth at length.

5. The purchase price for the parcels of land acquired from Grantor, Joan C. Kovach and described in Deed Book 1863, Page 5 was \$75,000.00.

6. At the time of the recording of the deed referenced above transferring title to the parties, Plaintiff and Defendant entered into a mortgage agreement and security note with Keystone Financial Mortgage Company in the amount of \$60,000.00, which document was recorded in the Office of the Recorder of Deeds of Clearfield County, in Records Volume 1863, Page 9. A true and correct copy of said mortgage agreement is attached hereto as Exhibit "B" and incorporated herein as though set forth at length.

7. In order to make payment for the remainder owed on the property's purchase, Plaintiff individually entered into an additional mortgage agreement with Mid State Bank & Trust Company to borrow \$17,500.00 in exchange for a security interest in premises owned by the Plaintiff individually and located in Osceola Mills Borough, Clearfield County, as described in Deed Book Volume 1374, Page 267, recorded in the office of the Recorder of Deeds of Clearfield County, Pennsylvania. Said mortgage agreement was recorded in the Office of the Recorder of Deeds of Clearfield County, in Records Volume 1863, Page 18. A true and correct copy of both the aforementioned mortgage agreement and deed are attached hereto as Exhibit "C" and "D" respectively, and are incorporated herein as though set forth at length.

8. On October 5, 1998, Plaintiff filed a Complaint in Divorce under Section 3301(c) of the Pennsylvania Divorce Code, averring

that the marriage between the parties was irretrievably broken. A true and correct copy of said complaint is attached hereto as Exhibit "E" and is incorporated herein as though set forth at length.

9. Subsequently, the parties entered into Affidavits of Consent, Waivers of Notice of Intention to Request Entry of a Divorce Decree, and a Marriage Settlement Agreement to facilitate the divorce proceedings and property distribution. A true and correct copy of the aforementioned documents is attached hereto as Exhibit "F" and incorporated herein as though set forth at length.

10. Plaintiff and Defendant were divorced by Decree of the Court of Common Pleas of Clearfield County, Pennsylvania, entered for record on February 16, 1999. A true and correct copy of the aforementioned Divorce Decree is attached hereto as Exhibit "G" and incorporated as though set forth at length.

COUNT I - BREACH OF CONTRACT

11. Plaintiff incorporates by reference Paragraphs 1-10 inclusive as though set forth at length.

12. Under the terms of the Marriage Settlement Agreement, the property jointly owned by the parties located in Morris Township, and described in Exhibit "A", was to be listed for sale with all proceeds of the eventual sale going to pay off the existing mortgage with Keystone Financial Mortgage Company with all additional proceeds to be retained by Plaintiff.

13. According to the Marriage Settlement Agreement, during the time that the property was listed for sale Plaintiff was to

assume all debts associated with the property including the mortgage payment to Keystone Financial Mortgage Company.

14. As set forth under the Marriage Settlement agreement, Plaintiff made all required mortgage payments while the property was listed for sale.

15. Prior to the property being sold, the parties orally modified their property settlement agreement to the extent that Plaintiff would transfer his undivided one-half interest in the Morris Township property to Defendant in exchange for her assuming the mortgage payment with Keystone Financial Mortgage Company and the second mortgage (described above in paragraph 7) with Mid State Bank & Trust Company.

16. Pursuant to this agreement, Plaintiff conveyed his interest in the property to Defendant by deed dated April 26, 1999, and recorded in the Office of the Recorder of Deeds of Clearfield County at Instrument #199906843. A true and correct copy of said deed is attached hereto as Exhibit "H" and incorporated as though set forth at length.

17. At the time of the transfer, Defendant acquired financing from County National Bank in the form of a \$60,000.00 mortgage agreement, which was used to satisfy the previous mortgage with Keystone Financial Mortgage Company. Said mortgage was recorded in the Office of the Recorder of Deeds of Clearfield County at Instrument #199906844. A true and correct copy of said mortgage agreement is attached hereto as Exhibit "I" and incorporated as though set forth at length.

18. Defendant was unable to acquire additional financing to

satisfy the second mortgage with Mid-State Bank and Trust Company and thus was required under the terms of the oral agreement to assume the required mortgage payments.

19. From the transfer of the property in April, 1999, until just recently, Defendant made payments to Mid-State Bank & Trust Company and/or its successors in title consistent with the terms and conditions of the note and the terms of the oral agreement with Plaintiff.

20. On or about February 1, 2001, Defendant informed Plaintiff that she would no longer make the required mortgage payments jeopardizing and prejudicing the property rights held by the Plaintiff.

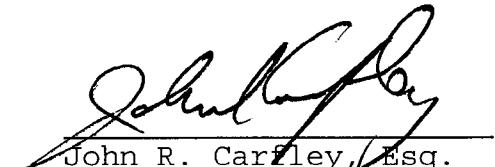
21. Since February 1, 2001, Defendant has failed to make the required payments to Mid State Bank & Trust Company as promised under the terms of the oral agreement.

22. Plaintiff has received notice from M&T Bank, successor to Mid-State Bank & Trust Company, that Defendant has defaulted in the payment of said mortgage as a result of which said financial institution will now look to the Plaintiff for payment of the debt in full.

23. Defendant's failure to make the required payments due on the mortgage as they accrue is in direct violation of her contractual obligation to do so and subjects Plaintiff to joint liability on the mortgage and note.

WHEREFORE, Plaintiff requests that this Honorable Court enter judgment against Defendant in the amount due under the terms of the mortgage instrument together with interest thereon and costs of

this proceeding and further requests that this suit be filed as a
lis pendens against the property currently legally titled in the
name of Eunice Ferguson and situate at R. R. 2, Box 59,
Philipsburg, Pennsylvania as aforesaid.

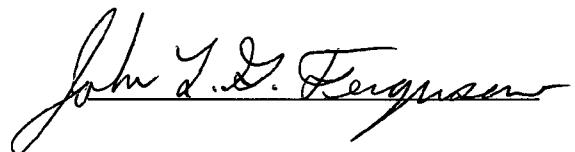


John R. Carlley, Esq.
Attorney for Plaintiff
222 Presqueisle Street
Philipsburg, Pa., 16866
(814) 342-5581
Pa. ID# 17621

Dated: May 3, 2001

VERIFICATION

I hereby verify that the statements made in this instrument are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S. §4904 relating to unsworn falsification to authorities.

A handwritten signature in black ink, appearing to read "John T. S. Ferguson". The signature is fluid and cursive, with "John" and "T. S. Ferguson" being the most distinct parts.

Dated: May 3, 2001

DEED

THIS INDENTURE made the 28th day of July, 1997
BETWEEN JOAN C. KOVACH, a widow and single individual, of 913
Main Street, Warren, Rhode Island 02885, Party of the First
Part, hereinafter referred to as "GRANTOR",

AND

JOHN L. FERGUSON and EUNICE M. FERGUSON, husband and wife, of
208 B. Street, Philipsburg, Clearfield County, Pennsylvania
16866, as tenants by the entireties, Parties of the Second
Part, hereinafter referred to as "GRANTEEES",

WITNESSETH, that the said party of the first part, in
consideration of the sum of SEVENTY FIVE THOUSAND (\$75,000.00)
DOLLARS to her now paid by the parties of the second part,
does grant, bargain, sell and convey unto the parties of the
second part, their heirs, executors and assigns,

ALL those certain pieces or parcels of land situate in
Morris Township, Clearfield County, Pennsylvania, bounded and
described as follows:

THE FIRST THEREOF: BEGINNING at a post corner on
the western side of highway route No. 53 and land
of Mike Rusnak; thence, in a northwesterly
direction along land of Mike Rusnak three hundred
and eighty-seven (387) feet to line of the
Philipsburg Coal and Land Company, also known as
the Bloomington Mining Company; thence, in a
westerly direction a distance of one hundred and
nine (109) feet to a post corner and other lands of
John Rusnak; thence, in a southeasterly direction
along line of John Rusnak a distance of four
hundred and fifty-one feet and eight inches,
(451.8) to western line of route 53; thence,

easterly along route 53 a distance of ninety (90) feet and place of beginning. Containing 37,732.5 square feet.

Assessment Map No. 124-Q11-46.2.

THE SECOND THEREOF: BEGINNING at a post corner on the Western side of the State Highway leading from Philipsburg to Morrisdale; said post being on the Northeastern corner of the lands of William Westwood; thence, North eighty-four (84°) degrees thirty-seven (37) minutes West a distance of 387 feet to a post on the division line between the lands of the Philipsburg Coal and Land Company the Bloomington Mining Company; thence, along said division line forty-two (42°) degrees North forty-seven (47') minutes West a distance of twelve (12) feet to a post corner of the line of land of John Rusnak; thence, along line of land of John Rusnak South eighty-four (84°) degrees thirty-seven (37') minutes East a distance of 381 feet to the Western line of the said state highway; thence, along the Western side of said highway South seven (7°) degrees fifty (50) minutes East a distance of 10 feet and place of beginning.

Assessment Map No. 124-Q11-46.1.

THE THIRD THEREOF: BEGINNING at an iron pin on the western side of State Highway Route No. 53, leading from Philipsburg to Morrisdale, which pin is the southeastern corner of parcel heretofore conveyed to Paul Krupa; thence, along the parcel conveyed to Paul Krupa North eighty-four (84) degrees thirty-seven (37) minutes West a distance of three hundred twelve (312) feet to an iron pin on the division line between lands of the Philipsburg Coal and Land Company and the Bloomington Mining Company; thence, along said division line South forty-two (42) degrees forty-seven (47) minutes West a distance of one hundred nineteen (119) feet four (4) inches to an iron pin at the corner of parcel heretofore conveyed to John Rusnak; thence, along parcel of John Rusnak South eighty-four (84) degrees thirty-seven (37) minutes East three hundred eighty-one (381) feet to an iron pin at corner of the John Rusnak land and the parcel now conveyed, on the western side of said Highway No. 53; thence, along the western side of Route No. 53 North seven (7)

degrees fifty (50) minutes East a distance of one hundred (100) feet to an iron pin and the place of beginning. Containing, according to the Mapping records in the County assessment office, $\frac{1}{4}$ of an acre and having no buildings thereon.

Assessment Map No. 124-Q11-47.

SUBJECT to all the rights and reservations contained in the previous chain of title.

BEING the same premises conveyed to Kenneth A. M. Kovach and Joan C. Kovach, husband and wife, by deed of Dorothy R. McKedy, attorney-in-fact for John Rusnak, dated October 23, 1992 and recorded in Clearfield County Deed Book 1492, page 227.

The said Kenneth A. M. Kovach died on March 22, 1997, thereby vesting sole title in the demised premises to his wife, Joan C. Kovach.

with the appurtenances: TO HAVE AND TO HOLD the same unto and for the use of the said parties of the second part their heirs, executors and assigns forever; And the said party of the first part for herself, her heirs, executors and administrators covenant with the said parties of the second part their heirs, executors, and assigns against all lawful claimants **SPECIALLY WARRANT** the same and every part thereof to Warrant and Defend.

NOTICE-THIS DOCUMENT MAY NOT/DOES NOT SELL, CONVEY, TRANSFER INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE/HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING, OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT.

WEST BRANCH SCHOOL DISTRICT
1% REALTY TRANSFER TAX

AMOUNT \$ 750.00
PAID 8/6/97
LAW OFFICES OF STANISLAWSK

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WITNESS the hand and seal of the said party of the first part.

WITNESS:

Paschal T. Bemus

Joan C. Kovach (Seal)
JOAN C. KOVACH

CERTIFICATE OF RESIDENCE

I, Leslie House do hereby certify that the precise residence of the Grantees herein is as follows:

R.D. #2, Box 59
Philipsburg, PA 16866

8-6-97

CLEARFIELD COUNTY
ENTERED OF RECORD
TIME 10:12 AM
BY Karen L. Starck
FEES 13.50

Karen L. Starck, Recorder

Leslie House
ATTORNEY for Grantee
Agent

COMMONWEALTH OF PENNSYLVANIA

*

ss.

COUNTY OF CENTRE

*

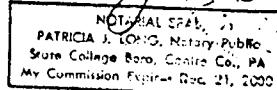
On this 28th day of July, 1997, before me, the undersigned officer, personally appeared JOAN C. KOVACH, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same for the purposes therein contained.

