

U1-1420-uu  
JEROME C. WOODS -vs- JOHN R. WALDOCK et al

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

JEROME C. WOODS,  
Plaintiff

vs.

No. 01-1420-CO

JOHN R. WALNOCK and  
LISA L. WALNOCK, husband  
and wife,  
Defendants

Type of Pleading  
COMPLAINT

Filed on Behalf of:  
Jerome C. Woods  
Plaintiff

Counsel of Record for  
this Party:

Richard A. Bell, Esquire  
PA I.D. #06808  
BELL, SILBERBLATT &  
WOOD  
318 East Locust Street  
P.O. Box 670  
Clearfield, PA 16830

(814) 765-5537

FILED

AUG 30 2001

William A. Shaw  
Prothonotary

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

JEROME C. WOODS,  
Plaintiff

vs.

No.

JOHN R. WALNOCK and  
LISA L. WALNOCK, husband  
and wife,  
Defendants

NOTICE TO DEFEND

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

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

COURT ADMINISTRATOR  
CLEARFIELD COUNTY COURTHOUSE  
2nd & Market Streets  
Clearfield, Pennsylvania 16830  
Telephone (814) 765-2641 Ex. 50-51

BELL, SILBERBLATT & WOOD  
BY

  
Richard A. Bell, Esquire  
Attorney for Plaintiff

BELL, SILBERBLATT & WOOD  
318 East Locust Street  
P.O. Box 670  
Clearfield, Pennsylvania 16830

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

JEROME C. WOODS,  
Plaintiff

vs.

No.

JOHN R. WALNOCK and  
LISA L. WALNOCK, husband  
and wife,  
Defendants

COMPLAINT

NOW COMES the Plaintiff Jerome C. Woods, by his attorney Richard A. Bell, of Bell, Silberblatt & Wood and makes claim of the Defendants upon the following Complaint:

1. The Plaintiff is Jerome C. Woods, of P.O. Box 141, Curwensville, Clearfield County, Pennsylvania 16833.
2. The Plaintiff is an adult individual.
3. The Defendants are John R. Walnock and Lisa L. Walnock, husband and wife, of R.D.#2, Box 61B, Curwensville, Clearfield County, Pennsylvania, 16833.
4. The Defendants are adult individuals.
5. By Agreement dated March 16, 2001, the Plaintiff agreed to purchase from

the Defendants a property situated in Curwensville Borough, Clearfield County, Pennsylvania identified by tax map numbers 6.2-19-296-00025. A copy of the said Agreement is marked Exhibit "A" and attached hereto and made a part hereof.

6. The purchase price for the said property was Fifty-Four Thousand (\$54,000.00) Dollars.

7. At the time of the execution of the Agreement, the Plaintiff paid Twenty-Seven Thousand (\$27,000.00) Dollars to the Defendants as a down payment on the property.

8. The Agreement contained certain opt-out provisions for Buyers as follows:

(A). Paragraph two of the Agreement provided that the Buyer could obtain inspection of the premises by a building contractor, and if that inspection indicated any structural problems, the Sellers must correct said problems, or the Buyer would have the option of canceling the Agreement, and obtaining a full return of the deposit.

(B). Paragraph three provided that there could be a walk through inspection of the premises no later than twenty-four

(24) hours prior to closing, and if the walk through indicated any substantial problems, the Sellers may correct said problems, or the Buyer would have the option of canceling the agreement and obtaining a full refund of the deposit.

9. After the execution of the said Agreement the Buyer obtained the services of a building contractor who inspected the premises, and reported that there were the following structural problems.

(A). The basement excavation below wall depth needed a poured retaining wall to support the foundation and the balance of the basement area needed to be excavated to the same level to make the curb continuous for strength.

(B). The stone walls need to be relaid around the furnace room entrance before they collapse.

(C). The exterior wall under the kitchen bay window is plywood which needs excavated and a block foundation beneath.

(D). The roof over the back bathroom and inside porch

leaks due to excessive shingle layers. The shingles need to be removed and reroofed, possibly needing new plywood.

(E). Support posts to the basement steps leading to the exterior of the house are rotted and retaining walls on both sides of the steps are caving in and need replaced.

(F). The wooden support posts and skirting for rear deck are in direct contact with soil and need to be addressed with concrete block.

(G). The main support beam in the basement has dry rot.

(H). The entry way between the living room and kitchen is out of square.

10. The contractor also found the following problems existing.

(A). Wood debris in the basement needs to be moved to prevent infestation.

(B). The rigid foam installation which the structure

apparently has needs to be removed.

(C). The frost wire needs to be secured to the roof.

(D). The duct work needs to be extended to the new bathroom and laundry room because there is no heat in this room.

11. The report of the contractor was dated April 1<sup>st</sup>, 2001, and on April 7<sup>th</sup>, 2001 the Plaintiff informed the Defendants of the structural defects which needed correcting requesting that the same be done within ten (10) days.

12. The structural defects were not corrected, and the Plaintiff then notified the Defendants that he was exercising his rights under the Agreement of canceling the Agreement and receiving back a full refund of Twenty-Seven Thousand (\$27,000.00) Dollars deposit money.

13. The Defendants returned Twenty-Two Thousand (\$22,000.00) Dollars of the Plaintiff's deposit money, but retained Five Thousand (\$5,000.00) Dollars and despite demands, have refused to return the same.

WHEREFORE, the Plaintiff claims of the Defendants the sum of Five Thousand

(\$5,000.00) Dollars with interest from the time of his notification of April 18<sup>th</sup>, 2001  
that he intended to exercise his rights of canceling and receiving back a full refund.

BELL, SILBERBLATT & WOOD  
By



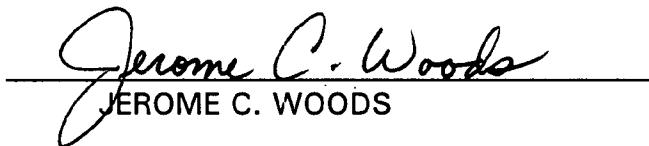
Richard A. Bell, Esquire  
Attorney for Plaintiff

COMMONWEALTH OF PENNSYLVANIA:

:SS

COUNTY OF CLEARFIELD:

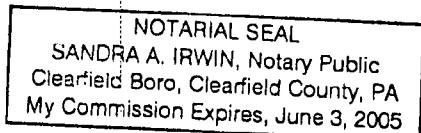
Before me, the undersigned officer, personally appeared, JEROME C. WOODS, who, being duly sworn according to law, deposes and says that the facts set forth in the foregoing COMPLAINT are true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
JEROME C. WOODS

SWORN AND SUBSCRIBED before me,

this 23 day of August, 2001





# THIS AGREEMENT

MADE and Concluded this 16<sup>th</sup> day of March, 2001

WITNESSETH, that JOHN R. Walnock and LISA L. WALNOCK, husband and wife, of RD#2, Box 61B, Curwensville, PA 16833, hereby agree to sell to JEROME C. WOODS and <sup>of P. O. Box 141,</sup> Curwensville, PA 16833, who agree to buy premises situate in Curwensville Borough Clearfield County, PA, bearing Tax Parcel Identification No. 6.2-19-296-00025 for the price or sum of FIFTY-FOUR THOUSAND (\$54,000.00) DOLLARS, free and clear of all liens and incumbrances, excepting existing restrictions and easements, if any, for the price or sum of FIFTY-FOUR THOUSAND (\$54,000.00) DOLLARS

*JRW. J.C.W. S.R.W.*  
TWENTY-SEVEN

The sum of FIFTY-FOUR THOUSAND (\$54,000.00) DOLLARS to be paid as follows: ~~THOUSAND (\$21,000.00) DOLLARS~~, part thereof, at the execution of this agreement and the balance or sum of ~~TWENTY-SEVEN THOUSAND (\$21,000.00) DOLLARS~~ at the time of settlement and delivery of the deed, which shall take place on or before the 31<sup>st</sup> day of May, 2001. ~~or not until the people renting the house have left.~~ *JRW. J.C.W.*

TITLE is to be good and marketable and conveyed by Special Warranty Deed; otherwise the buyers shall be repaid any deposit money paid on account.

