

02-555-CD
CLEARFIELD BANK & TRUST CO. -vs- BRYCE W. HATHAWAY et al

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CLEARFIELD BANK & TRUST CO.,

CIVIL DIVISION

Plaintiff,

vs.

No. 2002-555-CD

BRYCE W. HATHAWAY and LYNN
HATHAWAY, THOMAS R. DUVAL,
and SALLY J. DUVAL,

Defendants.

COMPLAINT IN CONFESSION OF
JUDGMENT

Filed on Behalf of:
Clearfield Bank & Trust Co.

Counsel for Plaintiff:

Thomas E. Reiber, Esquire
Pa. I.D. #41825
Brett A. Solomon, Esquire
Pa. I.D. #83746

TUCKER ARENSBERG, P.C.
Firm #287
1500 One PPG Place
Pittsburgh, PA 15222
(412) 566-1212

FILED

APR 10 2002

M/11:201 WTS
William A. Shaw
Prothonotary

NOTICE TO

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BY
ATTY.

ACT 105 OF 2000 NOTICE

A JUDGMENT HAS BEEN ENTERED AGAINST YOU BY CONFESSION OF JUDGMENT.

PURSUANT TO 42 PA. C.S.A. §2737.1, IF YOU WERE INCORRECTLY IDENTIFIED AS A DEFENDANT IN THE COMPLAINT IN CONFESSION OF JUDGMENT, YOU MAY BE ENTITLED TO COSTS AND REASONABLE ATTORNEY FEES AS DETERMINED BY THE COURT.

YOU MAY TAKE ACTION TO STRIKE THE JUDGMENT BY FOLLOWING THE PROCEDURE IN RULE 2959 WHICH IS AS FOLLOWS:

Pennsylvania Rule of Civil Procedure 2959 – Striking Off Judgment.

(a)(1) Relief From a judgment by confession shall be sought by petition. Except as provided in subparagraph (2), all grounds for relief whether to strike off the judgment or to open it must be asserted in a single petition. The petition may be filed in the county in which the judgment was originally entered, in any county to which the judgment has been transferred or in any other county in which the sheriff has received a writ of execution directed to the sheriff to enforce the judgment.

(2) The ground that the waiver of the due process rights of notice and hearing was not voluntary, intelligent and knowing shall be raised only

(i) in support of a further request for a stay of execution where the court has stayed execution despite the timely filing of a petition for relief from the judgment and the presentation of prima facie evidence of a defense; and

(ii) as provided by Pennsylvania Rule of Civil Procedure 2958.3 or Rule 2973.3.

(3) If written notice is served upon the petitioner pursuant to Rule 2956.1(c)(2) or Rule 2973.1(c), the petition shall be filed within thirty days after such service. Unless the defendant can demonstrate that there were compelling reasons for the delay, a petition not timely filed shall be denied.

(b) If the petition states prima facie grounds for relief the court shall issue a rule to show cause and may grant a stay of proceedings. After being served with a copy of the petition the plaintiff shall file an answer on or before the return day of the rule. The return day of the rule shall be fixed by the court by local rule or special order.

(c) A party waives all defenses and objections, which are not included in the petition or answer.

(d) The petition and the rule to show cause and the answer shall be served as provided in Rule 440.

(e) The court shall dispose of the rule on petition and answer, and on any testimony, depositions, admissions and other evidence. The court for cause shown may stay proceedings on the petition insofar as it seeks to open the judgment pending disposition of the application to strike off the judgment. If evidence is produced which a jury trial would require the issues to be submitted to the jury the court shall open the judgment.

(f) The lien of the judgment or of any levy or attachment shall be preserved while the proceedings to strike off or open the judgment is pending.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CLEARFIELD BANK & TRUST CO.,)	
)	
Plaintiff,)	
)	
vs.)	No.
)	
BRYCE W. HATHAWAY and LYNN HATHAWAY,)	
THOMAS R. DUVAL and SALLY J. DUVAL,)	
)	
Defendants.)	

COMPLAINT IN CONFESSION OF JUDGMENT

Plaintiff, Clearfield Bank & Trust Co., by and through its counsel, Tucker Arensberg, P.C., avers as follows:

1. The Plaintiff is Clearfield Bank & Trust Co., a corporation with offices located at 11 North Second Street, Clearfield, PA 16830.
2. The Defendants, Bryce W. Hathaway and Lynn Hathaway (jointly "**Hathaway**") are adult individuals, believed to be husband and wife, with a last known address of 7821 Locust Wood Road, Severn, MD 21144-2032.
3. The Defendants, Thomas R. Duval and Sally J. Duval (jointly "**Duval**", who with Hathaway are collectively hereinafter referred to as the "**Guarantors**"), are adult individuals, believed to be husband and wife, with a last known address of RR1, Box 54, Grampian, PA 16838.

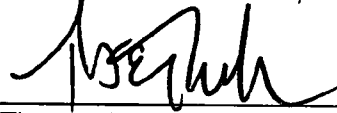
4. The Borrower, Robert Duval and Bryce Hathaway Real Estate Partnership, is a General Partnership of Thomas R. Duval and Bryce W. Hathaway, with a last known address of RR1, Box 54, Grampian, PA 16838.
5. The Guarantors executed and delivered to the Plaintiff Guaranty Agreements with Power to Confess Judgment dated June 30, 1998 (jointly the "**Guaranty**"), whereby they absolutely and unconditionally guaranteed and became surety for, jointly and severally, the prompt and punctual payment of all indebtedness and obligations due under a certain note ("**Note-1**") between the Plaintiff and the Borrower dated June 30, 1998, and a certain note ("**Note-2**", which with Note-1 is hereinafter referred to as the "**Notes**") between the Plaintiff and the Borrower dated October 21, 1999. True and correct copies of Guaranty and Notes are attached hereto, incorporated herein, and labeled, respectively, as Exhibits "A" , "B" and "C".
6. The Borrower has defaulted under the Notes, *inter alia*, by failing to make payments when due.
7. Pursuant to the terms of the Guaranty, Plaintiff may demand and exercise its right to collect all outstanding amounts due on the note from the Guarantors under the Guaranty.
8. Notwithstanding default, the Borrower and Guarantors have not repaid the Plaintiff and remain in default under the terms of the Notes.

9. The Guaranty contains a warrant of attorney authorizing the confession of judgment in favor of the Plaintiff and against the Guarantors.
10. Judgment has not been entered on the Guaranty in any jurisdiction.
11. Neither the Notes, nor the Guaranty have been assigned.
12. **JUDGMENT IS NOT BEING ENTERED BY CONFESSION AGAINST A NATURAL PERSON IN CONNECTION WITH A CONSUMER CREDIT TRANSACTION.**
13. As of April 1, 2002, the amount due from the Borrower to the Plaintiff pursuant to the Notes is \$350,363.91, plus accruing interest, computed as follows:
- | | |
|---|---------------|
| Principal Debt: | \$339,397.97 |
| Interest Accrued through April 1, 2002:
(per diem \$ 81.98488) | 10,376.02 |
| <u>Late Charges</u> | <u>589.92</u> |
| Total: | \$350,363.91 |
- *Plus interest accruing at the contract rate and costs and expenses of suit.
14. Pursuant to the terms of the Guaranty the Guarantors have authorized, despite the outstanding amount due on the Note, confession of judgment in the amount of \$285,000.00.