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

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



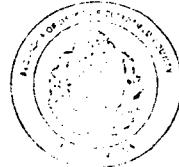
Karen L. Starck
Karen L. Starck
Recorder of Deeds



4

Entered of Record 8-8 1997, 10:12 AM Karen L. Starck, Recorder

... by CERTITY that this document
is recorded in the Recorder's Office of
Clearfield County, Pennsylvania.



Karen L. Starck

Karen L. Starck
Recorder

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8-8-57

CLEARFIELD COUNTY
ENTERED OF RECORD
TIME 10:13 AM
BY E. T. *Oliver*
FEES 25.00

Karen L. Starck, Recorder

[Space Above This Line For Recording Data]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on JULY 31st
1997. The mortgagor is JOHN L FERGUSON, and EUNICE M FERGUSON, Husband and Wife

KEYSTONE FINANCIAL MORTGAGE*, which is organized and existing
under the laws of UNITED STATES OF AMERICA, and whose address is
2270 ERIN COURT P.O. BOX 7628, LANCASTER, PA 17604-7628 ("Lender").
Borrower owes Lender the principal sum of
SIXTY THOUSAND AND NO/100

Dollars (U.S. \$ 60,000.00). This debt is evidenced by Borrower's note
dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not
paid earlier, due and payable on AUGUST 1st, 2027. This Security Instrument secures to
Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and
modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the
security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this
Security Instrument and the Note.* For this purpose, Borrower does hereby mortgage, grant and convey to Lender the
following described property located in CLEARFIELD
County, Pennsylvania:

'SEE ATTACHED LEGAL DESCRIPTION'

which has the address of RR 2 BOX 59, PHILIPSBURG
[Street] [City]
Pennsylvania 16866-9701 ("Property Address");
[Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements,
appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be
covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to
mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record.
Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any
encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with
limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the
principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.
2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay
to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a)
yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly
leashold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d)
yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by
Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance
premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to
exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account
under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601
et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time,
collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due
on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in
accordance with applicable law.

PENNSYLVANIA Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
ALB PA02 2/1/2003

Loan ID: 00058428
Form 3439 9/98 (page 1 of 5 pages)

*KEYSTONE NATIONAL BANK IS A NATIONAL BANKING ASSOCIATION TRADING AND DOING
BUSINESS AS KEYSTONE FINANCIAL MORTGAGE.

EXHIBIT

tables'

B

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Legal Description

ALL that certain parcel of land and improvements thereon situate in the Township of Morris, County of Clearfield and Commonwealth of Pennsylvania designated as Parcel Nos. 124-Q11-47; 124-Q11-46.1; and 124-Q11-46.2, more fully described in Deed dated October 23, 1992 and recorded in Clearfield County Deed Book 1492, page 227.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of : (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which they would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). Lender shall notify Borrower of, among other things: (a) the default; (b) the action required to cure the default; (c) when the default must be cured; and (d) that failure to cure the default as specified may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. Lender shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured as specified, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, attorneys' fees and costs of title evidence to the extent permitted by applicable law.

22. Release. Upon payment of all sums secured by this Security Instrument, this Security Instrument and the estate conveyed shall terminate and become void. After such occurrence, Lender shall discharge and satisfy this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

23. Waivers. Borrower, to the extent permitted by applicable law, waives and releases any error or defects in proceedings to enforce this Security Instrument, and hereby waives the benefit of any present or future laws providing for stay of execution, extension of time, exemption from attachment, levy and sale, and homestead exemption.

24. Reinstatement Period. Borrower's time to reinstate provided in paragraph 18 shall extend to one hour prior to the commencement of bidding at a sheriff's sale or other sale pursuant to this Security Instrument.

25. Purchase Money Mortgage. If any of the debt secured by this Security Instrument is lent to Borrower to acquire title to the Property, this Security Instrument shall be a purchase money mortgage.

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26. Interest Rate After Judgment. Borrower agrees that the interest rate payable after a judgment is entered on the Note or in an action of mortgage foreclosure shall be the rate payable from time to time under the Note.

27. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

<input checked="" type="checkbox"/> Adjustable Rate Rider	<input type="checkbox"/> Condominium Rider	<input type="checkbox"/> 1-4 Family Rider
<input type="checkbox"/> Graduated Payment Rider	<input type="checkbox"/> Planned Unit Development Rider	<input type="checkbox"/> Biweekly Payment Rider
<input type="checkbox"/> Balloon Rider	<input type="checkbox"/> Rate Improvement Rider	<input type="checkbox"/> Second Home Rider
<input type="checkbox"/> Other(s) [specify]		

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

LeAnn Houser

John L. Ferguson (Seal)
JOHN L. FERGUSON -Borrower

LeAnn Houser

Eunice Ferguson (Seal)
EUNICE M. FERGUSON -Borrower

_____ (Seal)
-Borrower

_____ (Seal)
-Borrower

[Space Below This Line For Acknowledgment]

COMMONWEALTH OF PENNSYLVANIA,

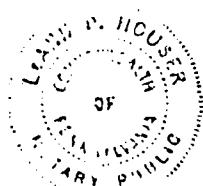
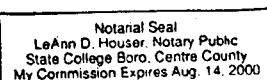
Centre County ss:

On this, the 31st day of July, before me, LeAnn D. Houser
the undersigned officer, personally appeared
John L. Ferguson and Eunice M. Ferguson

known to me (or satisfactorily proven) to be the person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged that he/she/they executed the same for the purposes herein contained.

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

My Commission expires:



LeAnn Houser
Notary Public
Title of Officer

Certificate of Residence

I, LeAnn Houser, do hereby certify that the correct address of the within named Lender is
Keystone Financial Mortgage, 2270 Erin Court, Lancaster, PA 17604.

Witness my hand this 31st day of July, 1997.

LeAnn Houser

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ADJUSTABLE RATE RIDER
(1 Year Treasury Index - Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 31st day of JULY 1997, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to KEYSTONE FINANCIAL MORTGAGE (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

RR 2 BOX 59, PHILIPSBURG, PA 16866-9701

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 9.125 %. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of AUGUST 2007, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index." If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information.

The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding THREE AND ZERO HUNDREDTHS percentage points (3.000 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 11.125 % or less than 7.125 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than TWO AND NO/100 percent from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 15.125 %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

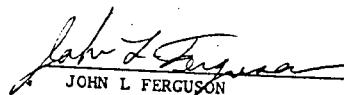
B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER
Uniform Covenant 17 of the Security Instrument is amended to read as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

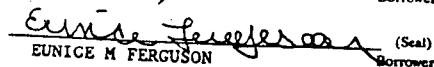
To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

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

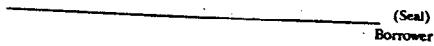
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.


John L. Ferguson

(Seal)
Borrower


Eunice M. Ferguson

(Seal)
Borrower


(Seal)
Borrower


(Seal)
Borrower

Page 2 of 2

Entered of Record 8-8 1977 : 10:13 AM Karen L. Starck, Recorder
ALB USAK 9/1/2015

Form 31113/85

LOAN ID: 00058428

County Parcel No. _____

This Deed,

MADE the 2nd day of November

in the year nineteen hundred and Ninety.

BETWEEN JOHN L. G. FERGUSON of Box 25, West Decatur, Pa. and
LINDA M. FLECK of P. O. Box 463, Philipsburg, Pa., GRANTOR AND PARTIES
OF THE FIRST PART,

A N D

JOHN L. G. FERGUSON of Box 25, West Decatur, Clearfield County,
Pennsylvania, GRANTEE AND PARTY OF THE SECOND PART.

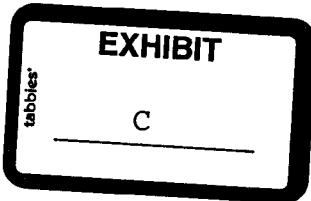
WITNESSETH, That in consideration of

-----ONE THOUSAND FIVE HUNDRED (\$1,500.00)----- Dollars,
in hand paid, the receipt whereof is hereby acknowledged, the said grantor s do hereby grant
and convey to the said grantee ,ALL that certain one-half lot or piece of ground situate in the
Borough of Osceola Mills, County of Clearfield, and State of
Pennsylvania, bounded and described as follows:

On the North by Lot No. 107; on the South by one-half of Lot No. 106; on the West by Pruner Street; and on the East by Water Alley, and being the one-half of Lot No. 106 taken off the North side of said lot, fronting 25 feet on said Pruner Street and extending back in an easterly direction the same width 150 feet to Water Alley.

EXCEPTING AND RESERVING all exceptions and reservations contained in the chain of title.

BEING the same premises granted and conveyed unto the Grantors herein by deed of Jerry Alan Lese dated June 15, 1989, and entered for record in the office of the Recorder of Deeds of Clearfield County, Pennsylvania, in Deeds & Records Book No. 1287, Page 294.



AND the said grantors will specially WARRANT AND FOREVER DEFEND the property hereby conveyed.

IN WITNESS WHEREOF, said grantors have hereunto set their hands and seals, the day and year first above-written.

Sealed and delivered in the presence of

..... } *John L. G. Ferguson* (SEAL)
 John L. G. Ferguson
 } *Linda M. Fleck* (SEAL)
 Linda M. Fleck
 (SEAL)
 (SEAL)
 (SEAL)
 (SEAL)

CERTIFICATE OF RESIDENCE

I hereby certify, that the precise residence of the grantee herein is as follows:

P. O. Box 25
 West Decatur, Pa., 16878

John Raffey
 N.T.S. Attorney or Agent for Grantee

Commonwealth of Pennsylvania

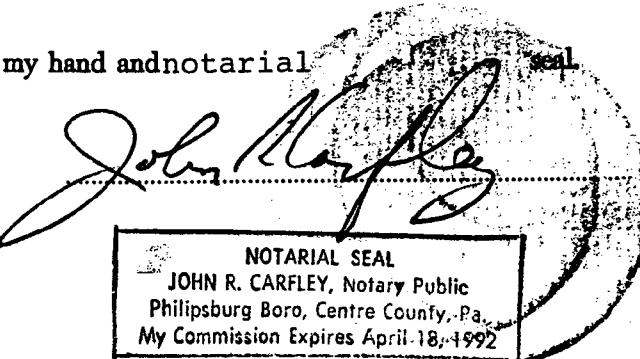
County of Centre

} ss.

On this, the 27th day of November 1990, before me
 the undersigned officer, personally appeared John L. G. Ferguson and Linda M. Fleck
 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 purpose therein
 contained.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial

My Commission Expires



State of _____ }
 County of _____ } ss.

On this, the _____ day of _____ 19____, before me

the undersigned officer, personally appeared

known to me (or satisfactorily proven) to be the person
 instrument, and acknowledged that

whose name _____ subscribed to the within
 executed the same for the purpose therein

contained.

IN WITNESS WHEREOF, I have hereunto set my hand and

seal.

My Commission Expires

CLEARFIELD COUNTY
 ENTERED OF RECORD 11-16-90
 TIME 2:10 P.M.
 BY John R. Carfley
 FEES 13.50
 Michael R. Lytle, Recorder

Commonwealth of Pennsylvania }
 County of Clearfield } ss.

RECORDED in the Office for Recording of Deeds, etc., in and for said County,
 in Deed Book No. 1374, Page 267
2 Records
 WITNESS my hand and official seal this 16 day of Nov. , 19 90

Michael R. Lytle
 Recorder of Deeds

PHILIPSBURG-OSCEOLA AREA SCHOOL DISTRICT

1% REALTY TRANSFER TAX

AMOUNT \$ 15.00

PAID 11-16-90 MICHAEL R. LYCLE

State Tax 15.00
 P.O. Tax 7.50
 Osceola Boro 7.50

My Commission Expires
 First Monday in January, 1992

Date 11-16-90

Agent

Deed

WARRANTY DEED
 The Plankenhorn Co., Williamsport, Pa.

JOHN L. G. FERGUSON ET.
 AL.

