

02-574-CD  
NATIONAL CITY BANK OF -vs- EDWARD J. HANSLOVAN et al  
PENNSYLVANIA



IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

NATIONAL CITY BANK OF	:	CIVIL DIVISION
PENNSYLVANIA,	:	
	:	
Plaintiff,	:	NO. _____
	:	
vs.	:	
	:	
EDWARD J. HANSLOVAN	:	
AND MARY HANSLOVAN,	:	
	:	
Defendants.	:	

COMPLAINT IN CONFESSION OF JUDGMENT

AND NOW COMES National City Bank of Pennsylvania by and through its attorney, Paula A. Schmeck, and avers the following in support of its Complaint:

1. National City Bank of Pennsylvania ("Bank") has a place of business at National City Center, 20 Stanwix Street, Pittsburgh, PA 15222.

2. Edward J. and Mary Hanslovan ("Borrowers") have a last known mailing address of Rt. 2, Box 230, Morrisdale, PA 16858.

3. Borrowers' obligation and indebtedness due National City is evidenced by an Amended and Restated Term Note dated October 15, 1999, as modified by Note Modification Agreement dated June 15, 2000 (collectively, the "Note"), pursuant to which the Borrowers promised to pay to the Bank the principal amount of THREE HUNDRED FORTY SEVEN THOUSAND ONE HUNDRED NINETY FOUR AND 96/100 DOLLARS (\$347,194.96), together with interest thereon in

the manner provided therein. A true and correct copy of the Note is attached hereto as Exhibit "A" and incorporated herein.

4. By letter dated September 21, 2001, the Bank advised the Borrowers that an event of default had occurred under the Note as a result of the Borrowers' failure to pay the indebtedness evidenced by the Note when and as such payments were due. Additionally, by way of that same letter, the Bank demanded payment in full of the indebtedness evidenced by the Note. A true and correct copy of the September 21, 2001 correspondence is attached hereto as Exhibit "B" and incorporated herein.

5. Under the terms of the Note, the Borrowers authorized the Bank to enter judgment by confession against them at any time after all or any part of the obligations and indebtedness evidenced by the Note shall become due.

6. There has been no assignment, release or transfer of the Note.

7. Judgment has not been entered on the Note in any jurisdiction for the same debt specified herein.

8. The amount presently due National City under the Note is as follows:

Principal.....	\$215,212.89
Interest through April 3, 2002..... (interest accruing thereafter at a rate of \$74.73 <u>per diem</u> which is based on a rate that is 12.5% per annum)	4,706.00
Late Charges.....	4,279.70
Costs.....	(to be added)
Attorney's Fees (15%).....	33,629.79
	<hr/>
<b>TOTAL.....</b>	<b>\$257,828.38</b>


9. The total amount due to the Bank under the Note as of April 1, 2002 is TWO HUNDRED FIFTY SEVEN THOUSAND EIGHT HUNDRED TWENTY EIGHT AND 38/100 DOLLARS (\$257,828.38), plus interest thereafter, late charges, fees, costs and attorney fees.

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

11. The underlying transaction is a commercial transaction.

**WHEREFORE**, the Bank, as authorized by the provisions contained in the Note, demands judgment in its favor and against the Borrowers in the amount of TWO HUNDRED FIFTY SEVEN THOUSAND EIGHT HUNDRED TWENTY EIGHT AND 38/100 DOLLARS (\$257,828.38), plus interest from April 1, 2002, late charges, fees, costs and attorney fees.

Respectfully submitted,

  
\_\_\_\_\_  
Paula A. Schmeck  
National City Bank of  
Pennsylvania  
20 Stanwix Street  
Pittsburgh, PA 15222  
(412) 644-8806

AMENDED AND RESTATED TERM NOTE

\$347,194.96

DuBois, Pennsylvania  
October 15, 1999

FOR VALUE RECEIVED and intending to be legally bound hereby, undersigned, Ed Hanslovan Coal Co., Inc. a Pennsylvania corporation and Edward J. Hanslovan and Mary Hanslovan ("Maker"), having a principal office at Rt. 2 Box 230, Morrisdale, PA 16858, and each Maker if more than one jointly and severally promises to pay to the order of NATIONAL CITY BANK OF PENNSYLVANIA ("Bank"), a national banking association in immediately available funds at the principal office of Bank at National City Center, 20 Stanwix Street, Pittsburgh, PA 15222, or at such other location as the holder hereof may from time to time designate, the principal sum of three hundred forty seven thousand one hundred ninety four dollars and 96/100 (\$347,194.96), payable as follows:

The principal amount outstanding hereunder shall bear interest at a rate of 8.50% per annum from the date hereof until December 30, 2004 ("Maturity Date"). Interest shall be payable monthly in arrears commencing October 30, 1999 and continuing on the same day of each month thereafter until December 30, 1999. Principal and interest shall be payable in 59 monthly installments of \$7,144.00 commencing January 30, 2000 and continuing on the same day of each month thereafter until the Maturity date, at which time the entire indebtedness evidenced hereby shall be due and payable.