WHEREFORE, Plaintiff demands that judgment be entered in its favor and against Guarantors in the amount of Two Hundred Eighty Five Thousand 00/100 Dollars (\$285,000).

Respectfully submitted,

TUCKER ARENSBERG, P.C.



Thomas E. Reiber, Esquire

Pa. I.D. #41825

Brett A. Solomon, Esquire

Pa. I.D. #83746

1500 One PPG Place

Pittsburgh, Pennsylvania 15222

Phone: (412) 566-1212

Facsimile: (412) 594-5619

Counsel for Clearfield Bank & Trust Co.

Date: April 5, 2002

EXHIBIT "A"

GUARANTY AND SURETYSHIP AGREEMENT

WHEREAS, **Robert Duval and Bryce Hathaway Real Estate Partnership**, (hereinafter called "Borrower") desires to transact business with and to obtain credit or a continuation or renewal of credit from **Clearfield Bank & Trust Company** (hereinafter called "Bank"); and

WHEREAS, Bank is unwilling to extend or continue credit or any renewal thereof to Borrower without this Guaranty;

NOW, THEREFORE, in order to induce Bank to extend, continue, or renew credit to Borrower, and in consideration of the premises and the sum of \$1.00 and of other good and valuable consideration, the undersigned, as surety, subject to the limitation, if any, hereinafter set forth in Paragraph 1, hereby absolutely and unconditionally guarantees to Bank prompt payment when due and at all times thereafter of any and all existing and future indebtedness and liability of every kind, nature and character (including all renewals, extensions and modifications thereof) from Borrower to Bank, howsoever and whensoever created or arising or evidenced or acquired.

1. The amount of the undersigned's liability hereunder shall be \$285,000.00. The undersigned agrees that the amount of Borrower's liabilities to Bank may from time to time exceed the undersigned's liability hereunder without in any way affecting or impairing the liability of the undersigned hereunder.
2. This Guaranty is made and shall continue as to any and all indebtedness and liability of Borrower to Bank incurred or arising without regard to collateral or security or guaranties or other obligers, if any, or to the validity or effectiveness of any and all thereof; and any and all such collateral and security and guaranties and other obligers, if any, may from time to time without notice to, or consent of the undersigned, be sold, released, surrendered, exchanged, settled, compromised, waived, subordinated or modified, with or without consideration, on such terms or conditions as may be acceptable to Bank, without in any manner affecting or impairing the liability of the undersigned hereunder. The termination of this Guaranty, in the manner aforesaid, shall not relieve the undersigned from liability upon any indebtedness or liability of Borrower existing at the time of such termination.
3. The undersigned's liability hereunder is several and is independent of any other guaranties at any time in effect with respect to all or any part of the indebtedness or liability of Borrower to Bank, and may be enforced regardless of the existence of any such other guaranties. This is an agreement of suretyship as well as of guaranty, and without being required to proceed first against Borrower or any other person or entity, or against any collateral or other security for Borrower's obligations to Lender, Lender may proceed directly against the undersigned whenever Borrower fails to make any payment when due, or otherwise fails to perform any obligation now or hereafter owed to Bank.
4. The undersigned hereby waives all notices of any character whatsoever with respect to this Guaranty and Borrower's obligations or liabilities to Bank including, but not limited to: notice of acceptance hereof; notice of the creation, existence, amendment, modification,

waiver, renewal, extension or acquisition of any obligation or liability hereby guaranteed; notice of any adverse change in Borrower's financial condition of which Bank acquires knowledge or of any other fact affecting the undersigned's risk hereunder; and notice of default by Borrower or any other guarantor of Borrower's obligations or liabilities. The undersigned further waives presentment, demand, protest, and notice thereof as to any instrument representing indebtedness covered by this Guaranty, as well as any right to require Bank to sue or otherwise enforce payment thereof. In addition, the undersigned waives the benefit of all laws now or hereafter in effect in any way limiting or restricting the liability of the undersigned hereunder and waives all defenses whatsoever to undersigned's liability hereunder other than payment.

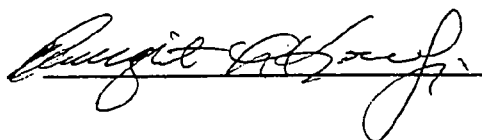
5. If any of Borrower's obligations or liabilities to Bank are not duly performed, including the prompt payment when due of any amount payable thereunder, and if Bank is prevented from accelerating payment thereunder, (whether because of bankruptcy, insolvency, or reorganization or any other reason) all of Borrower's liabilities to Bank shall, at Bank's option, be deemed to be forthwith due and payable for the purposes of this Guaranty and the liability of the undersigned hereunder.
6. In addition to all other liability of the undersigned hereunder and notwithstanding the limit, if any, set forth in Paragraph 1 hereof, the undersigned also agrees to pay to Bank on demand all costs and expenses (including reasonable attorney's fees and legal expenses) which may be incurred in the enforcement of the Borrower's liabilities to Bank or the liability of the undersigned hereunder.
7. The undersigned hereby authorizes and empowers any Prothonotary, Clerk or Attorney of any Court of Record to appear for and confess judgment against the undersigned in favor of Bank, its successors or assigns, for the sum set forth in Paragraph 1 hereof, with or without declaration filed, with interest and costs, release of error, without stay of execution and with reasonable attorney's fees; and the undersigned further authorizes the immediate issuing of an appropriate writ of execution upon which real or personal property may be sold without delay as provided by law or the rules of civil procedure governing the enforcement of judgments; and the undersigned also waives the right of inquisition on any real estate that may be levied upon to collect the amount due under a judgment obtained by virtue hereof, and undersigned does hereby voluntarily condemn the same and hereby waives and releases all relief from any and all appraisement, stay, exemption or homestead laws of any state, now in force, or hereafter passed, and any right to except to, strike off, open or appeal from the judgment so entered; and if a true copy of this instrument shall be filed in any such action, it shall not be necessary to file the original as a warrant of attorney, any rule of court to the contrary notwithstanding.


No single exercise of the foregoing warrant and power to confess judgment shall be deemed to exhaust the power, but it shall continue undiminished and may be exercised from time to time as often as Bank shall elect, until all sums payable by the undersigned have been paid in full.