TO
 JOHN L. G. FERGUSON

Dated _____

For _____

Consideration _____

Recorded _____

Entered for Record in the Recorder's

Office of _____
 County, the _____ day of _____ 19____

Tax, \$ _____

Fees, \$ _____

Recorder _____

1863 PAGE 18
VDL THIS MORTGAGE, dated JULY

MORTGAGE

31, 1997 is between you, JOHN G FERGUSON
residing at PO BOX 25, WEST DECATUR, PA 16878

, the person or persons signing as "Mortgagor" below, and us,

, the "Mortgagee."

Mid-State Bank and Trust Co.

Altoona, PA 16603

MORTGAGED PREMISES: You mortgage, grant and convey to us the premises located at:
313 PRUNNER ST

OSCEOLA MILLS

Township / City / Municipality / Borough

CLEARFIELD

County

Pennsylvania,

Block No.

(the "Premises").

A legal description of the Premises is contained in the deed by which you acquired the Premises, which is recorded at the County Office for the Recording of Deeds, in Deed Book 1374, on Page(s) 267, Tax Parcel Number (or other Uniform Parcel Identifier, if any) or, if checked, on the reverse side. The Premises includes all buildings and other improvements now or later on the premises and any rights or interest which derive from your ownership, use or possession of the Premises.

LOAN: The Mortgage will secure our loan to JOHN G FERGUSON

(whether one or more persons called the "Borrower"), in the principal amount of \$ 17,500.00, plus interest and costs, all of which the Borrower must repay according to a note or agreement (the "Note") dated JULY 31, 1997. This Mortgage will also secure the performance of all of Borrower's promises in the Note, all of your promises in this Mortgage, and any extensions, renewals, amendments or other modifications of the Note.

OWNERSHIP: You are the sole owner(s) of the Premises. You have the legal right to Mortgage it to us.

TAXES: You will pay all real estate taxes, assessments, water charges and sewer rents relating to the Premises when they become due. You will not claim any credit on, or make deduction from, the loan because you pay these taxes and charges. You will provide us with proof of payment upon request.

MAINTENANCE: You will maintain the building(s) on the Premises in good condition. You will not make major changes in the building(s) except INSURANCE: You will keep the building(s) on the Premises insured at all times against loss by fire, flood and any other hazards we may specify.

You may choose the insurance company, but your choice is subject to our reasonable approval. The policies must be for at least the amounts and the time periods that we specify. You will deliver to us upon our request the policies or other proof of the insurance. The policies must name us as provide that we will receive payment on all insurance claims, to the extent of our interest under this Mortgage, before you. It must also deliver the policies, certificates or other evidence of insurance to us. In the event of loss or damage to the Premises, you will immediately notify us in writing and file a proof of loss with the insurer. We may file a proof of loss on your behalf if you fail or refuse to do so. We may also sign your name to any check, draft or other order for the payment of insurance proceeds in the event of loss or damage to the Premises. If we receive payment of a claim, we will permit you to use the money to repair the damage, but only if we reasonably believe the insurance proceeds are adequate for this purpose. Otherwise, we will use the money to reduce what the Borrower owes on the Note.

SECURITY INTEREST: You will join with us in signing and filing documents and, at your expense, in doing whatever we believe is necessary to perfect and continue perfected our security interest in the Premises.

YOUR AUTHORITY TO US: If you fail to perform your obligations under this Mortgage, we may, if we choose, perform your obligations and pay such costs and expenses. We will add the amounts we advance to the sums the Borrower owes on the Note, on which we impose interest as provided in the Note. If you fail to honor your promises to maintain insurance in effect, or to pay filing fees, taxes or the costs necessary to keep the Premises in good condition and repair, we may, if we choose, advance any sums you promise to pay and obtain replacement insurance. However, any replacement insurance we obtain to cover loss or damage to the Premises may be limited to an amount not greater than what the Borrower owes on the Rate of the Note. Our payments on your behalf will not cure your failure to perform your promises in this Mortgage.

SALE OF PREMISES: You will not sell, transfer ownership, Mortgage or otherwise dispose of the Premises, in whole or in part, without our prior written consent.

INSPECTION: You will permit us to inspect the Premises at any reasonable time.

NO LOSS OF RIGHTS: The Note and this Mortgage may be negotiated or assigned by us without releasing any of you or the Premises. We may add or release any person or property obligated under the Note and this Mortgage without losing our rights in the Premises.

DEFAULT: A default under the Note is a default under this Mortgage. In addition, your failure to perform your obligations in this Mortgage or under any other Mortgage on the Premises is a default under this Mortgage. If any default occurs, we can foreclose upon this Mortgage. This means that we can arrange for the Premises to be sold, as provided by law, in order to pay off what the Borrower owes on the Note. If the money we receive from the sale is not enough to pay off what the Borrower owes, you will not owe us the difference unless you also signed the Note as a Borrower. In addition, we may (i) enter on and take possession of the Premises; (ii) lease and collect the rental payments, including overdue rental payments, directly from tenants; (iii) manage the Premises; and (iv) sign, cancel and change leases. We may apply any part of the rental payments to pay taxes, the costs of collecting rental payments and of managing the Premises and to reduce any amounts owing under the Note and under this Mortgage, in any order that we choose.

WAIVERS: If we declare a default under this Mortgage, you waive your rights arising under all appraisal, stay and exemption laws. These rights may (i) be for your benefit or relief; (ii) limit the amount you owe us to the proceeds of the sale of the Premises; (iii) exempt the Premises, or part of the proceeds of its sale, from attachment, levy or sale under execution; or (iv) provide for a stay of execution or other process.

BINDING EFFECT: Until the Borrower has paid the Note in full, the provisions of this Mortgage will be binding on you and all future owners and tenants of the Premises. This Mortgage is for our benefit and for the benefit of anyone to whom we may assign it. Upon payment in full of all that the Borrower owes us, this Mortgage and our rights in the Premises shall end.

GENERAL: We can waive or delay enforcing any of our rights under this Mortgage without losing them. Any waiver by us of any provision of this Mortgage will not be a waiver of that or any other provision on any other occasion.

John G Ferguson
Mortgagor JOHN G FERGUSON

(SEAL)

(SEAL)

Mortgagor

(SEAL)

(SEAL)

FORM PA 109 (Rev. 4-88)

ORIGINAL 1A OF 2A

UNIFORM (R) / PENN / MORT-F / 10-90

EXHIBIT

Tables*

D

Legal Description

ALL that certain parcel of land and improvements thereon situate in the Township of Morris,
County of Clearfield and Commonwealth of Pennsylvania designated as Parcel Nos. 124-Q11-47;
124-Q11-46.1; and 124-Q11-46.2, more fully described in Deed dated October 23, 1992 and
recorded in Clearfield County Deed Book 1482, page 227.

Entered in the Recorder's Office of
Clearfield County, Pennsylvania



Karen L. Stark
Karen L. Stark
Recorder of Deeds

68-87
CLEARFIELD COUNTY
ENTERED OF RECORD
TIME 10:14 AM
BY *C.Y. O'Donnell*
FEES *15.00*
Karen L. Stark, Recorder

VOL 1863 PAGE 20

DESCRIPTION OF PREMISES
(Insert specific description of Premises, if necessary.)

ALL THAT CERTAIN

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF Centre : ss.

On this, the 31st day of July, 1997, before me, LeAnn D. Houser
the undersigned officer, personally appeared John G. Ferguson, known to me (or satisfactorily proven) to
be the person(s) whose name(s) AS subscribed as Owner to the instrument, and acknowledged that
executed the same for the purpose herein contained and desired it to be recorded as such.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal. My Commission Expires:

LeAnn D. Houser, Notary Public
State College Boro, Centre County
My Commission Expires Aug. 14, 2000

I certify that the within named MORTGAGEE, Mid State Bank, resides at
1130 Twelfth Avenue Altoona Blair 16603
Street City/Municipality County Zip Code

Signature Rebecca Ferguson
Agent on behalf of Mortgagee

COMMONWEALTH
OF
PENNSYLVANIA

MORTGAGE
FROM
JOHN G FERGUSON

PO BOX 25, WEST DECATUR, PA 16878

Mortgagee
MID STATE BANK
130 Court Street
Williamsport, PA 17701

Insert Name(s) of Mortgagor(s)

Recorder - Please return to:

TO

Entered of Record 8-8 1997, 10:14AM Karen L Starck, Recorder

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

JOHN L. G. FERGUSON :
Plaintiff
vs. : No. 98-1183-CD
EUNICE M. FERGUSON : To Divorce
Defendant :
:

DIVORCE COMPLAINT UNDER SECTION 3301(c)

AND NOW comes the Plaintiff, JOHN L. G. FERGUSON, by his attorney, John R. Carfley, Esquire, and seeks to obtain a Decree in Divorce from the above named Defendant pursuant to Section 3301(c) of the Divorce Code, alleging as follows:

1. Plaintiff is John L. G. Ferguson, an adult individual, who presently residing at R. R. 2, Box 59, Philipsburg, Clearfield County, Pennsylvania, 16866.
2. Defendant is Eunice M. Ferguson, an adult individual, who presently resides at 409 Laurel Street, Philipsburg, Centre County, Pennsylvania, 16866.
3. Plaintiff has been a bona fide resident in the Commonwealth for at least six months immediately previous to the filing of this complaint.
4. The plaintiff and defendant were married on January 29, 1993, in Winchester, Virginia.
5. The grounds on which this action are based are as follows:
 - a. Consent - Divorce Code §3301(c)
 - b. The marriage now existing between plaintiff and defendant is irretrievably broken, pursuant to Section 3301(c) of

EXHIBIT

E

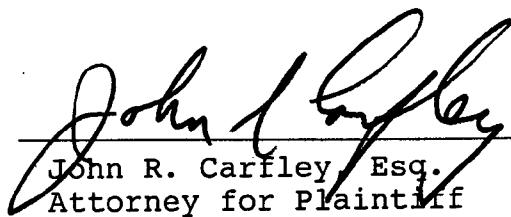
the Divorce Code.

6. No prior actions of divorce or annulment have been filed by the parties in this or any other jurisdiction.

7. No children were born to the parties hereto.

8. Plaintiff has been advised of the availability of counseling and that he may have the right to request that the court require the parties to participate in counseling in accordance with the provisions of Rule 1920.45 of the Pennsylvania Rules of Civil Procedure.

WHEREFORE, Plaintiff requests this Honorable Court to enter an Order dissolving the marriage between the parties hereto.



John R. Carfley, Esq.
Attorney for Plaintiff

Dated: October 5, 1998

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

CIVIL ACTION - LAW

JOHN L. G. FERGUSON,

*

Plaintiff

* No. 98-1181-CD

*

*

vs.

*

*

EUNICE M. FERGUSON,

*

*

Defendant

*

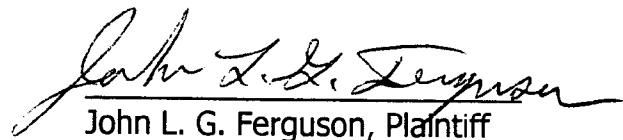
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WAIVER OF NOTICE OF INTENTION
TO REQUEST ENTRY OF A DIVORCE DECREE
UNDER SECTION 3301 (c) OF THE DIVORCE CODE

1. I consent to the entry of a final decree in divorce without notice.
2. I understand that I may lose rights concerning alimony, division of property, lawyer's fees or expenses if I do not claim them before a divorce is granted.
3. I understand that I will not be divorced until a divorce decree is entered by the Court and that a copy of the decree will be sent to me immediately after it is filed with the Prothonotary.

I verify that the statements made in this affidavit are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S. 4904 relating to unsworn falsification to authorities.

Date: 2/3/99


John L. G. Ferguson, Plaintiff

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

CIVIL ACTION - LAW

JOHN L. G. FERGUSON,

*

No. 98-1181-CD

Plaintiff

*

*

vs.

*

*

*

*

Defendant

*

*

EUNICE M. FERGUSON,

AFFIDAVIT OF CONSENT

1. A Complaint in Divorce under Section 201(c) of the Divorce Code was filed on October 5, 1998.

2. The marriage of Plaintiff and Defendant is irretrievably broken. Ninety days have elapsed since the filing of the Complaint.

3. Plaintiff consents to the entry of a Final Decree of Divorce.

4. I understand that if a claim for alimony pendente lite, marital property or counsel fees or expenses has not been filed with the Court before the entry of a Final Decree in Divorce, the right to claim any of them will be lost.