Electric fixtures, lighting fixtures, heating and plumbing systems, faucets and plumbing fixtures, dishwasher, carpeting, curtain rods, draperies in the living room and one bedroom, blinds, ceiling fans in the living room, kitchen and one bedroom are included in this sale.

REAL ESTATE TAXES are to be apportioned to date of settlement on a calendar year basis for the county and borough taxes and on a fiscal year basis for school taxes. The parties agree that the TRANSFER TAX imposed shall be split equally and paid one-half by each party. Sellers shall provide a special warranty deed in form satisfactory to buyers at the sole expense of sellers. Buyers shall obtain such title search as they deem necessary and cost for such shall borne by buyers who shall also pay for any necessary recording costs. Sellers shall bear the costs of clearing any title problems which may prevent the title from being good and marketable.

POSSESSION to be delivered on date of closing.

This agreement not to be lodged in any public office for record.

Formal tender of deed and tender of monies is hereby waived.

Buyers acknowledge that they have received a Seller's Property Disclosure Statement, a copy of which is attached to this Agreement, and the pamphlet "Protect Your Family From Lead in Your Home".

## OPT-OUT PROVISIONS FOR BUYERS:

1. Buyers will obtain a termite and/or pest assessment of the premises at their sole expense. If the assessment indicates an active problem or damage from prior activity by termites or damaging pests buyers shall have the option of cancelling this agreement and obtaining a full refund of their deposit. Notice of such cancellation shall be given to sellers not later than 15 days from the date on which notice of active problem or damage is received by buyers. Notice of cancellation will be deemed to have been delivered upon personal service to sellers or mailing of written notice (on the date postmarked) to sellers at the above address by buyers or to such other address as may be provided in writing to buyers before such date.

2. Buyers will obtain an inspection of the premises by a building contractor at their sole expense. If the inspection indicates any structural problems, sellers shall, at their option, correct said problems or buyers shall have the option of cancelling this agreement and obtaining a full refund of their deposit. Notice of such cancellation shall be given to sellers not later than 15 days from the date on which notice of structural problems is received by buyers. Notice of cancellation will be deemed to have been delivered upon personal service to sellers or mailing of written notice (on the date postmarked) to sellers at the above address by buyers or to such other address as may be provided in writing to buyers before such date.

3. Sellers reserve the right to do a walk-through inspection of the premises no later than twenty-four (24) hours prior to closing. If the walk-through indicates any substantial problems, sellers at their option, may correct said problems to the satisfaction of buyers or buyers shall have the option of cancelling this agreement and obtaining a full refund of their deposit.

Should the buyers fail to make settlement as herein provided, (for any reason except the three above noted) and the said time is hereby agreed to be the essence of this Agreement, sum or sums paid on account are to be retained by the sellers, as compensation for the damages and expenses that they have been put to in this behalf, and this contract shall become null and void and all copies to be returned to sellers for cancellation. The aforesaid provision shall be the sole remedy available to sellers.

This agreement to extend to and be binding upon the heirs, executors, administrators and assigns of the parties hereto.

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

SEALED AND DELIVERED  
in the presence of

John R. Walnock (SEAL)  
John R. Walnock, Seller

Lisa L. Walnock (SEAL)  
Lisa L. Walnock, Seller

Jerome C. Woods (SEAL)  
Jerome C. Woods, Buyer

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNA.  
CIVIL DIVISION

JEROME C. WOODS,  
Plaintiff  
vs.  
JOHN R. WALNOCK and  
LISA L. WALNOCK, husband  
and wife,  
Defendants

COMPLAINT

FILED

*Aug 3 2001*  
Cathy Bell  
William A. Shaw  
Prothonotary  
Cathy Bell pd \$80.00

BELL, SILBERBLATT & WOOD  
ATTORNEYS AT LAW  
318 EAST LOCUST STREET  
P. O. BOX 670  
CLEARFIELD, PA. 16830

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

JEROME C. WOODS,  
Plaintiff

vs.

No. 2001-01420-CD

JOHN R. WALNOCK and  
LISA L. WALNOCK, husband  
and wife,  
Defendants

Type of Pleading  
ACCEPTANCE OF SERVICE

Filed on Behalf of:  
Jerome C. Woods  
Plaintiff

Counsel of Record for  
this Party:

Richard A. Bell, Esquire  
PA I.D. #06808  
BELL, SILBERBLATT &  
WOOD  
318 East Locust Street  
P.O. Box 670  
Clearfield, PA 16830

(814) 765-5537

FILED

SEP 10 2001

William A. Shaw  
Prothonotary

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

JEROME C. WOODS,  
Plaintiff

vs.

No. 2001-01420-CD

JOHN R. WALNOCK and  
LISA L. WALNOCK, husband  
and wife,  
Defendants

ACCEPTANCE OF SERVICE

I accept service of the Complaint in the above matter on behalf of John R. Walnock and Lisa L. Walnock, husband and wife, Defendants and certify that I am authorized to do so.

9/5/01  
Date



Andrew P. Gates, Esquire  
Gates & Seaman  
Two North Front Street  
P.O. Box 846  
Clearfield, PA 16830

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNA.  
CIVIL DIVISION  
NO. 2001-01420-CD

JEROME C. WOODS,  
Plaintiff

vs.

JOHN R. WALNOCK and  
LISA L. WALNOCK, husband  
and wife,  
Defendants

ACCEPTANCE OF SERVICE

*FILED 11-20-01  
SEP 10 2001*  
William A. Shaw  
Prothonotary

BELL, SILBERBLATT & WOOD  
ATTORNEYS AT LAW  
318 EAST LOCUST STREET  
P. O. BOX 670  
CLEARFIELD, PA. 16830

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

JEROME C. WOODS,  
Plaintiff

: CIVIL ACTION - AT LAW

: No. 01-1420-CD

vs.

: Type of Pleading: NOTICE  
: OF SERVICE OF  
: DEFENDANTS' REQUEST FOR  
: PRODUCTION OF DOCUMENTS  
: DIRECTED TO PLAINTIFF

JOHN R. WALNOCK and LISA L.  
WALNOCK, husband and wife,  
Defendants

: Filed on behalf of:  
: Defendants

: Counsel of record for  
: this party:

: Andrew P. Gates, Esquire

: Supreme Court No.: 36604

: GATES & SEAMAN  
: Attorneys at law  
: 2 North Front Street  
: P. O. Box 846  
: Clearfield, PA 16830  
: (814) 765-1766

FILED  
SEP 19 2001

William A. Shaw  
Prothonotary

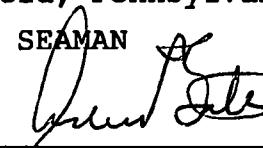
IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
CIVIL ACTION - LAW

JEROME C. WOODS, :  
Plaintiff : No. 01-1420-CD  
VS. :  
JOHN R. WALNOCK and LISA L. :  
WALNOCK, husband and wife, :  
Defendants :  
:

NOTICE OF SERVICE OF  
REQUEST FOR PRODUCTION OF DOCUMENTS  
DIRECTED TO PLAINTIFF

Take notice that a Request for Production of Documents have been served upon Plaintiff, by first class mail, postage prepaid, mailed September 19, 2001 to Plaintiff's Attorney Richard A. Bell, Esquire, BELL, SILBERBLATT & WOOD, 318 East Locust Street, P. O. Box 670, Clearfield, Pennsylvania 16830.