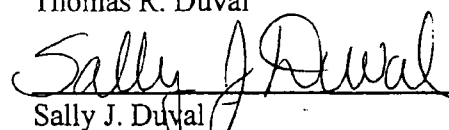
8. To secure all obligations of the undersigned hereunder, Bank shall have a lien upon and security interest in and may, without demand or notice of any kind, at any time and from time to time when any amount shall be due and payable by such undersigned hereunder, appropriate and apply toward the payment of such amount, in such order of application as Bank may elect; any and all balances, credits, deposits, accounts or moneys of or in the name of undersigned now or hereafter with Bank, whether held in a general or special account for deposit or for safekeeping or otherwise, and any and all property of every kind or description of or in the name of such undersigned now or hereafter, for any reason or purpose whatsoever, in the possession or control of Bank.
9. The liability of the undersigned under this Guaranty shall be unconditional and irrevocable, irrespective of (a) the genuineness, validity or enforceability of any document executed and delivered to Bank by Borrower to evidence or secure any obligation or liability of Borrower to Bank, (b) any limitation of liability of Borrower contained in any such document, (c) the existence of any collateral or other security given to secure such obligations and liabilities, (d) impossibility or the illegality of performance on the part of Borrower of its obligations or liabilities to Bank, (e) the sale or transfer of all or any portion of the collateral or other security for such obligations or liabilities, (f) any defense that may arise by reason of the incapacity or lack of authority of Borrower, (g) the failure of Bank to file or enforce a claim against the estate of Borrower in any bankruptcy or other proceeding; or (h) any other circumstance, occurrence or condition, whether similar or dissimilar to any of the foregoing, which might otherwise constitute a legal or equitable defense, discharge or release of a guarantor or surety. If Borrower defaults, this Guaranty shall remain in full force and effect until all sums due Bank by Borrower have been indefeasibly paid in full to Lender and until all such sums received by Lender are not subject to rescission, or repayment upon the bankruptcy, insolvency, or reorganization of Borrower.
10. If the undersigned consists of more than one person, such persons shall be jointly and severally liable hereunder. This Guaranty shall inure to the benefit of Bank, its successors, assigns, endorsees and any person or entity, to whom or which Bank may grant any interest in Borrower's obligations or liabilities to Bank or any of them, and shall be binding upon the undersigned and the undersigned's executors, administrators, heirs, successors, assigns and other legal representatives. The undersigned intends this to be a sealed instrument and to be legally bound hereby.

WITNESS the due execution hereof this 30th day of June, 1998.

ATTEST OR WITNESS:



 (SEAL)
Thomas R. Duval

 (SEAL)
Sally J. Duval

ADDRESS: RR 1, Box 34, Grampian, PA 16838

GUARANTY AND SURETYSHIP AGREEMENT

WHEREAS, Robert Duval and Bryce Hathaway Real Estate Partnership, (hereinafter called "Borrower") desires to transact business with and to obtain credit or a continuation or renewal of credit from **Clearfield Bank & Trust Company** (hereinafter called "Bank"); and

WHEREAS, Bank is unwilling to extend or continue credit or any renewal thereof to Borrower without this Guaranty;

NOW, THEREFORE, in order to induce Bank to extend, continue, or renew credit to Borrower, and in consideration of the premises and the sum of \$1.00 and of other good and valuable consideration, the undersigned, as surety, subject to the limitation, if any, hereinafter set forth in Paragraph 1, hereby absolutely and unconditionally guarantees to Bank prompt payment when due and at all times thereafter of any and all existing and future indebtedness and liability of every kind, nature and character (including all renewals, extensions and modifications thereof) from Borrower to Bank, howsoever and whensoever created or arising or evidenced or acquired.

1. The amount of the undersigned's liability hereunder shall be **\$285,000.00**. The undersigned agrees that the amount of Borrower's liabilities to Bank may from time to time exceed the undersigned's liability hereunder without in any way affecting or impairing the liability of the undersigned hereunder.
2. This Guaranty is made and shall continue as to any and all indebtedness and liability of Borrower to Bank incurred or arising without regard to collateral or security or guaranties or other obligers, if any, or to the validity or effectiveness of any and all thereof; and any and all such collateral and security and guaranties and other obligers, if any, may from time to time without notice to, or consent of the undersigned, be sold, released, surrendered, exchanged, settled, compromised, waived, subordinated or modified, with or without consideration, on such terms or conditions as may be acceptable to Bank, without in any manner affecting or impairing the liability of the undersigned hereunder. The termination of this Guaranty, in the manner aforesaid, shall not relieve the undersigned from liability upon any indebtedness or liability of Borrower existing at the time of such termination.
3. The undersigned's liability hereunder is several and is independent of any other guaranties at any time in effect with respect to all or any part of the indebtedness or liability of Borrower to Bank, and may be enforced regardless of the existence of any such other guaranties. This is an agreement of suretyship as well as of guaranty, and without being required to proceed first against Borrower or any other person or entity, or against any collateral or other security for Borrower's obligations to Lender, Lender may proceed directly against the undersigned whenever Borrower fails to make any payment when due, or otherwise fails to perform any obligation now or hereafter owed to Bank.
4. The undersigned hereby waives all notices of any character whatsoever with respect to this Guaranty and Borrower's obligations or liabilities to Bank including, but not limited to: notice of acceptance hereof; notice of the creation, existence, amendment, modification,

waiver, renewal, extension or acquisition of any obligation or liability hereby guaranteed; notice of any adverse change in Borrower's financial condition of which Bank acquires knowledge or of any other fact affecting the undersigned's risk hereunder; and notice of default by Borrower or any other guarantor of Borrower's obligations or liabilities. The undersigned further waives presentment, demand, protest, and notice thereof as to any instrument representing indebtedness covered by this Guaranty, as well as any right to require Bank to sue or otherwise enforce payment thereof. In addition, the undersigned waives the benefit of all laws now or hereafter in effect in any way limiting or restricting the liability of the undersigned hereunder and waives all defenses whatsoever to undersigned's liability hereunder other than payment.

5. If any of Borrower's obligations or liabilities to Bank are not duly performed, including the prompt payment when due of any amount payable thereunder, and if Bank is prevented from accelerating payment thereunder, (whether because of bankruptcy, insolvency, or reorganization or any other reason) all of Borrower's liabilities to Bank shall, at Bank's option, be deemed to be forthwith due and payable for the purposes of this Guaranty and the liability of the undersigned hereunder.
6. In addition to all other liability of the undersigned hereunder and notwithstanding the limit, if any, set forth in Paragraph 1 hereof, the undersigned also agrees to pay to Bank on demand all costs and expenses (including reasonable attorney's fees and legal expenses) which may be incurred in the enforcement of the Borrower's liabilities to Bank or the liability of the undersigned hereunder.
7. The undersigned hereby authorizes and empowers any Prothonotary, Clerk or Attorney of any Court of Record to appear for and confess judgment against the undersigned in favor of Bank, its successors or assigns, for the sum set forth in Paragraph 1 hereof, with or without declaration filed, with interest and costs, release of error, without stay of execution and with reasonable attorney's fees; and the undersigned further authorizes the immediate issuing of an appropriate writ of execution upon which real or personal property may be sold without delay as provided by law or the rules of civil procedure governing the enforcement of judgments; and the undersigned also waives the right of inquisition on any real estate that may be levied upon to collect the amount due under a judgment obtained by virtue hereof, and undersigned does hereby voluntarily condemn the same and hereby waives and releases all relief from any and all appraisal, stay, exemption or homestead laws of any state, now in force, or hereafter passed, and any right to except to, strike off, open or appeal from the judgment so entered; and if a true copy of this instrument shall be filed in any such action, it shall not be necessary to file the original as a warrant of attorney, any rule of court to the contrary notwithstanding.