The party whose signature appears below verifies that the statements made in this Affidavit are true and correct, and that they are made subject to the penalties of 18 Pa. C.S. 4909 relating to unsworn falsification to authorities.

DATED: 2-3-99


John L. G. Ferguson, Plaintiff

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

CIVIL ACTION - LAW

JOHN L. G. FERGUSON,

Plaintiff

*
* No. 98-1181-CD
*
*

vs.

EUNICE M. FERGUSON,

Defendant

*
*
*

AFFIDAVIT OF CONSENT

1. A Complaint in Divorce under Section 3301(c) of the Divorce Code was filed on October 5, 1998.

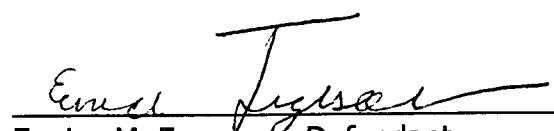
2. The marriage of Plaintiff and Defendant is irretrievably broken. Ninety days have elapsed since the filing of the Complaint.

3. Defendant consents to the entry of a Final Decree of Divorce.

4. I understand that if a claim for alimony pendente lite, marital property or counsel fees or expenses has not been filed with the Court before the entry of a Final Decree in Divorce, the right to claim any of them will be lost.

The party whose signature appears below verifies that the statements made in this Affidavit are true and correct, and that they are made subject to the penalties of 18 Pa. C.S. 4909 relating to unsworn falsification to authorities.

DATED: 2/3/99


Eunice M. Ferguson, Defendant

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

CIVIL ACTION - LAW

JOHN L. G. FERGUSON,

*

Plaintiff

* No. 98-1181-CD

vs.

*

EUNICE M. FERGUSON,

*

Defendant

*

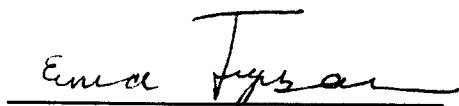
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WAIVER OF NOTICE OF INTENTION
TO REQUEST ENTRY OF A DIVORCE DECREE
UNDER SECTION 3301 (c) OF THE DIVORCE CODE

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I verify that the statements made in this affidavit are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S. 4904 relating to unsworn falsification to authorities.

Date: 2/3/99



Eunice M. Ferguson, Defendant

MARRIAGE SETTLEMENT AGREEMENT

THIS AGREEMENT, made and entered into this 25 day of January, 1999, by
and between JOHN L. G. FERGUSON, currently of RR 2, Box 59, Philipsburg, Clearfield
County, Pennsylvania, hereinafter referred to as "**HUSBAND**",

A-N-D

EUNICE M. FERGUSON, currently of 409 Laurel Street, Philipsburg, Centre County,
Pennsylvania, hereinafter referred to as "**WIFE**".

WHEREAS, diverse unhappy differences, disputes and difficulties have arisen
between the parties and it is the intention of **HUSBAND** and **WIFE** to live separate and
apart; and

WHEREAS, there were no children born of this marriage.

WHEREAS, the parties hereto agree that they intend to obtain a mutual consent
divorce and **HUSBAND** filed a Complaint in the Court of Common Pleas, Clearfield County,
on October 5, 1998, docketed to No. 98-1181-CD.

WHEREAS, **WIFE** has hired **DAVID R. THOMPSON**, Attorney at Law, to represent
her in this divorce proceeding who shall undertake to advise **WIFE** and explain the legal
implications involved with this document. **HUSBAND** has agreed to hire **JOHN R.**
CARFLEY, Esquire, to represent him who shall undertake to advise **HUSBAND** and explain
the legal implications involved with this document.

WHEREAS, the parties desire to fully and finally settle their respective financial and
property rights and obligations as between each other, and to settle without resort to
litigation all other issues; and

WHEREAS, both parties hereby agree to release and discharge any and all claims which either may have against the other.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements herein contained, and intending to be legally bound hereby, the parties do covenant and agree as follows:

1. **SEPARATION:** It shall be lawful for each party at all times hereafter to live separate and apart from the other party at such place as he or she may from time to time chose or deem fit. The foregoing provision shall not be taken as an admission on the part of either party of the lawfulness and unlawfulness of the causes leading to their living apart.

2. **INTERFERENCE:** Each party shall be free from interference, authority and contact by the other except as may be necessary to carry out the provisions of this Agreement. Neither party shall molest the other or attempt to endeavor to molest the other, nor compel the other to cohabit with the other, nor in any way harass or malign the other, nor in any way interfere with the other's peaceful existence, separate and apart from the other.

3. **DESIRE OF THE PARTIES:** It is the desire of the parties, after long and careful consideration, to amicably adjust, compromise and settle all property rights and all rights in, to, or against each other's property or estate, including property heretofore or subsequently acquired by either party, and to settle all disputes existing between them,

including any and all claims for **HUSBAND's** and/or **WIFE's** maintenance and/or for support.

4. DEBTS: HUSBAND and **WIFE** represent and warrant to each that neither one has contracted any debt or debts, charges or liabilities whatsoever except as hereinafter expressly set forth, for which the other party or other property or their estate shall or may be or become liable or answerable, and they covenant that they will at all times keep each other free, harmless, and indemnified against and from any and all debts and liabilities heretofore or hereafter contracted or incurred by either of them, except as expressly provided in this Agreement.

5. CHECKING AND SAVINGS ACCOUNTS: The parties hereto agree that \$2,690.50 held in a joint checking account at Mid State Bank shall be distributed to **WIFE**, and said account shall be closed. Further any checking, savings and other accounts, which have not previously been closed, shall be closed and the proceeds divided equally between the parties.

6. MARITAL PROPERTY: All items have been divided between the parties as of the signing of this agreement and, each of the parties hereto shall hereafter keep as his or her sole property any personalty in his or her possession, except as to specific items otherwise referred to by the terms of this Agreement.

The parties hereto have agreed to the following regarding division of the parties' jointly owned property:

PROPERTY
TO
EUNICE
FERGUSON

a) The parties are owners of real property located in Morris Township, Clearfield County, Pennsylvania, as described in a deed recorded in Clearfield County in Deed Book Volume 1863 Page 05. Said property shall be listed for sale, the proceeds from which shall be used to payoff any mortgages against said property held at Keystone Financial Mortgage or any other institution, as well as other debts associated with the property. Any monies remaining thereafter be retained by **HUSBAND**. During the time said property is listed for sale, **HUSBAND** agrees to assume any and all debts with said property including, but not limited to mortgage, loans, notes, utilities and insurance.

b) It is agreed between the parties that **HUSBAND** owns 50% of real estate situate in South Philipsburg Borough, Centre County, Pennsylvania, located at 204 D Street as described in a deed recorded in Centre County in Deed Book 717 at Page 10, and that **HUSBAND** shall retain that ownership.

c) It is agreed between the parties that **HUSBAND** shall grant, bargain, sell and convey unto **WIFE**, all his right, title and interest to real property situate in South Philipsburg Borough, Centre County, Pennsylvania, located at 208 B Street as described in a deed recorded in Centre County in Deed Book 462 at Page 998, for the sum of **\$10,000.00**. The parties agree to sign an Agreement of Sale for said transaction attached hereto and made a part hereof. **WIFE** shall have one and one-half years from the date of this Agreement to pay said sum unto **HUSBAND**, who agrees to execute and acknowledge a Special Warranty Deed, conveying said parcel to **WIFE**. Said deed shall be held in escrow at the law office of John Carfley, Esquire, until said sum is paid in full.

d) **WIFE** shall retain possession of the 1992 Chevrolet, and shall be responsible for any debt on the same. Further **WIFE** shall indemnify, save and hold **HUSBAND** harmless from any liability for payment of the same.

e) **HUSBAND** shall retain possession of the 1987 Dodge truck, and shall be responsible for any debt on the same. Further **HUSBAND** shall indemnify, save and hold **WIFE** harmless from any liability for payment of same.

f) **HUSBAND** and **WIFE** agree to waive and release any rights they may have against the other on any pension, IRA or 401K accounts they may have.

7. MARITAL DEBT: **HUSBAND** agrees to assume all other marital debt and shall indemnify, save and hold **WIFE** harmless from any liability for payment of same.

8. MUTUAL RELEASE: Subject to the provisions of this Agreement each party has released and discharged, and by this Agreement does for herself or himself and his or her heirs, legal representatives, executors, administrators and assigns, release and discharge the other of and from all cause of action, claims, rights or demands, whatsoever in law or equity, which either of the parties ever had or now has against the other, except any or all cause or causes of action for divorce and except any or all causes of action for breach of any provision of this Agreement.

10. ALIMONY and SPOUSAL SUPPORT: **HUSBAND** and **WIFE** agree to waive and release any rights they may have against the other for alimony and/or spousal support.

11. ENTIRE AGREEMENT: This Agreement contains the entire understanding of

the parties and there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

12. BREACH: If either party breaches any provision of this Agreement, the other party shall have the right, at her or his own election, to sue for damages for such breach, or seek such other remedies or relief as may be available to her or him, and the party breaching this Agreement shall be responsible for payment of legal fees and costs incurred by the other in enforcing their rights under this Agreement.

13. WAIVERS OF CLAIMS AGAINST ESTATE: Except as herein otherwise provided, each party may dispose of his or her property in any way, and each party hereby waives and relinquishes any and all rights he or she may now have or hereinafter acquire, under the present or future laws of any jurisdiction, to share in the property of the estate of the other as a result of the marital relationship, including without limitation, dower, courtesy, statutory allowance, widow's allowance, right to take property under equitable distribution, right to take in intestacy, right to take against the Will of the other, and the right to act as administrator or executor of the other's estate, and each will, at the request of the other, execute, acknowledge and deliver any and all instruments which may be necessary or advisable to carry into effect this mutual waiver and relinquishment of all such interests, rights and claims.

14. DIVORCE: HUSBAND and WIFE agree to cooperate in obtaining a no-fault divorce under Section 3301 (c) of the Divorce Code in the divorce action in the Clearfield County Court of Common Pleas filed to No. 98-1181-CD. The Parties shall execute an

Affidavit of Consent and Waiver at the proper time, ninety (90) days after the filing of the Divorce Complaint. This agreement shall not be subject to modification.

15. ADDITIONAL INSTRUMENT: Each of the parties shall from time to time, at the request of the other, execute, acknowledge and deliver to the other party any and all further instruments that may be reasonably required to give full force and effect to the provisions of this Agreement, including Deeds, vehicle titles and sales tax forms and any and all other forms which may be required to effect said transfer of vehicles and/or property.

16. DESCRIPTIVE HEADINGS: The descriptive headings used herein are for convenience only. They shall have no effect whatsoever in determining the rights or obligations of the parties.

17. INDEPENDENT SEPARATE COVENANTS: It is specifically understood and agreed by the parties hereto that each paragraph hereof shall be deemed to be a separate and independent covenant and agreement.

18. APPLICABLE LAW: This Agreement shall be construed under the law of the Commonwealth of Pennsylvania.

19. VOID CLAUSES: If any term, clause or provision of this Agreement shall be determined or declared to be void or invalid in law or otherwise, then only that term, condition, clause or provision shall be stricken from this Agreement and in all respects this Agreement shall be valid and continue in full force, effect and operation.

MARRIAGE SETTLEMENT AGREEMENT

THIS AGREEMENT, made and entered into this 25 day of January 1999, by
and between **JOHN L. G. FERGUSON**, currently of RR 2, Box 59, Philipsburg, Clearfield
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A-N-D

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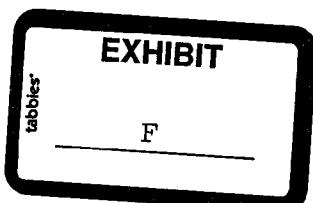
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3. **DESIRE OF THE PARTIES:** It is the desire of the parties, after long and careful consideration, to amicably adjust, compromise and settle all property rights and all rights in, to, or against each other's property or estate, including property heretofore or subsequently acquired by either party, and to settle all disputes existing between them,

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8. **MUTUAL RELEASE:** Subject to the provisions of this Agreement each party has released and discharged, and by this Agreement does for herself or himself and his or her heirs, legal representatives, executors, administrators and assigns, release and discharge the other of and from all cause of action, claims, rights or demands, whatsoever in law or equity, which either of the parties ever had or now has against the other, except any or all cause or causes of action for divorce and except any or all causes of action for breach of any provision of this Agreement.