GATES & SEAMAN

By   
Andrew P. Gates, Esquire  
Two North Front Street  
P. O. Box 846  
Clearfield, PA 16830  
(814) 765-1766

Attorney for Defendants,  
John R. Walnock and  
Lisa L. Walnock

Date: September 19, 2001.

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

JEROME C. WOODS,  
Plaintiff

vs.

JOHN R. WALNOCK and LISA L.  
WALNOCK, husband and wife,  
Defendants

CIVIL ACTION - AT LAW  
No. 01-1420-CD

Type of Pleading: NOTICE  
OF SERVICE OF  
DEFENDANTS'  
INTERROGATORIES TO  
PLAINTIFF

Filed on behalf of:  
Defendants

Counsel of record for  
this party:  
Andrew P. Gates, Esquire

Supreme Court No.: 36604

GATES & SEAMAN  
Attorneys at law  
2 North Front Street  
P. O. Box 846  
Clearfield, PA 16830  
(814) 765-1766

FILED

SEP 19 2001

William A. Shaw  
Prothonotary

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

JEROME C. WOODS, :  
Plaintiff : No. 01-1420-CD  
vs. :  
: :  
JOHN R. WALNOCK and LISA L. :  
WALNOCK, husband and wife, :  
Defendants :  
:

**NOTICE OF SERVICE OF DEFENDANTS'**  
**INTERROGATORIES TO PLAINTIFF**

Take notice that DEFENDANTS' INTERROGATORIES TO PLAINTIFF  
have been served on the PLAINTIFF by first class mail, postage  
prepaid, on the 19th day of September, 2001 to:

Richard A. Bell, Esquire  
BELL, SILBERBLATT & WOOD  
318 East Locust Street  
P. O. Box 670  
Clearfield, PA 16830

GATES & SEAMAN

By Andrew P. Gates  
Andrew P. Gates, Esquire  
Two North Front Street  
P. O. Box 846  
Clearfield, PA 16830  
(814) 765-1766

Attorney for Defendants

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

JEROME C. WOODS,  
Plaintiff

: No. 01-1420-CD  
:  
: Type of Case: Civil  
:  
: Type of Pleading: Answer, New Matter  
and Counterclaim

vs.

JOHN R. WALNOCK and  
LISA L. WALNOCK,  
husband and wife,  
Defendants

: Filed on behalf of: Defendants  
:  
: Counsel of Record for this Party:

: Supreme Court No.: 36604

: GATES & SEAMAN  
: Attorneys at law  
: Two North Front Street  
: P. O. Box 846  
: Clearfield, Pennsylvania 16830  
: (814) 765-1766

FILED  
SEP 25 2001

William A. Shaw  
Prothonotary

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

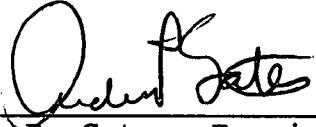
JEROME C. WOODS, Plaintiff :  
vs. : No. 01-1420-CD  
JOHN R. WALNOCK and LISA L. :  
WALNOCK, husband and wife, :  
Defendants :  
:

N O T I C E

To: Jerome C. Woods, Plaintiff

YOU ARE HEREBY NOTIFIED TO FILE A WRITTEN RESPONSE TO  
THE ENCLOSED NEW MATTER AND COUNTERCLAIM WITHIN TWENTY  
(20) DAYS FROM SERVICE HEREOF OR A JUDGMENT MAY BE  
ENTERED AGAINST YOU.

GATES & SEAMAN  
By

  
Andrew P. Gates, Esquire  
Attorney for Defendants,

Date: September 26, 2001

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

JEROME C. WOODS, Plaintiff :  
vs. : No. 01-1420-CD  
JOHN R. WALNOCK and LISA L. :  
WALNOCK, husband and wife, :  
Defendants :  
:

ANSWER, NEW MATTER and COUNTERCLAIM

NOW COME, Defendants, JOHN R. WALNOCK and LISA L. WALNOCK, Defendants, by their attorneys, Gates & Seaman, and respond to Plaintiff's Complaint as follows:

1. Paragraph 1 of Plaintiff's Complaint is admitted.
2. Paragraph 2 of Plaintiff's Complaint is admitted.
3. Paragraph 3 of Plaintiff's Complaint is admitted.
4. Paragraph 4 of Plaintiff's Complaint is admitted.
5. Paragraph 5 of Plaintiff's Complaint is admitted.

Likewise, it is also admitted that the copy of the March 16, 2001 Agreement attached to Plaintiff's Complaint is a true and correct copy of the Agreement that was executed by both Plaintiff and the Defendants.

6. Paragraph 6 of Plaintiff's Complaint is admitted.
7. Paragraph 7 of Plaintiff's Complaint is denied as stated. On the contrary, the original WRITTEN Agreement, prepared by the attorney chosen by both Plaintiff and Defendants provided that the \$54,000.00 purchase price was to be paid by Plaintiff making a down payment of \$5,000.00 at the time of execution of the

Agreement with the balance of the purchase price to be paid at the time of settlement and delivery of the deed. By way of further answer, on March 16, 2001, Plaintiff appeared at Defendants' residence bearing a cashier's check in the amount of \$27,000.00 made payable to Defendants and requested that the written Agreement, not yet signed, be amended to reflect a \$27,000.00 down payment as opposed to a \$5,000.00 down payment with the balance to be due at the time of settlement and delivery of the deed which was to take place on or before May 31, 2001 or "not until the people renting the house have left." By way of further answer, based on Plaintiff's request, the parties themselves modified the written form agreement inserting the language which was handwritten on said agreement and said parties then executed said Agreement on March 16, 2001 and thereafter initialed the changes requested by Plaintiff two or three days later. By way of further answer, at the time the parties executed the Agreement, Plaintiff delivered to Defendants the cashier's check aforementioned in the amount of \$27,000.00.

8. Paragraph 8 of Plaintiff's Complaint and the subparagraphs thereunder are denied as stated. On the contrary, the two "Opt-Out Provisions For Buyer" are set forth verbatim in the body of the Agreement of March 16, 2001, a true and correct copy of which is attached to Plaintiff's Complaint.

9. Paragraph 9 of Plaintiff's Complaint and the subparagraphs thereunder, unless otherwise admitted, are denied. On the contrary, even though Plaintiff advised Defendants that he obtained the services of a building contractor who inspected the premises and who supposedly reported the existence of certain "structural problems" no such inspection and/or assessment report has ever been provided to Defendants. By way of further answer, Defendants assert the following:

(a) Subparagraph 9(A) of Plaintiff's Complaint is denied. On the contrary, although construction of a retaining wall to prevent the foundation from settlement, both under what had and had not been previously excavated, may provide additional support, the same does not represent a "structural problem" as there is no evidence that any of the existing walls are cracked, buckling or that the existing foundation does not provide adequate support for the entire structure.

(b) Subparagraph 9(B) of Plaintiff's Complaint is admitted. By way of further answer, once said condition was brought to Defendants' attention by Plaintiff's letter of April 7, 2001, a photocopy of which is attached hereto and made a part hereof as Exhibit "A", Defendants tore down the aforementioned stone walls situate around the furnace room entrance and remedied the same by accepted masonry practices, which included the installation of a footer and support post;

(c) Subparagraph 9(C) of Plaintiff's Complaint is denied. On the contrary, although the exterior wall underneath the bay window includes pressure treated plywood, the same does not supply the total support for said window which is actually supported by two 6 x 6 wood posts existing on either side of the window. By way of further answer, there is no cracking, buckling, or any damage to the pressure treated plywood situate underneath the bay window or to the 6 x 6 wood posts and therefore the condition asserted by Plaintiff does not constitute a "structural problem";

(d) Subparagraph 9(D) of Plaintiff's Complaint is denied. On the contrary, the roof over the back bedroom and inside porch does not leak and any noticeable damage to the ceiling and/or to the interior walls of said rooms occurred from leaking which took place several years ago which was before this part of the roof was fixed when the same was reshingled in approximately 1994.