No single exercise of the foregoing warrant and power to confess judgment shall be deemed to exhaust the power, but it shall continue undiminished and may be exercised from time to time as often as Bank shall elect, until all sums payable by the undersigned have been paid in full.

8. To secure all obligations of the undersigned hereunder, Bank shall have a lien upon and security interest in and may, without demand or notice of any kind, at any time and from time to time when any amount shall be due and payable by such undersigned hereunder, appropriate and apply toward the payment of such amount, in such order of application as Bank may elect; any and all balances, credits, deposits, accounts or moneys of or in the name of undersigned now or hereafter with Bank, whether held in a general or special account for deposit or for safekeeping or otherwise, and any and all property of every kind or description of or in the name of such undersigned now or hereafter, for any reason or purpose whatsoever, in the possession or control of Bank.
9. The liability of the undersigned under this Guaranty shall be unconditional and irrevocable, irrespective of (a) the genuineness, validity or enforceability of any document executed and delivered to Bank by Borrower to evidence or secure any obligation or liability of Borrower to Bank, (b) any limitation of liability of Borrower contained in any such document, (c) the existence of any collateral or other security given to secure such obligations and liabilities, (d) impossibility or the illegality of performance on the part of Borrower of its obligations or liabilities to Bank, (e) the sale or transfer of all or any portion of the collateral or other security for such obligations or liabilities, (f) any defense that may arise by reason of the incapacity or lack of authority of Borrower, (g) the failure of Bank to file or enforce a claim against the estate of Borrower in any bankruptcy or other proceeding; or (h) any other circumstance, occurrence or condition, whether similar or dissimilar to any of the foregoing, which might otherwise constitute a legal or equitable defense, discharge or release of a guarantor or surety. If Borrower defaults, this Guaranty shall remain in full force and effect until all sums due Bank by Borrower have been indefeasibly paid in full to Lender and until all such sums received by Lender are not subject to rescission, or repayment upon the bankruptcy, insolvency, or reorganization of Borrower.
10. If the undersigned consists of more than one person, such persons shall be jointly and severally liable hereunder. This Guaranty shall inure to the benefit of Bank, its successors, assigns, endorsees and any person or entity, to whom or which Bank may grant any interest in Borrower's obligations or liabilities to Bank or any of them, and shall be binding upon the undersigned and the undersigned's executors, administrators, heirs, successors, assigns and other legal representatives. The undersigned intends this to be a sealed instrument and to be legally bound hereby.

WITNESS the due execution hereof this 30th day of June, 1998.

ATTEST OR WITNESS:

Sharon W. W.

Bryce Hathaway (SEAL)
Bryce Hathaway

Lynn Hathaway (SEAL)
Lynn Hathaway

ADDRESS: 7821 Locust Wood Rd, Severn, MD 21144

EXHIBIT "B"

000.00

PROMISSORY NOTE

Loan #

0411757

Dated June 30, 1998

Debtor Robert Duval and Bryce Hathaway Real Estate Partnership of RR 1, Box 54, Grampian, PA 16838

FOR VALUE RECEIVED AND INTENDING TO BE LEGALLY BOUND HEREBY, the person or persons who sign as debtor below (each jointly and severally liable if more than one person and hereinafter referred to as "Debtor"), promises to pay to the order of

CLEARFIELD BANK & TRUST CO., Clearfield, Pennsylvania 16830

("Lender")

at any of Lender's branch offices,

the Principal sum of Two Hundred Eighty Five Thousand and 00/100 Dollars in lawful money of the United States, to be paid as follows: Principal is payable on Demand together with the accrued interest then outstanding, but if no demand is made by Lender then: 60 monthly principal and interest installments of \$2,849.58 commencing on the 30th day of July, 1998 and continuing on the 30th day of each month thereafter. Subsequent monthly principal and interest installments will be based on a variable interest rate of Lender's Prime Rate, currently 8.50% plus 1.00%. The payment schedule will amortize the loan over the full 180 month term. Any increase or decrease in the amount of interest due caused by early or late payments will be reflected in the final installment which will be modified accordingly.

Interest from the date of this Note shall accrue on the unpaid Principal balance hereof at the rate of 8.75% which will be fixed for the first five year time period only. Interest thereafter will be at a variable rate of Lenders Prime Rate, currently 8.50% plus 1.00%.

and shall be payable with each principal payment as billed.

If a payment is made more than 15 days after its scheduled due date, a late charge of 5% of the payment amount or a minimum of \$5.00 will be charged.

SECURITY INTEREST: As security for the prompt payment as and when due of all amounts due under this Note, including any renewals, extensions and/or modifications thereof, together with all other existing and future liabilities and obligations of Debtor, or any of them, to Lender whether absolute or contingent, of any nature whatsoever and out of whatever transactions arising hereinafter collectively referred to as the "Liabilities", in addition to any other security agreement or document granting Lender any rights in any of Debtor's ("Debtor"), as used herein, shall include Debtor and all other persons liable, either absolutely or contingently, on the Liabilities, including endorses, sureties and guarantors) property for the purpose of securing the Liabilities, Debtor acknowledges Lender's right of set-off and further hereby grants to Lender a lien and security interest in and to all property of Debtor, or any of them, which at any time Lender shall have in its possession, or which is in transit to it, including without limitation any account or share belonging to Debtor, or any of them, of any deposit, agency, trust, escrow or other account or accounts with Lender and any other amounts which may be owing from time to time by Debtor to Debtor, or any of them. Said lien and security interest shall be independent of Lender's right of set-off, which, if exercised, shall be deemed to occur at the time Lender first restricts access to Debtor to property in Lender's possession, although such set-off may be entered upon Lender's books and records at a later time.

☐ If checked, Debtor agrees that this Note is a renewal of the Promissory Note dated

19_____, and that, whether or not additional funds are advanced herewith, this Note is not intended to create a totally new debt. If Lender was given a purchase money or other security interest in connection with the prior Promissory Note, that security interest shall be retained by Lender in connection with this Note.