10. **ALIMONY and SPOUSAL SUPPORT:** **HUSBAND** and **WIFE** agree to waive and release any rights they may have against the other for alimony and/or spousal support.

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13. WAIVERS OF CLAIMS AGAINST ESTATE: Except as herein otherwise provided, each party may dispose of his or her property in any way, and each party hereby waives and relinquishes any and all rights he or she may now have or hereinafter acquire, under the present or future laws of any jurisdiction, to share in the property of the estate of the other as a result of the marital relationship, including without limitation, dower, courtesy, statutory allowance, widow's allowance, right to take property under equitable distribution, right to take in intestacy, right to take against the Will of the other, and the right to act as administrator or executor of the other's estate, and each will, at the request of the other, execute, acknowledge and deliver any and all instruments which may be necessary or advisable to carry into effect this mutual waiver and relinquishment of all such interests, rights and claims.

14. DIVORCE: **HUSBAND** and **WIFE** agree to cooperate in obtaining a no-fault divorce under Section 3301 (c) of the Divorce Code in the divorce action in the Clearfield County Court of Common Pleas filed to No. 98-1181-CD. The Parties shall execute an

Affidavit of Consent and Waiver at the proper time, ninety (90) days after the filing of the Divorce Complaint. This agreement shall not be subject to modification.

15. ADDITIONAL INSTRUMENT: Each of the parties shall from time to time, at the request of the other, execute, acknowledge and deliver to the other party any and all further instruments that may be reasonably required to give full force and effect to the provisions of this Agreement, including Deeds, vehicle titles and sales tax forms and any and all other forms which may be required to effect said transfer of vehicles and/or property.

16. DESCRIPTIVE HEADINGS: The descriptive headings used herein are for convenience only. They shall have no effect whatsoever in determining the rights or obligations of the parties.

17. INDEPENDENT SEPARATE COVENANTS: It is specifically understood and agreed by the parties hereto that each paragraph hereof shall be deemed to be a separate and independent covenant and agreement.

18. APPLICABLE LAW: This Agreement shall be construed under the law of the Commonwealth of Pennsylvania.

19. VOID CLAUSES: If any term, clause or provision of this Agreement shall be determined or declared to be void or invalid in law or otherwise, then only that term, condition, clause or provision shall be stricken from this Agreement and in all respects this Agreement shall be valid and continue in full force, effect and operation.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day and year first above written.

Witness

John G. L. Ferguson (SEAL)

Witness

Eunice M. Ferguson (SEAL)

COMMONWEALTH OF PENNSYLVANIA

:ss:

COUNTY OF

On this 25th day of January, 1998, before me, a Notary Public, the undersigned officer, personally appeared, JOHN G. L. FERGUSON, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledge that he has executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

:ss:

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF Centre

John R. Carley
N.P.
NOTARIAL SEAL
JOHN R. CARLEY, Notary Public
Philipsburg Boro, Centre County, PA
My Commission Expires April 18, 2000

On this 3 day of February, 1998, before me, a Notary Public, the undersigned officer, personally appeared, EUNICE M. FERGUSON, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that she has executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

Amy Jo Doran
N.P.

Notarial Seal
Amy Jo Doran, Notary Public
State College Boro, Centre County
My Commission Expires May 6, 1999

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

JOHN L. G. FERGUSON :
Plaintiff

vs. : No. 98-1181-CD ³

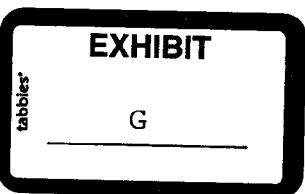
EUNICE M. FERGUSON : In Divorce
Defendant :
:

DECREE IN DIVORCE

AND NOW, this 16 day of February, 1999, IT IS ORDERED
AND DECREED that JOHN L. G. FERGUSON, Plaintiff, and EUNICE M.
FERGUSON, Defendant, are divorced from the bonds of matrimony.

BY THE COURT:

Jud Cunneen



KAREN L. STARCK
REGISTER AND RECORDER
CLEARFIELD COUNTY, PA
Pennsylvania

INSTRUMENT NUMBER
199906843

APR 30, 1999
RECORDED ON
2:06:54 PM

RECORDING FEES -	\$13.00
RECORDER	
COUNTY IMPROVEMENT FUND	\$1.00
RECORDER IMPROVEMENT FUND	\$1.00
STATE WRIT TAX	\$0.50
TOTAL	\$15.50

MAIL TO:
DAVID R. THOMPSON
Attorney at Law
P.O. Box 587
Philipsburg PA 16866

THIS DEED

MADE, this 26 day of April, in the year nineteen hundred and
ninety-nine (1999).

BETWEEN **JOHN L. FERGUSON**, an individual, currently of 409 Laurel Street,
Philipsburg, Pennsylvania, and **EUNICE M. FERGUSON**, an individual, currently of 409 E.
Laurel Street, Philipsburg, Pennsylvania, hereinafter **GRANTORS** and Party of the First Part,

A

N

D

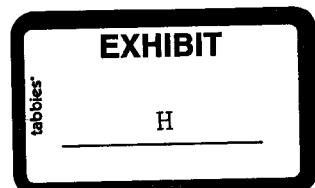
EUNICE M. FERGUSON, an individual, currently of 409 E. Laurel Street, Philipsburg,
Pennsylvania, hereinafter, **GRANTEE** and Party of the Second Part,

WITNESSETH: That for and in consideration of the sum of **ONE DOLLAR AND
00/NO (\$1.00)**, in hand paid, the receipt whereof is hereby acknowledged, the said
GRANTORS do hereby grant and convey to the said **GRANTEE**, their heirs and assigns,

ALL those certain pieces or parcels of land situate in Morris Township, Clearfield
County, Pennsylvania, bounded and described as follows:

THE FIRST THEREOF:

BEGINNING at a post corner on the western side of highway route No. 53 and land
of Mike Rusnak; thence, in a northwesterly direction along land of Mike Rusnak three hundred



and eighty-seven (387) feet to line of the Philipsburg Coal and Land Company, also known as the Bloomington Mining Company; thence, in a westerly direction a distance of one hundred and nine (109) feet to a post corner and other lands of John Rusnak; thence, in a southeasterly direction along line of John Rusnak a distance of four hundred and fifty-one feet and eight inches, (451.8) to western line of Route 53; thence, easterly along Route 53 a distance of ninety (90) feet and place of beginning. Containing 37,732.5 square feet. Assessment Map No. 124-Q11-46.2.

THE SECOND THEREOF:

BEGINNING at a post corner on the Western side of the State Highway leading from Philipsburg to Morrisdale; said post being on the Northeastern corner of the lands of William Westwood; thence, North eighty-four (84°) degrees thirty-seven (37) minutes West a distance of 387 feet to a post on the division line between the lands of the Philipsburg Coal and Land Company the Bloomington Mining Company; thence, along said division line forty-two (42°) degrees North forty-seven (47') minutes West a distance of twelve (12) feet to a post corner of the line of land of John Rusnak; thence, along line of land of John Rusnak South eighty-four (84°) degrees thirty-seven (37') minutes East a distance of 381 feet to the Western line of the Said state highway; thence, along the Western side of said highway South seven (7°) degrees fifty (50) minutes East a distance of 10 feet and place of beginning. Assessment Map No. 124-Q11-46.1.

THE THIRD THEREOF:

BEGINNING at an iron pin on the western side of State Highway Route No. 53, leading from Philipsburg to Morrisdale, which pin is the southeastern corner of parcel heretofore conveyed to Paul Krupa; thence, along the parcel conveyed to Paul Krupa North eighty-four (84) degrees thirty-seven (37) minutes West a distance of three hundred twelve (312) feet to an iron pin on the division line between lands of the Philipsburg Coal and Land Company and the Bloomington Mining Company; thence, along said division line South forty-two (42) degrees forty-seven minutes West a distance of one hundred nineteen (119) feet four (4) inches to an iron pin at the corner of parcel heretofore conveyed to John Rusnak; thence, along parcel of John Rusnak South eighty-four (84) degrees thirty-seven (37) minutes East three hundred eighty-one (381) feet to an iron pin at corner of the John Rusnak land and the parcel now conveyed, on the western side of said Highway No. 53; thence, along the western side of Route No. 53 North seven (7) degrees fifty (50) minutes East a distance of one hundred (100) feet to an iron pin and the place of beginning. Containing, according to the Mapping records in the County assessment office, 3/4 of an acre and having no buildings thereon. Assessment Map No. 124-Q11-47.

BEING the same premises conveyed to John L. Ferguson and Eunice M. Ferguson, by deed of Joan C. Kovach dated July 28, 1997 and recorded in Clearfield County deed book volume 1863, page 05 on August 8th, 1997.

THIS TRANSFER IS EXEMPT FROM THE PENNSYLVANIA REAL ESTATE TRANSFER TAX AS THE GRANTOR AND GRANTEE WERE PREVIOUSLY MARRIED.

TOGETHER, with all and singular the building and improvements, ways, streets, alleys, passages, waters, water-courses, rights, liberties, privileges, hereditaments and appurtenances, whatsoever unto the hereby granted premises belonging, or in any wise appertaining, and the reversions and remainders, rents, issues and profits thereof, and all the estate, right, title and interest, property, claim and demand whatsoever of the said Grantors, their heirs and assigns, in law, equity, or otherwise, howsoever, in and to the same, and every party thereof.

TO HAVE AND TO HOLD the said lot or piece of ground above described, with the messuage and tenement thereon erected, hereditaments and premises hereby granted, or mentioned and intended so to be, with the appurtenances, unto the Grantees, their heirs and assigns, to and for the only proper use and behoof of the said Grantees, their heirs and assigns, forever.

UNDER SUBJECT, NEVERTHELESS, to all exceptions, reservations, conditions and restrictions as containing in prior Deeds in the chain of title.

NOTICE

In accordance with the provisions of "The Bituminous Mine Subsidence and Land Conservation Act of 1966" I/we, the undersigned grantee/grantees, hereby certify that I/we know and understand that I/we may not be obtaining the right of protection against subsidence resulting from coal mining operations and that the purchased property may be protected from damage due to mine subsidence by a private contract with the owners of the economic interest in the coal. I/we further certify that this certification is in a color contrasting with that in the deed proper and is printed in twelve point type preceded by the word "notice" printed in twenty-four point type.

Witness: _____

This _____ day of _____

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL, AND IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THE INCLUSION OF THIS NOTICE DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This Notice is set forth pursuant to Act No. 255, approved September 10, 1965, as amended.)

AND the said Grantors will **SPECIALLY WARRANT AND FOREVER DEFEND** the property hereby conveyed.

IN WITNESS WHEREOF, said Grantors have hereunto set their hand and seal, the day and year first above written.

SEALED AND DELIVERED IN THE PRESENCE OF:

John L. Ferguson
John L. Ferguson

X Eunice M. Ferguson
Eunice M. Ferguson

CERTIFICATE OF RESIDENCE

I hereby certify that the precise residence of the Grantees herein is as follows:

114 Box 240
Philipsburg, PA 16866

David R. Thompson
Attorney for Grantees

COMMONWEALTH OF PENNSYLVANIA

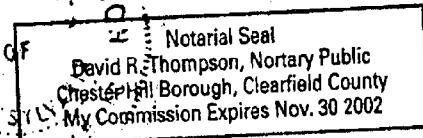
SS:

COUNTY OF *Clearfield*

On this, the 26 day of April, 1999, before me, a Notary Public, personally appeared **JOHN L. FERGUSON**, an individual, and **EUNICE M. FERGUSON**, an individual, 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 purpose herein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first written above

David R. Thompson
Notary Public



KAREN L. STARK
REGISTER AND RECORDER
CLEARFIELD COUNTY, PA
Pennsylvania

INSTRUMENT NUMBER
199906844

RECORDED ON
APR 30, 1999
2:06:55 PM

RECORDING FEES - \$15.00
RECORDER COUNTY IMPROVEMENT \$1.00
FUND RECORDER \$1.00
IMPROVEMENT FUND \$1.00
STATE MWT TAX \$0.50
TOTAL \$17.50

D. Thompson

[Space Above This Line For Recording Data]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on April 26, 1999. The mortgagor is EUNICE M. FERGUSON, AN INDIVIDUAL.