(e) Subparagraph 9(E) of Plaintiff's Complaint is denied. On the contrary, the posts supporting the basement steps leading to the exterior of the house are not rotted, but are otherwise sturdy and no repairs are needed. By way of further answer, the retaining walls situate on both sides of the steps are not caving in and in need of repair, since the same are otherwise sturdy and adequate. By way of further answer, the aforementioned

support posts and retaining walls have no evidence of cracking, buckling or otherwise caving in.

(f) Subparagraph 9(F) of Plaintiff's Complaint is denied. On the contrary, the wooden support posts for the rear deck were installed in 1999 and consist of pressure treated lumber, which have been water sealed, and which also rest upon and are encased by cement footers. By way of further answer, the skirting for the rear deck does not support the deck and is otherwise not a "structural problem".

(g) Subparagraph 9(G) of Plaintiff's Complaint is denied. On the contrary, although the main support beam in the basement may be old, it does not have dry rot and is otherwise sturdy and shows no evidence of cracking or buckling. By way of further answer, for the foregoing reasons the above does not constitute a "structural problem".

(h) Subparagraph 9(H) of Plaintiff's Complaint is denied. On the contrary, even though the entryway between the living room and kitchen were added on after the original structure was built, any imperfection in alignment does not constitute a structural problem. Although the add-on creates a slight "step-up" between the living room and the kitchen/dining room, there is no appearance of any weight shifting, nor is there any evidence of the walls cracking, buckling or any other sign of damage.

By way of further answer to all subparagraphs under this Paragraph of Plaintiff's Complaint, Defendants hereby incorporate by reference those additional items set forth hereafter in their New Matter.

10. Paragraph 10 of Plaintiff's Complaint and all the Subparagraphs thereunder are denied. On the contrary, these other items itemized by Plaintiff are not problems by reason of the following:

(a) Subparagraph 10(A) of Plaintiff's Complaint is denied. On the contrary, at all times since the original structure was built, which to Defendants' knowledge was sometime prior to 1920, the floor of the basement has been dirt. By way of further answer, the wood debris identified by Plaintiff as being in direct contact with the dirt floor of the basement and in the crawl spaces consists solely of wooden planks that have been utilized to walk over and/or crawl over. By way of further answer, there is no evidence that the existence of said planks caused any infestation or are likely to increase the likelihood of insect infestation. By way of further answer, the existence of said wood planks on the basement dirt floor and in the dirt crawl spaces do not represent "structural problems" as said planks can be removed at any time;

(b) Subparagraph 10(B) of Plaintiff's Complaint is denied as stated. On the contrary, although rigid foam insulation

has been inserted between certain interior and exterior walls of the structure, the same does not represent a "structural problem". By way of further answer, there is no evidence or appearance that said rigid foam insulation has any infestation, or caused or will cause any pest or termite activity to any adjoining parts of the structure.

(c) Subparagraph 10(C) of Plaintiff's Complaint is denied. On the contrary, the fact that the frost wire was not secured to the roof does not represent a "structural problem" as the same has nothing to do with the structural integrity of the building. By way of further answer, Defendants did secure the frost wire to the roof shortly after receipt of Plaintiff's April 7, 2001 letter.

(d) Subparagraph 10(D) of Plaintiff's Complaint is denied. On the contrary, duct work does in fact extend to the bathroom/laundry room on the first floor and said duct work does provide heat to the room.

11. Paragraph 11 of Plaintiff's Complaint is admitted in part and denied in part. As for the suggestion that any building contractor's report was submitted by Plaintiff to Defendants, the same is denied, since no such report has ever been provided to Defendants. By way of further answer, Defendants after reasonable investigation are without knowledge or information sufficient to form a belief as to the truth or falsity of the existence and/or

the content of any building contractor's report dated April 1, 2001 and if relevant, strict proof thereof is demanded at time of trial. By way of further answer, it is admitted that Defendants did receive a letter from Plaintiff dated April 7, 2001 which itemizes certain alleged structural defects which Plaintiff requested Defendants to repair. A copy of Plaintiff's letter of April 7, 2001 is attached hereto and made a part hereof as Exhibit "A".

12. Paragraph 12 of Plaintiff's Complaint is denied. On the contrary, those items set forth in Plaintiff's April 7, 2001 letter which actually constitute, "structural problems" were repaired and/or corrected by Defendants and therefore, Plaintiff was not entitled to cancel the Agreement of Sale and receive back a full refund of the \$27,000.00 deposit money.

13. Paragraph 13 of Plaintiff's Complaint is admitted in part and denied in part. It is admitted that Defendants have returned to Plaintiff \$22,000.00 of Plaintiff's \$27,000.00 deposit money. By way of further answer, the remaining \$5,000.00 of the deposit money, upon written agreement of the parties dated July 26, 2001, a copy of which is attached hereto and made a part hereof as Exhibit "B", has been deposited in a short term interest bearing Certificate of Deposit account at County National Bank and upon agreement of the parties, the principal and interest earned by said Certificate of Deposit shall belong, in its entirety, or

prorata, to the party or parties who are finally determined to be entitled to said remaining deposit money. Attached hereto and made a part hereof as Exhibit "C" is a photocopy of the Certificate of Deposit receipt evidencing the deposit of said sum into the agreed upon interest bearing account.

WHEREFORE, Defendants pray that Plaintiff's Complaint be dismissed with prejudice.

NEW MATTER

In further answer to Plaintiff's Complaint, Defendants aver the following New Matter.

14. Paragraphs 1 through 7 of Plaintiff's Complaint and Paragraph 7 of Defendants' Answer are hereby incorporated by reference as though set forth at length.

15. By letter dated April 7, 2001, Plaintiff notified Defendants of nine purported "structural problems" which Plaintiff asserted Defendants must correct or Plaintiff would have the right to cancel the Agreement and obtain a full refund of his deposit. A copy of Plaintiff's letter of April 7, 2001 is attached hereto and made a part hereof as Exhibit "A".

16. The purported "structural problems" set forth in Plaintiff's letter of April 7, 2001 which actually constitute "structural problems" were subsequently repaired, corrected and/or remedied by the Defendants.

17. At all times after Defendants repaired, corrected or otherwise remedied those items which constituted "structural problems", Defendants were ready, willing and able to complete the conveyance of the real estate identified by Agreement of March 16, 2001 to Plaintiff.

18. By asserting his right to cancel the Agreement of March 16, 2001, by asserting Defendants did not agree or did not repair, correct and/or remedy those items which Plaintiff asserted were "structural defects" as said term is used in the aforementioned Agreement, Plaintiff waived his right to exercise any other Opt-Out Provision as provided for in the Agreement of March 16, 2001.

19. The Agreement of March 16, 2001 contains a liquidated damages clause which reads as follows:

"Should the buyers fail to make settlement as herein provided, (for any reason except the three above noted) and the said time is hereby agreed to be the essence of this Agreement, sum or sums paid on account are to be retained by the sellers, as compensation for the damages and expenses that they have been put to in this behalf, and this contract shall become null and void and all copies to be returned to sellers for cancellation. The aforesaid provision shall be the sole remedy available to sellers."

20. Plaintiff failed to carry out his portion of the Agreement of March 16, 2001 by failing to pay to Defendants the balance of the purchase price provided for in said Agreement in exchange for delivery of the deed.