UNCONDITIONAL LIABILITY: Debtor's liability shall be unconditional and without regard to the liability of any other Debtor, and shall not be affected by any indulgence, extension of time, renewal, waiver or modification of this Note, or the release, substitution and/or addition of collateral security for this Note. Debtor consents to any and all extensions of time, renewals, waivers or modifications, as well as to the release, substitution or addition of Obligors and/or collateral security, without notice to Debtor and without affecting Debtor's liability hereunder or under the Liabilities.

This Note is entitled to the benefits of any loan agreement(s), surety and/or guaranty agreement(s), security agreement(s), mortgage(s), assignment(s), and/or other such loan documents (referred to as the "Loan Documents") issued in connection with the Liabilities, whether executed previously to or concurrently with, or to be executed subsequent to, this Note, and which may be amended, modified, renewed or substituted without affecting in any way the validity or enforceability of this Note.

EVENTS OF DEFAULT: Each of the following shall be an "Event of Default" hereunder: (1) the nonpayment when due, or if this is a demand obligation, upon demand, of any amount payable under this Note or of any amount when due under or on any of the Liabilities, or the failure of any Debtor to observe or perform any agreement of any nature whatsoever with Lender, including, but not limited to, those contained in the Loan Documents; (2) if any Debtor becomes insolvent or makes an assignment for the benefit of creditors, or if any petition is filed by or against any Debtor under any provision of any state or federal law or statute alleging that such Debtor is insolvent or unable to pay debts as they mature or under any provision of the Federal Bankruptcy Code; (3) the entry of any judgment against any Debtor or any of Debtor's property which remains unsatisfied for fifteen (15) days; (4) the issuing of any attachment, levy or garnishment against any property of any Debtor; (5) the occurrence of any substantial change in the financial condition of any Debtor which, in the sole, reasonable good faith judgment of Lender is materially adverse; (6) the sale of all or substantially all of the assets, or change in ownership, or the dissolution, liquidation, merger, consolidation or reorganization of any Debtor which is a corporation or partnership, without the express prior written consent of Lender; (7) the death, incarceration or adjudication of legal incompetence of any Debtor who is a natural person; (8) if any information or signature furnished to Lender by any Debtor at any time in connection with any of the Liabilities, or in connection with any guaranty or surety agreement applicable to any of the Liabilities, is false or incorrect; or (9) the failure of any Debtor to timely furnish to Lender such financial and other information as Lender may reasonably request or require.

LENDER'S RIGHTS UPON DEFAULT: Notwithstanding anything to the contrary contained herein or elsewhere, or the fact that Debtor may be required to make Principal and/or interest payments from time to time, if this Note is payable upon demand, Lender may demand payment of all outstanding Principal and accrued interest at any time, whether or not an Event of Default shall have occurred. In any event, upon the occurrence of any Event of Default, Lender may do any or all of the following:

(1) accelerate the maturity of this Note and demand immediate payment of all outstanding Principal and accrued interest. Debtor agrees to pay interest at the rate provided in this Note on all such sums until Lender has actually received payment in full thereof, even if Lender has obtained judgment against Debtor therefore. (2) pursuant to the Warrant of Attorney contained herein, confess judgment against Debtor, or any of them. (3) exercise Lender's right of set-off and all of the rights, privileges and remedies of a secured party under the Pennsylvania Uniform Commercial Code and all of its rights and remedies under any security agreement, pledge agreement, assignment, mortgage, power, this Note or any other note, or other agreement, instrument or document issued in connection with or arising out of any of the Liabilities, all of which remedies shall be cumulative and not alternative. The net proceeds of any collateral held by Lender as security for any of the Liabilities shall be applied first to the expenses of Lender in preparing the collateral for sale, selling and the like, including, without limitation, reasonable attorney's fees and expenses incurred by Lender (including fees and expenses of any litigation incident to any of the foregoing), and second, in such order, as Lender may, in its sole discretion, elect, to the complete satisfaction of all of the Liabilities together with all interest thereon. Debtor waives and releases any right to require Lender to collect any of the Liabilities to Lender from any other collateral under any theory of marshalling of assets or otherwise, and specifically authorizes Lender to apply any collateral in which Debtor has any right, title or interest against any of the Debtor's Liabilities to Lender in any manner that Lender may determine.

(4) Upon five (5) days written notice to Debtor, begin accruing interest in addition to the interest provided for above, if any, at a rate not to exceed four percent (4%) per annum on the unpaid Principal balance, provided, however, that no interest shall accrue hereunder in excess of the maximum amount of interest then allowed by law. Debtor agrees to pay such accrued interest upon demand.

WARRANT OF ATTORNEY: Debtor, and each of them if more than one, hereby irrevocably authorizes and empowers any Attorney or any Clerk of any court of record prior to, upon or after the occurrence of any Event of Default, as specified above, to appear for and CONFESS JUDGMENT against Debtor, or any of them, (a) for such sums as are due and/or may become due on the Liabilities, and/or (b) in any action of replevin instituted by Lender to obtain possession of any collateral securing this Note or securing any of the Liabilities, in either case with or without declaration, with costs of suit, without stay of execution and with an amount not to exceed fifteen percent (15%) of the unpaid principal amount of such judgment, but not less than One Thousand Dollars (\$1,000.00), added for attorney's collection fees. Debtor: (1) waives the right of inquiry on any real estate levied on, voluntarily condemns the same, authorizes the Prothonotary or Clerk to enter upon the Writ of Execution said voluntary condemnation and agrees that said real estate may be sold on a Writ of Execution; (2) to the extent permitted by law, waives and releases all relief from all appraisal, stay, exemption or appeal laws of any state now in force or hereafter enacted; and (3) releases all errors in such proceedings. If a copy of this Note, verified by affidavit by or on behalf of Lender shall have been filed in such action, it shall not be necessary to file the original Note as a Warrant of Attorney. The authority and power to appear for and enter judgment against Debtor shall not be exhausted by the initial exercise thereof, and the same may be exercised, from time to time, as often as Lender shall deem necessary and desirable, and this Note shall be a sufficient Warrant therefore. Lender may enter one or more judgments in the same or different counties for all or part of the Liabilities, without regard to whether judgment has been entered on more than one occasion for the same Liabilities. In the event any judgment entered against Debtor hereunder is stricken or opened upon application by or on Debtor's behalf for any reason whatsoever, Lender is hereby authorized and empowered to again appear for and Confess Judgment against Debtor or any of them, subject, however, to the limitation that such subsequent entry or entries of judgment by Lender may only be done to cure any errors in prior proceedings, only and to the extent that such errors are subject to cure in the later proceedings.

THE PROVISIONS ON THE REVERSE SIDE ARE PART OF THIS NOTE.

Debtor has duly executed this Note the day and year first above written and has hereunto set Debtor's hand and seal.