COUNTY NATIONAL BANK, Clearfield, Pennsylvania, which is organized and existing under the laws of the Commonwealth of Pennsylvania and whose address is Corner of Second and Market Streets, P.O. Box 42, Clearfield, Pennsylvania 16830 ("Lender"). Borrower owes Lender the principal sum of SIXTY THOUSAND DOLLARS AND NO/ 00.00 Dollars (U.S. \$ 60,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on May 1, 2029. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Morris Township, Clearfield County, Pennsylvania:

SEE EXHIBIT "A"

which has the address of RR 2 Box 59, Philipsburg, [Street] [City]

Pennsylvania 16866 ("Property Address");
[Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 *et seq.* ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require

PENNSYLVANIA—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3039 (9/90) (page 1 of 4 pages)

EXHIBIT

I

1000s

EXHIBIT "A"

ALL those certain pieces or parcels of land situate in Morris Township, Clearfield County, Pennsylvania, bounded and described as follows:

THE FIRST THEREOF:

BEGINNING at a post corner on the western side of highway route No. 53 and land of Mike Rusnak; thence, in a northwesterly direction along land of Mike Rusnak three hundred and eighty-seven (387) feet to line of the Philipsburg Coal and Land Company, also known as the Bloomington Mining Company; thence, in a westerly direction a distance of one hundred and nine (109) feet to a post corner and other lands of John Rusnak; thence, in a southeasterly direction along line of John Rusnak a distance of four hundred and fifty-one feet and eight inches, (451.8) to western line of route 53; thence, easterly along route 53 a distance of ninety (90) feet and place of beginning. Containing 37,732.5 square feet. Assessment Map No. 124-Q11-46.2.

THE SECOND THEREOF:

BEGINNING at a post corner on the Western side of the State Highway leading from Philipsburg to Morrisdale; said post being on the Northeastern corner of the lands of William Westwood; thence, North eighty-four (84°) degrees thirty-seven (37) minutes West a distance of 387 feet to a post on the division line between the lands of the Philipsburg Coal and Land Company the Bloomington Mining Company; thence, along said division line forty-two (42°) degrees North forty-seven (47') minutes West a distance of twelve (12) feet to a post corner of the line of land of John Rusnak; thence, along line of land of John Rusnak South eighty-four (84°) degrees thirty-seven (37') minutes East a distance of 381 feet to the Western line of the Said state highway; thence, along the Western side of said highway South seven (7°) degrees fifty (50) minutes East a distance of 10 feet and place of beginning. Assessment Map No. 124-Q11-46.1.

THE THIRD THEREOF:

BEGINNING at an iron pin on the western side of State Highway Route No. 53, leading from Philipsburg to Morrisdale, which pin is the southeastern corner of parcel heretofore conveyed to Paul Krupa; thence, along the parcel conveyed to Paul Krupa North eighty-four (84) degrees thirty-seven (37) minutes West a distance of three hundred twelve (312) feet to an iron pin on the division line between lands of the Philipsburg Coal and Land Company and the Bloomington Mining Company; thence, along said division line South forty-two (42) degrees forty-seven minutes West a distance of one hundred nineteen (119) feet four (4) inches to an iron pin at the corner of parcel heretofore conveyed to John Rusnak; thence, along parcel of John Rusnak South eighty-four (84) degrees thirty-seven (37) minutes East three hundred eighty-one (381) feet to an iron pin at corner of the John Rusnak land and the parcel now conveyed, on the western side of said Highway No. 53; thence, along the western side of Route No. 53 North seven (7) degrees fifty (50) minutes East a distance of one hundred (100) feet to an iron pin and the place of beginning. Containing, according to the Mapping records in the County assessment office, 3/4 of an acre and having no buildings thereon. Assessment Map No. 124-Q11-47.

BEING the same premises conveyed to the borrower herein, not yet recorded, but intended so to be.

Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case, Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage

insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

Form 3039 (9/90) (page 3 of 4 pages)

• **20. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). Lender shall notify Borrower of, among other things: (a) the default; (b) the action required to cure the default; (c) when the default must be cured; and (d) that failure to cure the default as specified may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. Lender shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured as specified, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, attorneys' fees and costs of title evidence to the extent permitted by applicable law.

22. Release. Upon payment of all sums secured by this Security Instrument, this Security Instrument and the estate conveyed shall terminate and become void. After such occurrence, Lender shall discharge and satisfy this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

23. Waivers. Borrower, to the extent permitted by applicable law, waives and releases any error or defects in proceedings to enforce this Security Instrument, and hereby waives the benefit of any present or future laws providing for stay of execution, extension of time, exemption from attachment, levy and sale, and homestead exemption.

24. Reinstatement Period. Borrower's time to reinstate provided in paragraph 18 shall extend to one hour prior to the commencement of bidding at a sheriff's sale or other sale pursuant to this Security Instrument.

25. Purchase Money Mortgage. If any of the debt secured by this Security Instrument is lent to Borrower to acquire title to the Property, this Security Instrument shall be a purchase money mortgage.

26. Interest Rate After Judgment. Borrower agrees that the interest rate payable after a judgment is entered on the Note or in an action of mortgage foreclosure shall be the rate payable from time to time under the Note.

27. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- Adjustable Rate Rider
- Condominium Rider
- 1-4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Biweekly Payment Rider
- Balloon Rider
- Rate Improvement Rider
- Second Home Rider
- Other(s) [specify] _____

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

esses:  +  (Seal)
Eunice M. Ferguson — Borrower

..... (Seal)
—Borrower

—Borrower

_____ [Space Below This Line For Acknowledgment]

COMMONWEALTH OF PENNSYLVANIA, April 1999, before me, a notary public County ss:
On this, the 26 day of April, 1999, before me, a notary public County ss:
I, the undersigned, personally appeared Eunice M. Ferguson, an individual, known to me (or satisfactorily proven) to be the person(s) whose name(s) is/are Eunice M. Ferguson, subscribed to the within instrument and acknowledged that she executed the same for the purposes herein contained.

IN WITNESS WHEREOF, I, David R. Thompson, Notary Public
My Commission Expires: Nov. 30 2002 do set my hand and official seal.

John L. Thompson

I hereby certify that the precise address of the within Mortgagor (Lender) is
COUNTY NATIONAL BANK
PO Box 746
East Presqueisle Street
Philipsburg, PA 16866

Table 6 (cont.)

Form 3039 (9/90) (page 4 of 4 pages)

FILED

Settled
MAY 09 2001
Served on 5/1/32/01 at 1:32 p.m.
William A. Shaw
Prothonotary
Pd \$80.00

1cc Sheriff

In The Court of Common Pleas of Clearfield County, Pennsylvania

Sheriff Docket # 10990

FERGUSON, JOHN L.G.

01-676-CD

VS.

FERGUSON, EUNICE

COMPLAINT

SHERIFF RETURNS

**NOW MAY 14, 2001 AT 2:05 PM DST SERVED THE WITHIN COMPLAINT ON
EUNICE FERGUSON, DEFENDANT AT SHERIFF'S OFFICE, MARKET STREET,
CLEARFIELD, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO EUNICE
FERGUSON A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT AND
MADE KNOWN TO HER THE CONTENTS THEREOF.**

SERVED BY: SHULTZ

Return Costs

Cost	Description
------	-------------

27.66	SHFF. HAWKINS PAID BY: ATTY.
-------	------------------------------

10.00	SURCHARGE PAID BY: ATTY.
-------	--------------------------

FILED

MAY 18 2001

12:30 pm

William A. Shaw

Prothonotary

Sworn to Before Me This

18th Day Of May 2001

WILLIAM A. SHAW

Prothonotary

My Commission Expires

1st Monday in Jan. 2002

Clearfield Co. Clearfield, PA.

So Answers,

Chester A. Hawkins

by Marilyn Harr

Chester A. Hawkins

Sheriff

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JOHN L. G. FERGUSON,

Plaintiff

vs.

EUNICE FERGUSON,

Defendant

CIVIL ACTION

No. 01 - 676 - CD

ANSWER AND NEW MATTER

Filed on behalf of:

Defendant, EUNICE (FERGUSON)
ENCISO

Counsel of Record for
Said Party:

JOSEPH COLAVECCHI, ESQUIRE
PA I.D. 06810

COLAVECCHI RYAN & COLAVECCHI
221 East Market Street
P.O. Box 131
Clearfield, PA 16830

814/765-5166

LAW OFFICES OF
COLAVECCHI
RYAN & COLAVECCHI
221 E. MARKET ST.
(ACROSS FROM
COURTHOUSE)
P. O. BOX 131
CLEARFIELD, PA

FILED

JUN 14 2001

William A. Shaw
Prothonotary

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

JOHN L. G. FERGUSON, :
Plaintiff :
:
vs. : No. 01 - 676 - CD
:
EUNICE FERGUSON, :
Defendant :
:

N O T I C E

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 New Matter 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 New Matter 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, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

COURT ADMINISTRATOR
CLEARFIELD COUNTY COURTHOUSE
Second and Market Streets
Clearfield, PA 16830

Phone 814/765-2641 Ex. 5982

LAW OFFICES OF
COLAVECCHI
RYAN & COLAVECCHI
221 E. MARKET ST.
(ACROSS FROM
COURTHOUSE)
P. O. BOX 131
CLEARFIELD, PA

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

JOHN L. G. FERGUSON, :
Plaintiff :
:
vs. : No. 01 - 676 - CD
:
EUNICE FERGUSON, :
Defendant :
:

ANSWER AND NEW MATTER

NOW COMES, Eunice Ferguson, now known as Eunice Enciso, who, through her Attorney, Joseph Colavecchi, Esquire, files her Answer to the Complaint and respectfully avers as follows:

1. Admitted.

2. Denied. Defendant is Eunice Enciso, formerly Eunice Ferguson, an adult individual whose mailing address is R.R. 4, Box 240, Philipsburg, Pennsylvania, 16866.

3. Admitted.

4. Admitted.

5. Admitted.

6. Admitted.

7. Admitted.

8. Admitted.

9. Admitted.

10. Admitted.

11. This does not require an answer.

12. Denied. The Marriage Settlement Agreement speaks for itself.

13. Denied. The Marriage Settlement Agreement speaks for itself.

14. Denied. The Marriage Settlement Agreement speaks for itself.

15. Denied. On the contrary, Defendant did not promise to make payments on the second mortgage that Plaintiff has with Mid-State Bank & Trust Company. Defendant did try to make the payments on the mortgage with Mid-State Bank & Trust Company. She had stated to her former husband that she would try to make the payments if she was able to do so within her financial means. This promise was a condition precedent. Defendant even tried to borrow money to make the payments and found she was unable to continue to do so.

16. Admitted that Plaintiff conveyed the real estate in Morris Township to Defendant.

17. Admitted.

18. It is denied that Defendant was required to make the payments on the mortgage to Mid-State Bank. Defendant told her former husband that she would do the best she could to make the payments if she was financially able to do so. This was a condition precedent to making said payments.

19. Admitted.

20. It is admitted that Defendant told Plaintiff that she could no longer make the mortgage payments because of her financial position. This was in accordance with their oral agreement since she had only conditionally promised to make the payments, if she was able to do so.

21. It is denied that Defendant is required to continue to make payments to Mid-State Bank & Trust Company. She is financially unable to do so. This was part of the oral agreement.

22. Denied. This information is solely in the possession of Plaintiff and strict proof is demanded at the trial of this case.

23. It is denied that Defendant was obligated to make the payments to Mid-State Bank & Trust Company for the reasons as set forth above.

WHEREFORE, Defendant asks that the Complaint of Plaintiff be dismissed and that judgment be entered in favor of Defendant, together with interest and costs.

NEW MATTER

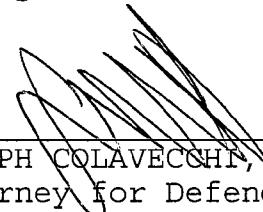
Eunice Enciso, Defendant in the above-captioned case files her New Matter to the above Complaint and respectfully avers as follows:

LAW OFFICES OF
COLAVECCHI
RYAN & COLAVECCHI
221 E. MARKET ST.
(ACROSS FROM
COURTHOUSE)
P. O. BOX 131
CLEARFIELD, PA

24. The oral agreement alleged in the above Complaint is unenforceable due to the Statute of Frauds.

25. The oral agreement is further unenforceable due to the failure of the parties to have a meeting of the minds.

26. The oral agreement is unenforceable because of lack of consideration. The property was going to be lost through a Sheriff's Sale and both parties would have been liable to pay any deficiency balance from the first mortgage.