21. The sum of \$5,000.00, which represents the original amount of Plaintiff's down payment as provided for in the original type-written version of the agreement represents 9.26% of the total purchase price and therefore does not constitute a penalty and/or an unconscionable amount to be retained by Defendants due to Plaintiff's default.

22. By virtue of Plaintiff's default, Defendants are entitled to retain the \$5,000.00 deposit money paid by Plaintiff which is currently on deposit in a short term Certificate of Deposit in County National Bank.

WHEREFORE, Defendants request that Plaintiff's Complaint be dismissed with prejudice.

COUNTERCLAIM

Count One

23. Defendants hereby incorporate by reference Paragraphs 14 through 22 of Defendants' New Matter as though set forth at length.

WHEREFORE, Defendants pray that this Honorable Court enter judgment in their favor and against the Plaintiff in the sum of \$5,000.00, plus all interest earned by said sum since being deposited in the short term Certificate of Deposit in County National Bank pursuant to Agreement between Defendants and Plaintiff dated July 26, 2001.

Count Two

24. Defendants hereby incorporate by reference Paragraphs 14 through 22 of Defendants' New Matter as though set forth at length.

25. At the time Plaintiff appeared at Defendants' residence, bearing a cashier's check in the amount of \$27,000.00 made payable to Defendants and requested that the written agreement be amended to reflect a \$27,000.00 down payment as opposed to a \$5,000.00 down payment, Plaintiff informed Defendants that their property "had the best value of properties in the same price range" and was the "nicest property he had seen" and that he definitely would be purchasing said premises.

26. In reliance on Plaintiff's representations as forth in Paragraph 25 hereof, Defendants deposited said \$27,000.00 cashier's check with Northwest Savings Bank and directed that the same be applied against their "bridge loan" which was secured by both the premises subject to the Agreement of Sale and Defendants' new residence.

27. In order to return to Plaintiff \$22,000.00 of Plaintiff's \$27,000.00 deposit money and to deposit the \$5,000.00 difference into the short-term interest bearing Certificate of Deposit with County National Bank, described in Paragraph 13 hereof, Defendants incurred a \$75.00 settlement/processing fee at Northwest Savings Bank.

WHEREFORE, Defendants pray that this Honorable Court entered judgment in their favor and against Plaintiff in the sum of \$75.00.

GATES & SEAMAN

By:

  
Andrew P. Gates, Esquire  
Attorney for Defendants

April 7, 2001

Mr. Jerome C. Woods  
PO Box 141  
Curwensville, PA 16833  
(814) 236-7429

John R. & Lisa L. Walnock  
RD#2, Box 61B  
Curwensville, PA 16833

Mr. & Mrs. Walnock,

According to what was found during the inspection of the property on 521 Bloomington Avenue (Saturday, March 31, 2001), the following items in this house are in need of repair. 1. Basement excavation below wall depth will have to be addressed with a poured retaining wall to support the foundation from settlement. This can be done after balance of the basement area is excavated to the same level to make the curb continuous for strength. 2. Stone walls need to be relaid around the furnace room entrance before they collapse. 3. Exterior wall under kitchen bay window is plywood. This wall needs to be excavated and block foundation put beneath. 4. Roof over back bathroom and inside porch leaks due to excessive shingle layers. These shingles need to be removed and reroofed possibly needing new plywood. 5. Support posts of basement steps leading to the exterior of the house are rotted and retaining walls on both sides of steps are caving in and need replaced. 6. Wooden support post and skirting for rear deck in direct contact with soil this needs to be addressed with concrete block. Wood debris on dirt floor in basement is in direct contact with soil. Wood debris in direct contact with soil in crawl space, all of this debris needs to be removed from these areas. The excessive conditions of wood to soil contact are attractive, supportive and conducive to infestation and increases the likelihood that insect activity could currently exist or occur in the future. All of this excessive wood to soil contact needs to be restructured with concrete to soil contact to prevent any future infestation. The structure appears to contain rigid foam insulation, which can offer a hidden and safe habitat for wood destroying insect activity, which cannot be detected through inspection. In addition, treatment effectiveness, should it ever be deemed necessary, could be influenced by the presence of rigid foam insulation because of the problems inherent with rigid foam insulation. This rigid foam insulation needs to be removed from this structure due to previous infestation problems in the neighborhood. Furthermore, there is no warranties or guarantees as to the absence of wood destroying insects in this structure. 7. Frost wire needs to be secured to roof. 8. Duct work needs to be extended to the new bathroom/laundry room on first floor because there is no heat in this room. 9. Main support beam in basement above the ductwork for the furnace does have dry rot. 10. Entryway between the living room and kitchen is out of square indicating possible problems with shifting. In referring to the opt-out provision for buyer listed under #2 in the purchase agreement dated March 16, 2001, you now have the option of correcting said problems or buyer shall have the option of canceling this agreement and obtaining a full refund of his deposit in the sum of twenty-seven thousand (27,000) dollars. You are now obligated to reply within ten (10) days from the date of this letter. If within that ten (10) days, your option is not made known to the buyer, this will result in a refusal to exercise your right to correct said problems and the buyer shall have the right to cancel the purchase agreement and to be repaid all deposit money payable on demand. If you do decide to repair, I am still entitled to item number 3 in opt-out provisions in the purchase agreement. Thank you for your prompt attention to this letter.

*Mr. Jerome C. Woods*

Mr. Jerome C. Woods

AGREEMENT

THIS AGREEMENT made the 26<sup>th</sup> day of July, 2001, by and between JOHN R. WALNOCK and LISA L. WALNOCK, husband and wife, R.D.#2, Box 61B, Curwensville, Clearfield County, Pennsylvania 16833, parties of the First Part hereinafter collectively called "WALNOCK",

A

N

D

JEROME C. WOODS, of P.O. Box 141, Curwensville, Clearfield County, Pennsylvania, party of the Second Part hereinafter called "WOODS".

WHEREAS, the parties entered into an agreement dated March 16<sup>th</sup>, 2001, providing for Woods to purchase a residential property from Walnock for the sum of Fifty-Four Thousand (\$54,000.00) Dollars, and

WHEREAS, the agreement initially provided for a down payment of Five Thousand (\$5,000.00) Dollars which was increased to Twenty-Seven Thousand (\$27,000.00) Dollars, and

WHEREAS, the agreement provided that the Buyers could obtain an inspection of the premises by a building contractor and if that inspection indicated any structural

problems, the Sellers would have the option to correct said problems or the Buyers would have the option of canceling the agreement and obtaining a full refund of their deposit, and

WHEREAS, there is also a provision for a walk through inspection of the premises, and if the walk through indicated any substantial problems, again the Sellers at their option might correct the problems, or the Buyers would have the option of canceling the agreement and obtaining a full refund of their deposit, and

WHEREAS, Woods has advised Walnock that the inspection by his business contractor did reveal structural problems resulting in Woods sending notice of cancellation on April 18<sup>th</sup>, 2001, and demanding the return of the Twenty-Seven Thousand (\$27,000.00) Dollars previously paid as a deposit, and

WHEREAS, Walnocks have disputed the right of Woods to cancel the agreement and receive back the full amount of his deposit under the circumstances existing, and

WHEREAS, the parties wish to clarify the manner in which they will proceed.

NOW, THEREFORE, in consideration of the mutual covenants and conditions, the parties agree as follows:

1. Walnocks will return to Woods the sum of Twenty-Two Thousand

(\$22,000.00) Dollars of the deposit money, retaining Five Thousand (\$5,000.00) Dollars the right to which will be determined in further proceedings.