(INDIVIDUAL DEBTOR(S) SIGN BELOW)

(CORPORATION OR PARTNERSHIP DEBTOR(S) SIGN BELOW)

Name (SEAL)

Robert Duval and Bryce Hathaway Real Estate Partnership (SEAL)
Name of Corporation or Partnership

Name (SEAL)

By: Thomas R. Duval (SEAL)

Name (SEAL)

Attest: Bryce Hathaway (SEAL)
Name and Title Bryce Hathaway, Partner

PREPAYMENTS: Unless otherwise agreed to in writing by Debtor, this Note may be prepaid in whole or in part, at any time without penalty. However, if the Principal of this Note is repayable in installments, any such prepayments shall be applied first to accrued interest to the date of prepayment and then on account of the last remaining unpaid Principal payment to become due, and the number of installments due hereunder shall be correspondingly reduced. No such prepayments shall reduce the amounts of the scheduled installments nor relieve Debtor from paying a scheduled installment on each installment payment date until all Principal due together with accrued interest thereon has been paid in full.

DISBURSEMENT OF PROCEEDS: Each Debtor hereby represents and warrants to Lender that the Principal of this Note will be used solely for business or commercial purposes and agrees that any disbursement of the Principal of this Note, or any portion thereof, to any one or more Debtors, shall conclusively be deemed to constitute disbursement of such Principal to and for the benefit of all Debtors.

RIGHT TO COMPLETE NOTE: Lender may at any time and from time to time, without notice to any Obligor: (1) date this Note as of the date when the loan evidenced hereby was made; (2) complete any blank spaces according to the terms upon which Lender has granted such loan; and (3) cause the signature of one or more persons to be added as additional Debtors without in any way affecting or limiting the liability of the existing Debtors to Lender.

MISCELLANEOUS: Debtor hereby waives protest, notice of protest, presentment, dishonor, notice of dishonor and demand. Debtor hereby waives and releases all errors, defects and imperfections in any proceeding

instituted by Lender under the terms of this Note. Debtor agrees to reimburse Lender for all costs, including court costs and reasonable attorney's fees of 15% (but in no event less than \$1,000) of the total amount due hereunder, incurred by Lender in connection with the collection and enforcement hereof. If this Note bears interest at a rate based on the reference rate designated by Lender or others from time to time as the Prime Rate, Base Rate, or otherwise, or the Discount Rate in effect from time to time as set by the Federal Reserve Bank in whose district the Lender is located, changes in the rate of interest hereon shall become effective on the days on which such reference rate changes or that Federal Reserve Bank announces changes in its Discount Rate, as applicable. The rights and privileges of Lender under this Note shall inure to the benefit of its successors and assigns. All representations, warranties and agreements of Obligor made in connection with this Note shall bind Obligor's personal representatives, heirs, successors and assigns. If any provision of this Note shall for any reason be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof, but this Note shall be construed as if such invalid or unenforceable provision had never been contained herein. The waiver of any Event of Default or the failure of Lender to exercise any right or remedy to which it may be entitled shall not be deemed a waiver of any subsequent Event of Default or of Lender's right to exercise that or any other right or remedy to which Lender is entitled. This Note has been delivered to and accepted by Lender in and shall be governed by the laws of the Commonwealth of Pennsylvania, unless Federal law otherwise applies. The parties agree to the jurisdiction of the federal and state courts located in Pennsylvania in connection with any matter arising hereunder, including the collection and enforcement hereof.

EXHIBIT "C"

ROBERT DUVAL & BRYCE HATHAWAY
REAL ESTATE PARTNERSHIP
RR 1, Box 54
Grampian, PA 16838-9708

CLEARFIELD BANK & TRUST COMPANY
11 N. 2nd St., P.O. Box 171
Clearfield, PA 16830

Loan Number 653837
Date 10/21/99
Maturity Date 04/21/15
Loan Amount \$ 95,990.00
Renewal Of _____

BORROWER'S NAME AND ADDRESS
"I" includes each borrower above, joint and severally.

LENDER'S NAME AND ADDRESS
"You" means the lender, its successors and assigns.

For value received, I promise to pay to you, or your order, at your address listed above the **PRINCIPAL** sum of
Ninety Five Thousand Nine Hundred Ninety and 00/100 Dollars \$ 95,990.00

- ☐ **Single Advance:** I will receive all of this principal sum on _____. No additional advances are contemplated under this note.
☒ **Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this note. On 10/21/99
I will receive the amount of \$.00 and future principal advances are contemplated.
Conditions: The conditions for future advances are per contractors draw schedule and customers approval

- ☐ **Open End Credit:** You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on _____.
☒ **Closed End Credit:** You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from October 21, 1999 at the rate of 9.0000 %
per year until April 21, 2015

- ☐ **Variable Rate:** This rate may then change as stated below.

☐ **Index Rate:** The future rate will be _____ the following index rate: _____

- ☐ **No Index:** The future rate will not be subject to any internal or external index. It will be entirely in your control.

☐ **Frequency and Timing:** The rate on this note may change as often as _____
A change in the interest rate will take effect _____

- ☐ **Limitations:** During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ %.
The rate may not change more than _____ % each _____

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

- ☐ The amount of each scheduled payment will change. ☐ The amount of the final payment will change.

ACCUAL METHOD: Interest will be calculated on a 365/365 basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:
☒ on the same fixed or variable rate basis in effect before maturity (as indicated above).
☐ at a rate equal to _____

- ☒ **LATE CHARGE:** If a payment is made more than 15 days after it is due, I agree to pay a late charge of 5% of the payment, with a \$5.00 minimum charge

- ☐ **RETURNED CHECK CHARGE:** I agree to pay a fee of \$ _____ for each check, negotiable order of withdrawal or draft I issue in connection with this loan that is returned because it has been dishonored.

- ☒ **ADDITIONAL CHARGES:** In addition to interest, I agree to pay the following charges which ☐ are ☒ are not included in the principal amount above: Commitment Fee - \$240.00

PAYMENTS: I agree to pay this note as follows:

- ☒ **Interest:** I agree to pay accrued interest **See additional terms below**

- ☒ **Principal:** I agree to pay the principal **See additional terms below**

- ☒ **Installments:** I agree to pay this note in 180 payments. The first payment will be in the amount of \$ 974.04 and will be due May 21, 2000. A payment of \$ 974.04 will be due monthly thereafter. The final payment of the entire unpaid balance of principal and interest will be due April 21, 2015

☒ **WARRANT OF AUTHORITY TO CONFESS JUDGMENT.** Upon default, in addition to all other remedies and rights available to you, by signing below Borrower irrevocably authorizes the prothonotary, clerk, or any attorney to appear in any court of record having jurisdiction over this matter and to confess judgment against me at any time without stay of execution. I waive notice, service of process and process. I agree and understand that judgment may be confessed against me for any unpaid principal, accrued interest and accrued charges due on this note, plus collection costs and reasonable attorneys' fees up to 15 percent of the judgment. The exercise of the power to confess judgment will not exhaust this warrant of authority to confess judgment and may be done as often as you elect. I further understand that my property may be seized without prior notice to satisfy the debt owed. I knowingly, intentionally, and voluntarily waive any and all constitutional rights I have to pre-deprivation notice and hearing under federal and state laws and fully understand the consequences of this waiver.