JOSEPH COLAVECCHI, ESQUIRE
Attorney for Defendant

LAW OFFICES OF
COLAVECCHI
RYAN & COLAVECCHI
221 E. MARKET ST.
(ACROSS FROM
COURTHOUSE)
P.O. BOX 131
CLEARFIELD, PA

VERIFICATION

I verify that the statements made in this Answer are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S. 4904, relating to unsworn falsification to authorities.

Eunice M. Enciso
EUNICE ENCISO

—Lap over margin—

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION
No. 01 - 676 - CD

JOHN L. G. FERGUSON,
Plaintiff

vs.

EUNICE FERGUSON,
Defendant

ANSWER AND NEW MATTER

NOTICE TO PLAINTIFF:

YOU are hereby notified
that you are required to file
an Answer to the within New
Matter within twenty (20) days
after service upon you or
judgment may be entered against
you.

Joseph Colavecchi
JOSEPH COLAVECCHI, ESQUIRE
Attorney for Defendant

COLAVECCHI
RYAN & COLAVECCHI

ATTORNEYS AT LAW
221 EAST MARKET STREET
(ACROSS FROM COURTHOUSE)
P. O. BOX 131
CLEARFIELD, PA 16830

John Colavecchi
01/25/86 2cc
Atty
Colavecchi

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

JOHN L. G. FERGUSON :
Plaintiff

vs. : No. 01-676-CD

EUNICE FERGUSON :
Defendant :
: Document filed: Answer
: to New Matter
: Filed on behalf of: Plaintiff
: Attorney for this Party:
: John R. Carfley, Esq.
: P. O. Box 249
: Philipsburg, Pa., 16866
: (814) 342-5581
: ID# 17621

FILED

JUL 20 2001

William A. Shaw
Prothonotary

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

JOHN L. G. FERGUSON
Plaintiff

vs. : No. 01-676-CD

EUNICE FERGUSON
Defendant

PLAINTIFF'S ANSWER TO DEFENDANT'S NEW MATTER

AND NOW comes the plaintiff, John L. G. Ferguson, who by and through his attorney, John R. Carfley, Esquire, responds to Defendant's New Matter in the following manner:

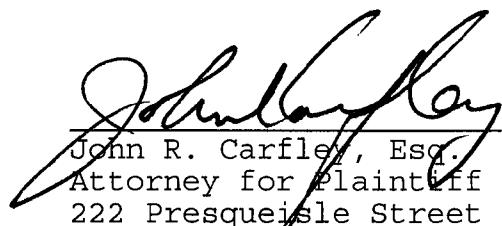
24. It is specifically denied that the oral agreement alleged in the above complaint is unenforceable due to the Statute of Frauds and insofar as relevant, proof that the statute of frauds applies to the circumstances and facts of this case is demanded at time of trial.

25. It is specifically denied that there was no meeting of the minds between the parties and therefore the agreement is unenforceable. By way of further answer it is averred that there was an offer acceptance and exchange of consideration which are the classic example for the formation of the contract with each of the parties receiving consideration based on the dissolution of the marriage and the exchange of marital property.

26. It is specifically denied that the oral agreement is unenforceable because of lack of consideration. Insofar as relevant proof of the averment set forth in Paragraph 26 of Defendant's New Matter particularly with respect to the averments

pertaining to the Sheriff's Sale and the deficiency balance of the first mortgage are demanded at time of trial.

WHEREFORE, Plaintiff requests this Honorable Court to enter judgment in favor of the plaintiff and against Defendant consistent with the prayer of plaintiff's complaint the specific provisions of which are incorporated herein by reference as fully as though set forth at length.



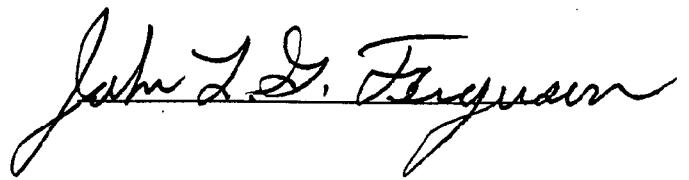
John R. Carfley, Esq.
Attorney for Plaintiff
222 Presqueisle Street
Philipsburg, Pa., 16866
(814) 342-5581
Pa. ID# 17621

Dated: July 19, 2001

VERIFICATION

I hereby verify that the statements made in this instrument are true and correct. I understand that false statements herein are made subject to the penalties of 18 Pa. C.S. §4904 relating to unsworn falsification to authorities.

Dated: July 18, 2001

A handwritten signature in black ink, appearing to read "John L. S. Ferguson". The signature is fluid and cursive, with "John" and "L. S." on the first line and "Ferguson" on the second line.

FILED

JUL 20 2001
M. A. Shaw
William A. Shaw
Prothonotary
K26

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION - LAW

JOHN L. G. FERGUSON
Plaintiff

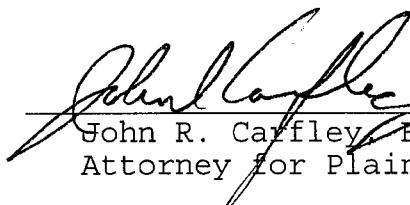
vs. : No. 01-676-CD

EUNICE FERGUSON
Defendant

CERTIFICATE OF SERVICE

I do certify that I made service of Plaintiff's Answer to Defendant's New Matter in the above captioned matter by regular United States Mail, postage prepaid, upon the following counsel of record this 19th day of July, 2001:

Joseph Colavecchi, Esq.
P. O. Box 131
Clearfield, Pa., 16830


John R. Carfley, Esq.
Attorney for Plaintiff

FILED

JUL 20 2001
11:20pm Incc
William A. Shaw
Prothonotary


COURT OF COMMON PLEAS OF CLEARFIELD COUNTY
CIVIL TRIAL LISTING

CERTIFICATE OF READINESS

TO THE PROTHONOTARY:

DATE: 10/18/01

CASE NUMBER	TYPE	TRIAL REQUESTED	ESTIMATED TRIAL TIME
No. 01-676-CD	() Jury (x) Non-Jury		
	() Arbitration		1 Days
Date Complaint Filed: <u>5/9/01</u>		Amended Complaint Filed	

PLAINTIFF

John L. G. Ferguson ()

DEFENDANT

Eunice Ferguson ()

Check Block if
a Minor is a
Party to the
Case.

ADDITIONAL DEFENDANTS

None

()

NON-JURY DEMAND FILED BY:

DATE JURY DEMAND FILED:

John R. Carfley, Esq.
Attorney for Plaintiff

AMOUNT AT ISSUE	CONSOLIDATION	DATE CONSOLIDATION ORDERED
more than \$10,000		
\$ 10,000.00	() yes (x) no	

PLEASE PLACE THE ABOVE CAPTIONED CASE ON THE TRIAL LIST:

I certify that all discovery in the case has been completed; all necessary parties and witnesses are available; serious settlement negotiations have been conducted; the case is ready in all respects for trial, and a copy of this certificate has been served upon all counsel of record and upon all parties of record who are not represented by counsel.

FOR THE PLAINTIFF:
John R. Carfley

TELEPHONE NUMBER
(814) 342-5581

FOR THE DEFENDANT
Joseph Colavecchi, Esq.

TELEPHONE NUMBER
(814) 765-1566

FILED

DEC 05 2001

William A. Shaw
Prothonotary

FILED

DEC 05 2001

11:15 AM
William A. Shaw
Prothonotary

COPY TO C/A

E
KCB

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL ACTION

JOHN L. G. FERGUSON :

-vs- : No. 01 - 676 - CD

EUNICE FERGUSON :

PRE-TRIAL ORDER

NOW, this 9th day of January, 2002, following pre-trial conference in the above-captioned matter, it is the ORDER of this Court that trial without a jury shall be held commencing Thursday, April 4, 2002, at 9:00 a.m.

By the Court,

President Judge

FILED

JAN 09 2002

013101 wsg

William A. Shaw
Prothonotary

CRIM TO CARPENTER
&

COLAIANNI

1/5/02
2cc atty Colavecchi

9/28/02

FILED
JAN 09 2002
William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL ACTION

JOHN L. G. FERGUSON

-vs-

: No. 01 - 676 - CD

EUNICE FERGUSON

PRE-TRIAL ORDER

NOW, this 9th day of January, 2002, following pre-trial conference in the above-captioned matter, it is the ORDER of this Court that trial without a jury shall be held commencing Thursday, April 4, 2002, at 9:00 a.m.

By the Court,

/s/ JOHN K. REILLY, JR.

President Judge

I hereby certify this to be a true and attested copy of the original statement filed in this case.

JAN 09 2002

Attest.

William A. Shaw
Prothonotary/
Clerk of Courts

FILED

JAN 14 2002

1/14/02 1:16 p.m.

William A. Shaw

Prothonotary

no cc

EJS

returned

WITTLIN & LANNUCCI, P.C.

ATTORNEYS AT LAW

950 GREENTREE ROAD • SUITE 301
PITTSBURGH, PENNSYLVANIA 15220

11

11

4490 U.S. POSTAGE
9260 \$ 00 .340 JAN 11 2002
PITTSBURGH, PENNSYLVANIA
15220

Clearfield County Courthouse
Prothonotary Office
230 E. Market Street
Clearfield, PA 16830

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

JOHN L.G. FERGUSON

:

VS

: NO. 01-676-CD

EUNICE FERGUSON

:

O R D E R

NOW, this 4th day of April, 2002, following nonjury trial in the above-captioned matter, it is the Order of this Court that Defendant have no more than Thirty (30) Days from date hereof in which to supply the Court with appropriate brief. Plaintiff shall have no more than Fourteen (14) Days thereafter in which to respond in kind.

BY THE COURT,

President Judge

FILED
APR 04 2002

William A. Shaw
Prothonotary

FILED

APR 04 2002

013:48 p.m.

William A. Shaw
Prothonotary

2 cc to Atty Cartley

2 cc to Atty Colaianni

et

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

JOHN L. G. FERGUSON

:

-vs-

:

No. 01-676-CD

EUNICE FERGUSON

:

FILED

JUN 27 2002

OPINION AND ORDER

William A. Shaw
Prothonotary

Plaintiff and Defendant above-named were divorced by decree dated February 16, 1999. Prior thereto, while they were husband and wife, they acquired real estate in Morris Township, Clearfield County, by deed dated July 28, 1997, identified as Exhibit 2 at hearing. The consideration paid for the property was \$75,000. To pay that sum, the parties entered into two mortgages; one with County National Bank in Clearfield in the amount of \$60,000 secured by the premises conveyed to the parties as set forth above and the second in the amount of \$17,500 was held by Mid State Bank and Trust Company and secured by premises owned by Plaintiff above-named in his own right, which he acquired prior to the marriage. Defendant above-named executed the bond securing that second mortgage which was for the purpose of the down payment for purchase of the marital property.

A marriage settlement agreement was entered into between the parties above-named dated January 25, 1999, under the terms of which the subject premises were to be listed for sale and all debts associated with the property to be paid. The premises, however, remained unsold and on April 26, 1999, Plaintiff and Defendant conveyed the premises to Defendant in her own name. Prior to the transfer, Plaintiff alleges that Defendant orally agreed to pay both mortgages in full. Defendant counters claiming that she agreed to pay the \$60,000 mortgage and make payments on the \$17,500 mortgage for as long as she was able. She has since failed to make the payments on this \$17,500 mortgage and Plaintiff now seeks to recover the

payments that he has made since March, 2001, together with the remainder of the principle and interest.

Hearing in this matter was held April 4, 2002, and this Court finds as a fact that the subject premises were conveyed to the Defendant upon condition that she pay both mortgages in full. Clearly, the property was worth at least \$75,000 as that is what the parties, while married, paid for it. There is nothing other than Defendant's testimony to indicate Plaintiff was willing to accept anything less than market value.