2. Woods hereby releases any claim to the real estate which was the subject of the Agreement Of Sale, and agrees that Walnocks may list the same for sale to other parties, and may convey the premises to other parties free and clear of any interest of Woods.

3. Woods further covenants and agrees that in the event that he begins a lawsuit against Walnocks to recover any part of the deposit money he will not have the same indexed against Walnocks as a lis pendens.

4. Walnocks agree that the premises shall be available for further inspection and obtaining of evidence as to the condition of the premises including, if necessary, photography or video taping.

5. The parties agree that they will be entitled to introduce at any hearing or trial any supporting evidence to substantiate the positions they take as a result of the dispute between them.

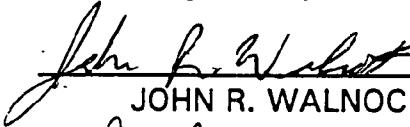
6. The parties agree that each may bring any claims or lawsuits against the other as the result of the dispute between them except as released and provided in this agreement.

7. The parties agree that in executing this agreement they have read the same and have been advised by counsel of their choice as to the content of this agreement and as to their respective rights.

8. The parties agree that any portion of deposit money still in the possession of Walnocks shall be placed in an interest bearing account and the interest earned thereon shall belong either in its entirety, or pro rata to the party or parties who are finally determined to be entitled to the deposit money retained by Walnocks. Provided the money is deposited upon execution of this agreement and is left in an interest bearing account until final determination the interest earned in that account shall be in lieu of and in full satisfaction of any interest claimed on the Five Thousand (\$5,000.00) Dollars deposit money by either party in any subsequent lawsuit.

9. This agreement shall be binding upon the parties hereto their heirs, executors, administrators, successors and assigns the same as if mentioned in each and every instance herein.

WHEREFORE, the parties have hereunto set their hands and seals the date and year provided on the first page of the agreement intending thereby to be legally bound.

  
JOHN R. WALNOCK (SEAL)

  
LISA L. WALNOCK (SEAL)

Parties of the First Part

  
JEROME C. WOODS (SEAL)

Party of the Second Part

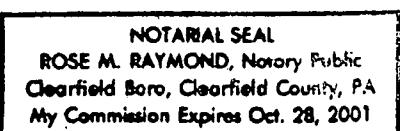
COMMONWEALTH OF PENNSYLVANIA:

:SS

COUNTY OF CLEARFIELD :

On this the 26<sup>th</sup> day of July, 2001, before me, the undersigned officer, personally appeared, JOHN R. WALNOCK and LISA L. WALNOCK, husband and wife, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within Agreement, and acknowledged that they has executed the same for the purposes therein contained.

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



Rose M. Raymond

(Notary Public)

COMMONWEALTH OF PENNSYLVANIA:

:SS

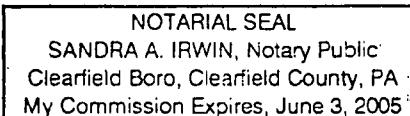
COUNTY OF CLEARFIELD :

On this the 31<sup>st</sup> day of July, 2001, before me, the undersigned officer, personally appeared, JEROME C. WOODS known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within Agreement, and acknowledged that they has executed the same for the purposes therein contained.

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

Sandra A. Irwin

(Notary Public)



WALNCK

CERTIFICATE NUMBER 224114/1

## CERTIFICATE OF TIME DEPOSIT - NON-NEGOTIABLE AND NON-TRANSFERABLE

ISSUED TO NAME(S) AND ADDRESS(E) OF DEPOSITOR(S) ("you, your")

Gates & Seaman Attorneys at Law  
Escrow Agent  
Po Box 846  
Clearfield PA 16830-0846

NAME AND ADDRESS OF ISSUER/FINANCIAL INSTITUTION ("we, us")

County National Bank  
1 South Second St  
Clearfield, PA 16830-0042

*Copy*  
0000001 Main Office

OWNERSHIP TYPE: Partnership

S.S.# ITIN.	ISSUE DATE	MATURITY DATE	<input checked="" type="checkbox"/> AUTOMATICALLY RENEWABLE	TERM	AMOUNT OF CERTIFICATE
25-1460115	08/02/2001	08/02/2002	<input type="checkbox"/> SINGLE MATURITY	12 Months	\$ 5,000.00

IN THE AMOUNT OF FIVE THOUSAND DOLLARS AND ZERO CENTS

DOLLARS

INTEREST RATE. The deposit evidenced by this Certificate will earn an annual interest rate of 3.100 % Annual Percentage Yield 3.140 %

Interest Payment Frequency Quarterly which will be  credited to account number  paid to depositor(s) by check added to principal of this Certificate.Interest will be calculated on a basis of  365 days  Other Interest will be compounded Quarterly

EARLY WITHDRAWAL PENALTY: 1-12 month Certificate terms = 30 day loss of interest N/A After 7 Days

Grace Period - Automatically Renewable Certificate: 10 days. If this Certificate is withdrawn during the grace period, the interest rate will be  the same rate of interest that would have been paid on this Certificate if renewed  interest will not be paid during the grace period

 E-Z Access does not apply

Post-Maturity Interest - Single Maturity Certificate: The interest rate paid on the deposit after the Maturity Date will be  %  interest will not be paid after the Maturity Date

*Jason B. Kurtz* Cust. Service  
Officer

AUTHORIZED SIGNATURE

## TERMS AND CONDITIONS

1. GENERAL TERMS. Words or phrases preceded by a  are applicable only if the  is marked. Phrases containing a blank space which is not filled in or completed with an N/A are not applicable.
2. PAYMENT AT MATURITY. The deposit is payable upon presentation of this Certificate on a maturity date. If this is a joint account, payment is subject to the terms discussed in paragraph 3 below.
3. JOINT ACCOUNT. If this Certificate is noted as a joint tenancy with right of survivorship, on the death of one party named on the Certificate, all sums from this Certificate vest in and belong to the surviving party(ies) as his or her separate property and estate. In the event this Certificate is noted as a joint tenancy without right of survivorship, on the death of one party named on the Certificate, Financial Institution will distribute the deceased party's share in accordance with state law. The Financial Institution is under no obligation to permit withdrawals by anyone other than the persons described above.
4. IN TRUST FOR OR PAYABLE ON DEATH ACCOUNT. If this Certificate is noted as In Trust For or Payable on Death account, the trustee(s) may change the named beneficiary(ies) at any time by a written direction to us. The trustee(s) reserves the right to withdraw all or part of the deposit at any time. Such payment or withdrawal shall constitute a revocation of the trust agreement as to the amount withdrawn. The beneficiary(ies) acquires the right to withdraw only if: (i) all of the trustees die, and (ii) the beneficiary is then living. If all of the beneficiaries predecease the trustee(s), the named beneficiary's (ies') death shall terminate the trust and title to the money that is credited to the trust shall vest in the trustee(s). If two or more beneficiaries are named and survive the death of all of the trustees, such beneficiaries will own this account in equal shares without right of survivorship.
5. INTEREST. The Certificate bears simple interest at the rate and basis set forth on the face of the Certificate. Interest will not be compounded unless called for on the face of the Certificate. Interest will be paid according to the payment frequency set forth on the face of the Certificate and in the manner indicated on the face. Withdrawal of interest prior to maturity will affect the annual percentage yield. For any renewals of the Certificate, interest will be paid at the rate then in effect at the Financial Institution for similar deposits and any such renewals will be for a time period equal to the original term and subject to these terms and conditions. Except for any Grace Period discussed in Paragraph 10 or any Post-Maturity Interest discussed in Paragraph 11, no interest will be paid on a deposit after the Maturity Date.
6. TRANSFERABILITY. No right in, or title to the deposit on the Certificate is transferable, except on the books of the Financial Institution.
7. GOVERNING LAWS. All terms of this Certificate are subject to the applicable present and future laws and regulations of this State and of the United States or any agency or instrumentality of this State and of the United States, and all rules, regulations and practices now or hereafter adopted by the Financial Institution with respect to this Certificate.
8. WITHDRAWAL PRIOR TO MATURITY. Depositor has contracted to keep the funds evidenced by this Certificate on deposit from the Issue Date until the Maturity Date of this Certificate. Acceptance of a request by Depositor for a withdrawal of some or all of the funds prior to the Maturity Date is at the discretion of the Financial Institution.
9. EARLY WITHDRAWAL PENALTIES. If the Financial Institution allows a withdrawal, either partial or total, each time it allows such a withdrawal, Depositor will be assessed an early withdrawal penalty as set forth on the face of this Certificate. In no event shall such penalty be less than seven (7) days simple interest on the certificate amount.
10. AUTOMATICALLY RENEWABLE CERTIFICATES renew automatically on the Maturity Date. If the deposit is withdrawn during the Grace Period set forth on the face of this Certificate, the Financial Institution will not charge an early withdrawal penalty. If interest is paid on the deposit until withdrawal during the Grace Period, it shall be that Grace Period interest described on the face of this Certificate.
11. SINGLE MATURITY CERTIFICATES are not automatically renewable and mature on the Maturity Date set forth on the face of this Certificate. No interest will be paid on the deposit after maturity unless set forth on the face of this Certificate under Post-Maturity Interest.