Thomas R. Duval Bryce Hathaway
Thomas R. Duval Bryce Hathaway

ADDITIONAL TERMS:

Lender will bill Borrower for interest only payments based on the principal amounts outstanding during the 6 month construction phase.

PURPOSE: The purpose of this loan is Commercial Building Addition

- ☒ **SECURITY:** This note is separately secured by (describe separate document by type and date):

Commercial Mortgage Dated 10/21/99

(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

Signature for Lender

William E. Wood
President & CEO

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.

Thomas R. Duval
Thomas R. Duval

Bryce Hathaway
Bryce Hathaway

DEFINITIONS: As used on page 1, "X" means the terms that apply to this loan. "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorser, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW: The law of the state of Pennsylvania will govern this note. Any term of this note which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

PAYMENTS: Each payment I make on this note will first reduce the amount I owe you for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement on this note. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

INTEREST: Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE: The index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

ACCURAL METHOD: The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year." If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the earliest of the following:

- the date of the last scheduled payment indicated on page 1 of this note;
- the date you accelerate payment on the note; or
- after the entry of judgment on this note by confession or otherwise and applies to amounts owed under this note on any such judgment until paid in full.

SINGLE ADVANCE LOANS: If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph below.

MULTIPLE ADVANCE LOANS: If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

ADVANCE PROCEDURE AND MEANS: You will advance the loan proceeds by way of check, cash, wire transfer, credit to an account or any combination as You and I agree. The advance(s) will occur upon consummation of the loan and as You and I agree, except that no advance(s) will occur until after three business days from the date of consummation if the loan is rescindable pursuant to Regulation Z (12 C.F.R. § 226).

PAYMENTS BY LENDER: If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments made by you as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

SET-OFF: I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

- any deposit account balance I have with you;
- any money owed to me on an item presented to you or in your possession for collection or exchange; and
- any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

REAL ESTATE OR RESIDENCE SECURITY: If this note is secured by real estate or a residence that is personal property, the existence of a default and your remedies for such a default will be determined by applicable law. By the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default", and "Remedies" paragraphs herein.

DEFAULT: I will be in default if any one or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or inaccurate at the time it was provided; (7) I do or fail to do something which causes you to believe that you will have difficulty collecting the amount I owe you; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in due season; (11) any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940, Subpart G, Exhibit M.

REMEDIES: If I am in default on this note you have, but are not limited to, the following remedies:

- You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).
- You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "Set-Off" paragraph herein.
- You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.
- You may refuse to make advances to me or allow purchases on credit by me.

(5) You may use any remedy you have under state or federal law. By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES: I agree to pay all costs of collection, replevin or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER: I give up my rights (to the extent permitted by law) to require you to do certain things. I will not require you to:

- demand payment of amounts due (presentment);
- obtain official certification of nonpayment (protest); or
- give notice that amounts due have not been paid (notice of dishonor).

I waive any defenses I have based on suretyship or impairment of collateral.

OBLIGATIONS INDEPENDENT: I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may do so without any notice that it has not been paid (notice of dishonor). You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval.

CREDIT INFORMATION: I agree and authorize you to obtain credit information about me from time to time (for example, by requesting a credit report) and to report to others your credit experience with me (such as a credit reporting agency). I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

NOTICE: Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by first class mail addressed to me at my last known address. My current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address stated on page 1 of this agreement, or to any other address that you have designated.

DATE OF TRANSACTION	PRINCIPAL ADVANCE	BORROWER'S INITIALS (not required)	PRINCIPAL PAYMENTS	PRINCIPAL BALANCE	INTEREST RATE	INTEREST PAYMENTS	INTEREST PAID THROUGH:
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /
/ /	\$		\$	\$	%	\$	/ /

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CLEARFIELD BANK & TRUST CO.,)	
)	
Plaintiff,)	
)	
vs.)	No.
)	
BRYCE W. HATHAWAY and LYNN HATHAWAY,)	
THOMAS R. DUVAL and SALLY J. DUVAL,)	
)	
Defendants.)	

CONFESSION OF JUDGMENT

Pursuant to the authority contained in the Warrant of Attorney contained in the Guaranty and the Notes copies of which are attached to the Complaint filed in this action as Exhibits "A", "B" and "C" respectively, I hereby appear for the Defendants and confess judgment in favor of the Plaintiff and against the Defendants, jointly and severally in the amount of \$285,000.



Attorney for Defendants
pro hac vice

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CLEARFIELD BANK & TRUST CO.,)	
)	
Plaintiff,)	
)	
vs.)	No.
)	
BRYCE W. HATHAWAY and LYNN HATHAWAY,)	
THOMAS R. DUVAL and SALLY J. DUVAL,)	
)	
Defendants.)	

CERTIFICATE OF RESIDENCE

I hereby certify that the precise address of the Plaintiff is:

Clearfield Bank & Trust Co.
11 N. Second Street
Clearfield, Pa 16830

and the last known address of the Defendants, Thomas R. Duval and Sally J. Duval is:

RR1, Box 54
Grampian, PA 16838

and the last known address of the Defendant, Bryce W. Hathaway and Lynn Hathaway is:

7821 Locust Wood Road
Severn, MD 21144-2032



Attorney for Plaintiff

Prothonotary, Clearfield County

Prothonotary, Clearfield County

WHEREFORE, Plaintiff demands that judgment be entered in its favor and against
Guarantors in the amount of Two Hundred Eighty Five Thousand 00/100 Dollars (\$285,000).

Respectfully submitted,

TUCKER ARENSBERG, P.C.



Thomas E. Reiber, Esquire

Pa. I.D. #41825

Brett A. Solomon, Esquire

Pa. I.D. #83746

1500 One PPG Place

Pittsburgh, Pennsylvania 15222

Phone: (412) 566-1212

Facsimile: (412) 594-5619

Counsel for Clearfield Bank & Trust Co.

Date: April 5, 2002

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CLEARFIELD BANK & TRUST CO.,

Plaintiff,

vs.

BRYCE W. HATHAWAY and LYNN HATHAWAY,
THOMAS R. DUVAL and SALLY J. DUVAL,

Defendants.

No. 2002-555-CO

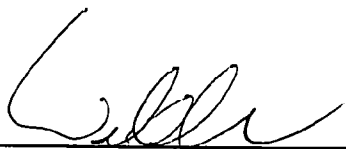
NOTICE OF ENTRY OF JUDGMENT

TO: Sally J. Duval
RR1, Box 54
Grampian, PA 16838

You are hereby notified that a judgment was entered against you by confession in the
above captioned proceeding on April 10, 2002.