Defendant alleges that the Statute of Frauds under these circumstances requires a written memorization of the agreement and that any alleged oral contract is unenforceable. This Court disagrees. While the Statute of Frauds in 33 P.S. §3 states as follows:

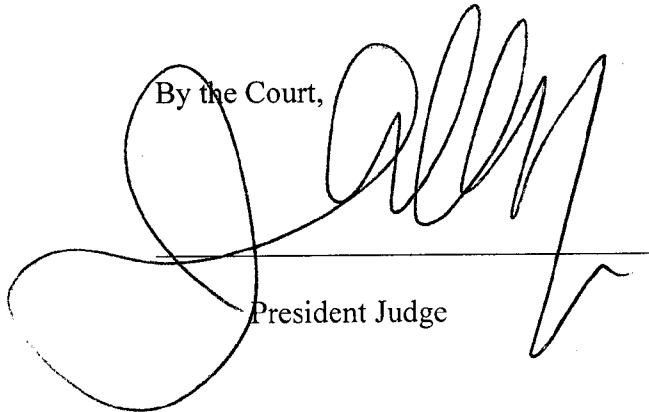
No action shall be brought whereby to charge any executor or administrator, upon any promise to answer damages out of his own estate, or whereby to charge the defendant, upon any special promise, to answer for the debt or default of another, unless the agreement upon which such action shall be brought, or some memorandum or note thereof, shall be in writing, and signed by the party to be charged therewith, or some person by him authorized.

here the purpose is not to pay the debt of another, but to acquire a benefit to the Defendant, ie, the removal of a lien in which she co-signed the accompanying note. Further, to find that no contract existed with regards to the payment of the \$17,500 mortgage by the Defendant would be inequitable and unjust. Moreover, Defendant has made partial performance thereof by making payments on this mortgage. To sustain Defendant's position would be to permit her to terminate her payments at any time even after having made only one payment and avoid further liability simply by stating that she was no longer able to make the payments. By signing the note accompanying this mortgage, the debt she seeks to avoid is not that of another, but rather a joint debt.

In this matter, Defendant has acquired real estate valued at \$75,000 and is attempting to assume a mortgage on the premises in the amount of only \$60,000. To permit her to avoid payment of the remaining \$17,500 would unjustly enrich her in that amount or at least the balance due upon her failure to make further payments. In light of this, the Court must find in favor of the Plaintiff and against the Defendant and enter the following:

ORDER

NOW, this 27th day of June, 2002, in accordance with the foregoing Opinion, it is the ORDER of this Court that judgment shall be and is hereby entered in favor of the Plaintiff and against the Defendant in an amount equal to the payments made by Plaintiff on the \$17,500 mortgage to Mid State Bank & Trust Company, plus the remainder of the principle owed on said mortgage.

By the Court,

President Judge

FILED

JUN 27 2002

William A. Shaw
Prothonotary

sent to Carley
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RS ~~P~~
COLAVELLI
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MURKIN

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

JOHN L. G. FERGUSON
Plaintiff

vs. : No. 01-676-CD

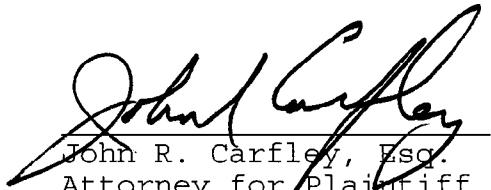
EUNICE FERGUSON
Defendant

PRAECIPE

TO THE PROTHONOTARY:

PLEASE REDUCE THE COURT'S ORDER OF JUNE 27, 2002, TO JUDGMENT.

No post trial motions were filed within ten days as required by
Rule 227.1 of the Pennsylvania Rules of Civil Procedure.


John R. Carfley, Esq.
Attorney for Plaintiff
222 Presqueisle Street
Philipsburg, Pa., 16866
(814) 342-5581
Pa. ID# 17621

Dated: July 12, 2002

FILED

JUL 17 2002

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William A. Shaw
Prothonotary

No Court copies

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FILED

JUL 17 2002

William A. Shaw
Prothonotary

WILLIAM A. SHAW
PROTHONOTARY

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JOHN L.G. FERGUSON

CIVIL ACTION

Plaintiff

No. 01 - 676 - CD

vs.

EUNICE M. ENCISO

PRAECIPE TO ENTER SETTLEMENT
AGREEMENT

Defendant

Filed on behalf of:

Defendant, EUNICE M. ENCISO

Counsel of Record for this
Party:

JOSEPH COLAVECCHI, ESQUIRE
PA I.D. 06810

COLAVECCHI & COLAVECCHI
221 East Market Street
P.O. Box 131
Clearfield, PA 16830

814/765-1566

LAW OFFICES OF
COLAVECCHI
& COLAVECCHI
221 E. MARKET ST.
(ACROSS FROM
COURTHOUSE)
P. O. BOX 131
CLEARFIELD, PA

FILED

JUN 28 2004

William A. Shaw
Prothonotary/Clerk of Courts

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

JOHN L.G. FERGUSON :
Plaintiff :
: No. 01 - 676 - CD
vs. :
: EUNICE M. ENCISO, :
Defendant :

PRAECIPE TO ENTER SETTLEMENT AGREEMENT

TO: WILLIAM SHAW, PROTHONOTARY

Please enter of record the attached Settlement Agreement concerning the above-captioned matter and in connection with the Order of Court dated June 27, 2002.

Respectfully submitted:



JOSEPH COLAVECCHI, ESQUIRE
Attorney for Eunice M. Enciso
221 East Market Street
Clearfield, PA 16830
(814) 765-1566

Dated: June 24, 2004

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

JOHN L.G. FERGUSON

Plaintiff

vs.

EUNICE FERGUSON

Defendant

CIVIL DIVISION

No. 01 - 676 - CD

SETTLEMENT AGREEMENT CONCERNING
AMOUNT DIRECTED TO BE PAID BY
ORDER DATED JUNE 27, 2002 BY
EUNICE FERGUSON

Filed on Behalf of:

Plaintiff, EUNICE FERGUSON

Counsel of Record for This
Party:

JOSEPH COLAVECCHI, ESQUIRE
Pa. I.D. #06810

COLAVECCHI & COLAVECCHI
221 East Market Street
P.O. Box 131
Clearfield, PA 16830

814/765-1566

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

JOHN L.G. FERGUSON, :
Plaintiff :
:
vs. : No. 01 - 676 -CD
:
EUNICE FERGUSON, :
Defendant :

**SETTLEMENT AGREEMENT
CONCERNING AMOUNT DIRECTED TO BE PAID
BY ORDER DATED JUNE 27, 2002 BY EUNICE FERGUSON**

WHEREAS, John L.G. Ferguson, Plaintiff in the above-captioned case is represented by Earle D. Lees, Jr., Esquire and Eunice Ferguson, Defendant in the above-captioned case, is represented by Joseph Colavecchi, Esquire; and

WHEREAS, an Opinion and Order dated June 27, 2002 was issued by the Court directing Eunice Ferguson to pay the balance owed on a mortgage in the name of John L.G. Ferguson; and

WHEREAS, payment has been made by Eunice Ferguson through her Attorney, Joseph Colavecchi, Esquire, to Earle D. Lees, Jr., Esquire, Attorney for John L.G. Ferguson, to settle this matter and has been accepted by John L.G. Ferguson through his Attorney, Earle

D. Less, Jr. as payment in full. A copy of the letter from Earle D. Lees, Jr., Esquire dated June 10, 2004 is attached hereto as Exhibit "A" and a copy of the check in the amount of Fifteen Thousand Three Hundred Seventy-two Dollars and Sixty-four Cents (\$15,372.64) is attached hereto marked Exhibit "B".

The purpose of this Settlement Agreement is to place it of record so that it is clear there is nothing further owed by Eunice Ferguson under the original Opinion and Order dated June 27, 2002.

Joseph Colavecchi, Esquire, as Attorney for Eunice Ferguson, is signing this Settlement Agreement and Earle D. Lees, Jr., Esquire, as Attorney for John L.G. Ferguson, is signing this Settlement Agreement and stating that they have full authority to execute it on behalf of their clients, and that the purpose is so that the record will be clear that nothing further is owed from Eunice Ferguson to or on behalf of John L.G. Ferguson.

This Settlement Agreement is entered into this 17 day of June, 2004.


JOSEPH COLAVECCHI, ESQUIRE
Attorney for Eunice Ferguson


EARLE D. LEES, JR., ESQUIRE
Attorney for John L.G. Ferguson

Payee.....: JOHN FERGUSON

Order Number.....: 27-20410489 CLO

Account No.: 350993500544 - NON-ICTA-DISBURSEMENT
Check No.: 545756
Reference No.:
Cut By.: LAH-27
Date.: 6/02/2004
Amount.: \$15,372.64

105. Judgment Payoff to John Ferguson

THE ORIGINAL DOCUMENT HAS A REFLECTIVE WATERMARK ON BACK. HOLD AT AN ANGLE TO VIEW. SEE REVERSE SIDE FOR MORE SAFETY FEATURES.



File: 27-20410489 CLO
Reissue Seq: 2623133

KEYBANK NATIONAL ASSOCIATION
CLEVELAND, OH 44114
56-704-412

NUMBER

545756

PAY THIS AMOUNT

DATE

Void after 6 months

AMOUNT OF CHECK

5**15372-64

2 SIGNATURES REQUIRED

THE MULTI-TONE BACKGROUND OF THIS DOCUMENT GRADUALLY AND EVENLY CHANGES FROM BLUE TO GREY TO BLUE WITH PAGE NUMBER.

• 545256 • 6041203060 • 350993500511 •

**DEFENDANT'S
EXHIBIT**

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FAX COVER SHEETDATE: 5/26/04FAX NO. 866-725-9768FROM: John FergusonTO: Angie-Old Republic Title Ins. Co.

RE: _____

MESSAGE: Pursuant to our telephone conversation of this date, please be advised that the sum owed me by Eunice is \$15,372.64. This figure is good through June 24, 2004, after which interest will accrue.

TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 1

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CONFIDENTIALITY NOTE: The information contained in this facsimile message is confidential and intended only for the personal use of the person named above as addressee. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination or copying of this communication is strictly prohibited. It may be a violation of the confidentiality sections of the U.S. Internal Revenue Code of state statutes, and could subject you to legal action. If you have received this communication in error, please notify us by telephone (collect) at the number above and return the original message to us at the address above. Thank you.

Law Offices of
Earle D. Lees, Jr., Esq.

814 375-9310 phone
814 375-9525 fax

109 N. Brady St.
P.O. Box 685
DuBois, PA 15801

June 10, 2004

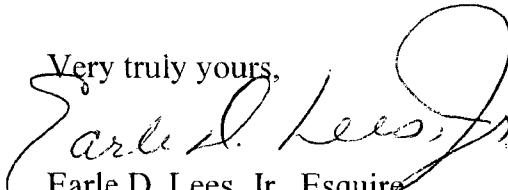
Joseph Colavecchi, Esquire
221 East Market Street
P.O. Box 131
Clearfield, PA 16830

RE: Ferguson vs. Enciso

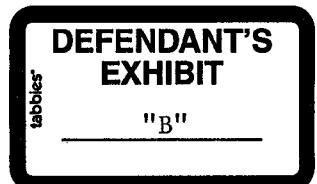
Dear Joe:

I am in receipt of the check in the amount of \$15,372.64, representing payment in full to Mr. John Ferguson by Ms. Eunice Enciso. However, in that the bankruptcy case is closed, I'm not sure what would be filed in Federal Court to acknowledge settling, discontinuing and ending this matter. If you should have a form which you've used in the past, I'd appreciate your forwarding it to this office otherwise, I'm unaware of what to file to accomplish marking the record accordingly.

Thanks.

Very truly yours,

Earle D. Lees, Jr., Esquire

EDL/smm



Leave over margin

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL ACTION
No. 01-676-GD

JOHN L.G. FERGUSON
Plaintiff

vs.

EUNICE M. ENCISO,
Defendant

PRAECIPE TO ENTER SETTLEMENT
AGREEMENT

FILED
MAY 14 2004
cc
JUN 28 2004

William A. Shaw
Prothonotary/Clerk of Courts

COLAVECCHI
RYAN & COLAVECCHI

ATTORNEYS AT LAW
221 EAST MARKET STREET
(ACROSS FROM COURTHOUSE)
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