## TAXPAYER IDENTIFICATION NUMBER CERTIFICATION

Under penalties of perjury, I certify that (1) the number provided on this form is my correct taxpayer identification number (TIN), and that (2) I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and that (3) I am a U.S. person (including a U.S. resident alien).

(Note: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.)

Applied for TIN. Under penalties of perjury, I certify that a TIN has not been issued to me and I have applied or intend to apply for a TIN. I understand that if I do not provide a certified TIN to this institution within 60 days, the institution is required by federal regulation to withhold 31 percent of any interest payments made to me until I provide the certified TIN to the institution.

Exemption. Under penalties of perjury, I certify that I qualify for exemption from withholding on interest and dividends under one or more definitions of "Payees Exempt From Backup Withholding" or "Payments Exempt From Backup Withholding" as set forth in the "Instructions for the Requestor of Form W-9".

Foreign Recipient. I have provided this institution with the appropriate Form W-8 certification. If a joint account, each joint account owner has provided the appropriate Form W-8 certification. If any one of the joint account owners has not established foreign status, that joint account owner has provided this institution with a certified TIN.

Tax Identification Number: 25-1460115

SIGNATURE Gates &amp; Seaman Attorneys at Law

DATE

## ACKNOWLEDGMENT

By making this deposit, the Depositor(s) agrees(s) to the Terms and Conditions stated above and has taken special notice of the discussion of Early Withdrawal Penalties which apply to this deposit included in the Terms and Conditions. By signing below, Depositor(s) acknowledge(s) receipt of an Account Disclosure related to this Account.

 DEPOSITOR SIGNATURE/DATE DEPOSITOR SIGNATURE/DATE DEPOSITOR SIGNATURE/DATE DEPOSITOR SIGNATURE/DATE

The Depositor(s) acknowledge(s) receipt of funds represented by this Certificate of Time Deposit.

## REDEMPTION

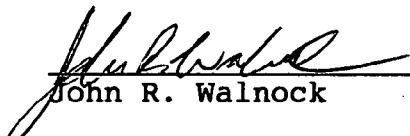
 DEPOSITOR SIGNATURE/DATE DEPOSITOR SIGNATURE/DATE DEPOSITOR SIGNATURE/DATE DEPOSITOR SIGNATURE/DATE

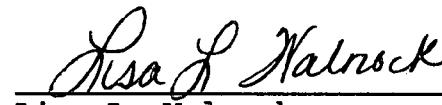
ITEM 528BALD (0012) (7368)

Copyright Compliance Systems, Inc. 1991, 1993, 1995, 1996, 1997, 1998, 2000

**VERIFICATION**

The undersigned verify that they are Defendants named in the within action, and that the statements made in the foregoing document are true and correct to the best of their knowledge, information and belief. The undersigned understand that false statements made herein are subject to the penalties of 18 Pa. C.S.A. § 4904 relating to unsworn falsification to authorities.

  
John R. Walnock

  
Lisa L. Walnock

Date: Sept 24, 61

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

JEROME C. WOODS, Plaintiff :  
vs. : No. 01-1420-CD  
JOHN R. WALNOCK and LISA L. :  
WALNOCK, husband and wife, :  
Defendants :  
:

CERTIFICATE OF SERVICE

I hereby certify that service was made by mailing a true and correct copy of the original Answer, New Matter and Counterclaim of Defendants, John R. Walnock and Lisa L. Walnock on September 20, 2001 by regular mail, postage prepaid to:

Jerome C. Woods  
c/o Richard A. Bell, Esquire  
Bell, Silberblatt & Wood  
318 East Locust Street  
P. O. Box  
Clearfield, Pennsylvania 16830

GATES & SEAMAN

By Andrew P. Gates

Andrew P. Gates, Esquire  
Attorney for Defendants

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PA  
CIVIL ACTION - LAW  
No. 01-1420-CD

JEROME C. WOODS, Plaintiff

vs.

JOHN R. WALNOCK and LISABE L.  
WALNOCK, husband and wife,  
Defendants

ANSWER, NEW MATTER AND  
COUNTERCLAIM

FILED  
OCT 3 2001  
SEP 25 2001  
William A. Shaw  
Prothonotary

LAW OFFICES  
GATES & SEAMAN  
2 NORTH FRONT STREET  
P.O. BOX 846  
CLEARFIELD, PA. 16830

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

JEROME C. WOODS,  
Plaintiff

vs.

No. 2001-01420-CD

JOHN R. WALNOCK and  
LISA L. WALNOCK, husband  
and wife,  
Defendants

Type of Pleading

Plaintiff's Reply To New Matter  
And Answer to Counter-Claim

Filed on Behalf of:

Jerome C. Woods  
Plaintiff

Counsel of Record for  
this Party:

Richard A. Bell, Esquire  
PA I.D. #06808  
BELL, SILBERBLATT &  
WOOD  
318 East Locust Street  
P.O. Box 670  
Clearfield, PA 16830

(814) 765-5537

**FILED**

OCT 15 2001  
07/20/04  
SAC  
William A. Shaw  
Prothonotary  
No. CC

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

JEROME C. WOODS,  
Plaintiff

vs.  
JOHN R. WALNOCK and  
LISA L. WALNOCK, husband  
and wife,  
Defendants

No. 2001-01420-CD

PLAINTIFF'S REPLY TO NEW MATTER AND ANSWER TO COUNTER-CLAIM

NOW COMES the Plaintiff by his attorney Richard A. Bell, Esquire, of Bell, Silberblatt & Wood, and responds to the New Matter and Counter-Claim of the Defendants as follows:

15. Admitted.

16. Paragraph sixteen (16) is denied. The Defendants sought to correct one problem reported to them, but failed to take any action to correct the additional structural problems reported to them or to otherwise comply with the Agreement.

17. Paragraph seventeen (17) is denied in that the Defendants did not correct the structural problems reported to them. Whether they were mentally ready, willing and able in their minds to complete the conveyance, they were in violation and failure to comply with the Agreement, and therefore could not complete the conveyance of

the real estate as provided for in the Agreement.

18. Paragraph eighteen (18) is a conclusion of law and does not require an Answer. To the extent that an answer is desirable, it is denied that the Plaintiff waived any of his rights by acting to cancel the Agreement. The Agreement provided for alternative rights which the Plaintiff could exercise, and the exercise of one did not waive the other even if it could have conceivably made it unnecessary.