The amount of the judgment is \$285,000.

A copy of the complaint is enclosed.



Prothonotary, Clearfield County

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CLEARFIELD BANK & TRUST CO.,

Plaintiff,

vs.

BRYCE W. HATHAWAY and LYNN HATHAWAY,
THOMAS R. DUVAL and SALLY J. DUVAL,

Defendants.

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No. 2002-555-cn


NOTICE OF ENTRY OF JUDGMENT

TO: Lynn Hathaway
7821 Locust Wood Road
Severn, MD 21144-2032

You are hereby notified that a judgment was entered against you by confession in the
above captioned proceeding on April 10, 2002.

The amount of the judgment is \$285,000.

A copy of the complaint is enclosed.



Prothonotary, Clearfield County

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNA

CLEARFIELD BANK & TRUST CO.

CIVIL DIVISION

Plaintiff,

vs.

No. 2002-555-CD

BRYCE W. HATHAWAY and LYNN
HATHAWAY, THOMAS R. DUVAL,
AND SALLY J. DUVAL,

Defendants,

FILED

**PARTIAL RELEASE OF
JUDGMENT LIEN**

JUN 28 2002
m/2:28/ aty Bell
William A. Shaw
Prothonotary 7.00
no cc Ely

Filed on Behalf of Thomas R. Duval
and Sally J. Duval

PARTIAL RELEASE OF JUDGMENT LIEN

In consideration of the sum of One Thousand Four Hundred Twenty-nine and 07/100 (\$1,429.07) the following premises are hereby released from the lien of the judgment in this case: All those two (2) certain lots of ground known in the plot of the Village of Mahaffey as Lots Numbers 78 and 79 described as follows:

THE FIRST THEREOF:

ALL that certain lot of ground known on the plot of the Village of Mahaffey as Lot No. 78, described as follows:

BEGINNING at a post at the corner of Main and Maple Streets; thence by Maple Street North seven (7°) degrees West one hundred and fifty (150') feet to a post at the corner of Maple Street and Panther Alley; thence by said Panther Alley South eighty-three (83°) degrees West fifty (50') feet to a post; thence by line of said lot South seven (7°) degrees East one hundred and fifty (150') feet to Main Street; thence by Main Street North eighty-three (83°) degrees East fifty (50') feet to post and place of beginning.

THE SECOND THEREOF:

ALSO ALL that certain lot of ground known on the plot of the Village of Mahaffey as Lot No.

79, described as follows:

BEGINNING on Main Street on corner of Lot Number 78 formerly owned by Miles Wrigley; thence along said lot North seven (7°) degrees West one hundred and fifty (150') feet to post on Panther Alley; thence along said alley South eighty-three (83°) degrees West fifty (50') feet to a post on corner of lot number 80 South seven (7°) degrees East one hundred and fifty (150') feet to post on Main Street; thence along Main Street North eighty-three (83°) degrees East fifty (50') feet to place of beginning.

IN WITNESS WHEREOF, the said Corporation has executed this Partial Release of Judgment Lien this 27th day of June, 2002.

Clearfield Bank & Trust Co.

BY: William A. Shiner
William A. Shiner, Vice-President
Sr.

ATTEST:

Dennis K. Wooster
Secretary

Corporate Seal

COMMONWEALTH OF PENNSYLVANIA:

SS:

COUNTY OF CLEARFIELD :

On this 27th day of June, 2002, before me, the undersigned officer, personally appeared William A. Shiner, who acknowledged himself to be ^{Sr.} Vice President of Clearfield Bank & Trust Co., and that as such officer is authorized to execute this Instrument, and further acknowledged that he has done so for the purposes therein contained.

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

Notarial Seal
Shelly K. Folmar, Notary Public
Clearfield Boro, Clearfield County
My Commission Expires May 21, 2005
Member, Pennsylvania Association of Notaries

Shelly K. Folmar
(Notary Public)

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNA

CLEARFIELD BANK & TRUST CO.

CIVIL DIVISION

Plaintiff,

vs.

No. 2002-555-CD

BRYCE W. HATHAWAY and LYNN
HATHAWAY, THOMAS R. DUVAL,
AND SALLY J. DUVAL,

Defendants,

FILED

**PARTIAL RELEASE OF
JUDGMENT LIEN**

JUN 28 2002
m/2:28/ atty Bell
William A. Shaw
Prothonotary
7.00
no CC E/ky

Filed on Behalf of Thomas R. Duval
and Sally J. Duval

PARTIAL RELEASE OF JUDGMENT LIEN

In consideration of the sum of One Thousand Four Hundred Twenty-nine and 07/100 (\$1,429.07) the following premises are hereby released from the lien of the judgment in this case: All those two (2) certain lots of ground known in the plot of the Village of Mahaffey as Lots Numbers 78 and 79 described as follows:

THE FIRST THEREOF:

ALL that certain lot of ground known on the plot of the Village of Mahaffey as Lot No. 78, described as follows:

BEGINNING at a post at the corner of Main and Maple Streets; thence by Maple Street North seven (7°) degrees West one hundred and fifty (150') feet to a post at the corner of Maple Street and Panther Alley; thence by said Panther Alley South eighty-three (83°) degrees West fifty (50') feet to a post; thence by line of said lot South seven (7°) degrees East one hundred and fifty (150') feet to Main Street; thence by Main Street North eighty-three (83°) degrees East fifty (50') feet to post and place of beginning.

THE SECOND THEREOF:

ALSO ALL that certain lot of ground known on the plot of the Village of Mahaffey as Lot No.

79, described as follows:

BEGINNING on Main Street on corner of Lot Number 78 formerly owned by Miles Wrigley; thence along said lot North seven (7°) degrees West one hundred and fifty (150') feet to post on Panther Alley; thence along said alley South eighty-three (83°) degrees West fifty (50') feet to a post on corner of lot number 80 South seven (7°) degrees East one hundred and fifty (150') feet to post on Main Street; thence along Main Street North eighty-three (83°) degrees East fifty (50') feet to place of beginning.

IN WITNESS WHEREOF, the said Corporation has executed this Partial Release of Judgment Lien this 27th day of June, 2002.

Clearfield Bank & Trust Co.

BY: William A. Shiner
William A. Shiner, Vice-President
Sr.

ATTEST:

Dennis K. Wooster
ASST. Secretary

Corporate Seal

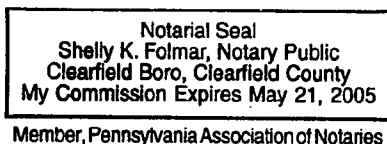
COMMONWEALTH OF PENNSYLVANIA:

SS:

COUNTY OF CLEARFIELD :

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



Shelly K. Folmar
(Notary Public)

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