19. Admitted.

20. Paragraph twenty (20) is denied. It is true that Plaintiff did not pay the balance of the purchase price, but it is denied that that was any failure on his part, but rather was caused by the failure of the Defendants to comply with the Agreement.

21. Paragraph twenty-one (21) is a conclusion of law and no Answer is required. To the extent that an Answer is desirable, Plaintiff avers that the Five Thousand (\$5,000.00) Dollar down payment bears no relationship to any loss on the part of the Defendants and therefore cannot legally be retained by the Defendants.

22. While it is agreed that the Five Thousand (\$5,000.00) Dollars is being held by the Defendants in a short term certificate of deposit, it is denied that the Defendants are entitled to retain the said Five Thousand (\$5,000.00) Dollars.

COUNTER-CLAIM

23. Plaintiff incorporates by reference his responses to Paragraphs Fourteen (14) through Twenty-Two (22). Further the Plaintiff denies that the Defendants are entitled to retain the down payment monies and interest earned thereon because of their failure to comply with the Agreement Of Sale.

24. Plaintiff incorporates by reference his responses to Paragraphs Fourteen (14) through Twenty-Two (22).

25. Paragraph twenty-five (25) is denied as stated. It is admitted that Plaintiff did present Defendants with a check for Twenty-Seven Thousand (\$27,000.00) Dollars as a partial payment toward the purchase of the property, but it is denied that Plaintiff made the quoted remarks attributed to him in paragraph twenty-five (25) by the Defendants.

26. After reasonable investigation the Plaintiff is without sufficient information to ascertain the truth of the allegations in paragraph twenty-six (26) and the same are therefore denied and strict proof demanded. To the extent that the allegations are true, Plaintiff avers that the Defendants should not have used the monies presented to them by the Plaintiff as their own funds since they knew that the Agreement Of Sale was not carried out at that time, and the Defendants should have kept themselves

in a position to return all of the money paid to them in the event the Agreement was not carried out.

27. After reasonable investigation the Plaintiff is without sufficient information to ascertain the truth of the allegations of Paragraph (27) and the same are therefore denied and strict proof demanded. It is further averred that the Plaintiff is not liable for any fee which the Defendants had to pay to a bank because the same was made necessary because of their improper action in using the partial payment money for their own purposes prior to the Agreement Of Sale being carried out to completion.

WHEREFORE, Plaintiff requests that your Honorable Court dismiss the Counter-claim of the Defendants and further grant judgment to the Plaintiff for the Five Thousand (\$5,000.00) Dollar down payment, and all interest earned thereon.

BELL, SILBERBLATT & WOOD  
BY



Richard A. Bell, Esquire  
Attorney for Plaintiff

COMMONWEALTH OF PENNSYLVANIA:

:SS

COUNTY OF CLEARFIELD:

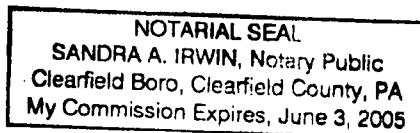
Before me, the undersigned officer, personally appeared, JEROME C. WOODS, who, being duly sworn according to law, deposes and says that the facts set forth in the foregoing PLAINTIFF'S REPLY TO NEW MATTER AND ANSWER TO COUNTER-CLAIM are true and correct to the best of his knowledge, information and belief.

Jerome C. Woods  
JEROME C. WOODS

SWORN AND SUBSCRIBED before me,

this 15th day of October, 2001

Sandra A. Irwin



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

JEROME C. WOODS,  
Plaintiff

vs.

No. 2001-01420-CD

JOHN R. WALNOCK and  
LISA L. WALNOCK, husband  
and wife,  
Defendants

CERTIFICATE OF SERVICE

I hereby certify that a copy of Plaintiff's Reply To New Matter and Counter-  
Claim filed on behalf of Jerome C. Woods, in the above matter was mailed the 15th  
day of October, 2001 by regular mail postage prepaid at the post  
office in Clearfield, PA 16830 to the following:

Andrew P. Gates, Esquire  
GATES & SEAMAN  
Two North Front Street  
P.O. Box 846  
Clearfield, PA 16830



Richard A. Bell, Esquire  
Attorney for Plaintiff

William A. Shaw  
Prothonotary

OCT 15 2001

FILED

IN THE COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY, PENNA.  
CIVIL DIVISION  
NO. 2001-01420-CD

JEROME C. WOODS,  
Plaintiff

vs.

JOHN R. WALNOCK and  
LISA L. WALNOCK, husband  
and wife,  
Defendants

PLAINTIFF'S REPLY TO NEW  
MATTER AND ANSWER TO  
COUNTER-CLAIM

BELL, SILBERBLATT & WOOD  
ATTORNEYS AT LAW  
318 EAST LOCUST STREET  
P. O. BOX 670  
CLEARFIELD, PA. 16830

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

: No. 01-1420-CD  
:  
: Type of Case: Civil  
:  
: Type of Pleading:  
: PRAECIPE  
:  
:  
: Filed on behalf of: Plaintiff  
: and Defendants  
:  
: JOHN R. WALNOCK and  
: LISA L. WALNOCK, husband  
: and wife, Defendants : Counsel of Record for Parties:  
:  
: Andrew P. Gates, Esquire  
:  
: Attorney for Defendants  
:  
: Supreme Court No.: 36604  
:  
: GATES & SEAMAN  
:  
: Attorneys at law  
:  
: Two North Front Street  
:  
: P. O. Box 846  
:  
: Clearfield, Pennsylvania 16830  
:  
: (814) 765-1766  
:  
:  
: Richard A. Bell, Esquire  
:  
: Attorney for Plaintiff  
:  
: Supreme Court No: 06808  
:  
: BELL, SILBERBLATT & WOOD  
:  
: 318 E. Locust Street  
:  
: P. O. Box 670  
:  
: Clearfield, PA 16830  
:  
: (814) 765-5537

**FILED**

JUL 12 2002

William A. Shaw  
Prothonotary

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

JEROME C. WOODS, Plaintiff :  
-vs- : No. 01-1420-CD  
JOHN R. WALNOCK and LISA L. :  
WALNOCK, husband and wife, :  
Defendants :  
:

PRAECIPE

TO WILLIAM A. SHAW, PROTHONOTARY:

Kindly mark the above-captioned matter, including  
Defendants' Counterclaims, as "Settled, Discontinued and Ended".

BY:

  
Richard A. Bell, Esquire  
Attorney for Plaintiff

BY:

  
Andrew P. Gates, Esquire  
Attorney for Defendants

Date: July 12, 2002

Date: July 2, 2002

**FILED**

JUL 12 2002

O/A.2 / / O/C

William A. Shaw  
Prothonotary

3  
Cert & Do. to City of  
Sacramento, CA

IN THE COURT OF COMMON PLEAS OF  
CLEARFIELD COUNTY, PENNSYLVANIA

COPY

CIVIL DIVISION

**Jerome C. Woods**

vs.

**John R. Walnock and  
Lisa L. Walnock**

**No. 2001-01420-CD**

**CERTIFICATE OF DISCONTINUATION**

Commonwealth of PA  
County of Clearfield

I, William A. Shaw, Prothonotary of the Court of Common Pleas in and for the County and Commonwealth aforesaid do hereby certify that the above case was on July 12, 2002 marked:

Settled, Discontinued and Ended.

Record costs in the sum of \$80.00 have been paid in full by Richard A. Bell, Esquire.

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of this Court at Clearfield, Clearfield County, Pennsylvania this 12th day of July A.D. 2002.



---

William A. Shaw, Prothonotary