The aforesaid interest rates shall continue to apply whether or not judgment shall have been entered on this Note.

This Amended and Restated Term Note is a substitution for and replacement of that certain Commercial Demand Line of Credit Note dated March 22, 1996 in the principal amount of \$350,000.00 (as amended, modified, renewed, supplemented or extended from time to time, the "Prior Note") and payable by the Borrower to Integra Bank which is hereby canceled and no longer in force and effect. The indebtedness evidenced by the Prior Note will continue to be evidenced by this Note; no advances have been made or are being made by the Bank to satisfy the indebtedness outstanding under the Prior Note on the date hereof and this Note is not a novation of the indebtedness evidenced by the Prior Note. Any accrued and outstanding interest on the Prior Note will continue to be evidenced by this Note. This Note is and will continue to be secured by all of the security interest and collateral granted and assigned to the Bank by the Borrower as described below.

If any payment of the principal of or interest on this Note shall become due and payable on a Saturday, a Sunday, or any other day on which Bank is not open for business, such payment shall be made on the next succeeding business day, and such extension of time shall in such case be included in computing interest in connection with such payment.

Unless provided otherwise in any loan agreement executed in connection with this Note, Maker may, at any time or from time to time, prepay in whole or in part the liabilities and obligations evidenced by this Note without any premium or penalty whatsoever; provided that any such prepayment may be applied by Bank to principal, accrued interest, fees, and expenses in any order as Bank shall determine in its sole discretion. No prepayment shall

postpone the due date of any scheduled payment of principal or interest due under this Note.

Notwithstanding any provision of this Note to the contrary, it is the intent of Maker and Bank that Bank shall not at any time be entitled to receive, collect or apply, and Maker and Bank shall not be deemed to have contracted for, as interest on the principal indebtedness evidenced hereby, any amount in excess of the maximum rate of interest permitted to be charged by applicable law, and in the event Bank ever receives, collects or applies as interest any such excess, such excess shall be deemed partial payment of the principal indebtedness evidenced hereby, and if such principal shall be paid in full, any such excess shall forthwith be paid to Maker. In the event that, but for this paragraph, the rate of interest applicable to this Note would at any time exceed the maximum lawful rate, then this Note and all interest hereon shall thereupon be immediately due and payable.

Maker shall be in default under this Note upon the happening of any of the following events of default:

- (a) a default in the payment when due of any installment of the principal of or interest on this Note or performance of any obligation, covenant or liability contained or referred to herein or in any other document executed in connection herewith;
- (b) any warranty, representation or statement made or furnished to Bank by or on behalf of Maker proves to have been false or misleading in any material respect when made or furnished;
- (c) any letter of credit pledged as collateral for the obligations evidenced by this Note is not renewed or extended thirty (30) days prior to expiration or termination thereof;
- (d) the occurrence of any event which constitutes a default under or results in the acceleration of indebtedness of Maker to any person (including Bank) under any note, indenture, agreement or undertaking;
- (e) if Maker is a corporation or partnership, any material change in the ownership of the outstanding capital stock or partnership interests of Maker, as the case may be, as the same existed on the date hereof;
- (f) any change in the condition, financial or otherwise, of Maker which, in the reasonable opinion of Bank, has or could have a material adverse effect on Maker, on the assets of Maker, or on the validity or enforceability of this Note or any other document executed in connection herewith or given in support hereof;
- (g) the death, incarceration or adjudication of legal incompetence of any person who is a Maker or any person liable to Bank for any of the obligations of Maker;
- (h) a judgment is entered against Maker or any person liable to Bank for any of the obligations of Maker, or any of Maker's assets are attached in a legal proceeding; or

(i) the dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of proceedings under any bankruptcy or insolvency laws by or against, Maker or any person liable to Bank for any of the obligations of Maker.

Upon the occurrence of any of the events of default mentioned in clauses (a) through (g) hereof and at any time thereafter, Bank may declare all liabilities and obligations of Maker to Bank, including those evidenced by this Note, immediately due and payable, and the same shall thereupon become immediately due and payable without any further action on part of Bank, and upon the occurrence of any event of default mentioned in clauses (h) or (i) hereof, all liabilities and obligations of Maker to Bank, including those evidenced by this Note, shall immediately become due and payable without any action upon the part of Bank.

This Note is secured as follows:

**This Note is secured by real estate as identified in the Open-End Mortgage and Security Agreement executed by Edward J. Hanslovan, in favor of Bank dated the date hereof.**

**This Note is secured by real estate as identified in the Open-End Mortgage and Security Agreement executed by Edward Hansloven aka Edward Hanslovan and Mary Hansloven aka Mary Hanslovan, in favor of Bank dated the date hereof.**

**The Note is secured by the collateral indentified in that certain Security Agreement executed by Ed Hanslovan Coal Co., Inc. in favor of Bank dated March 22, 1996 and The Note is secured by the collateral indentified in that certain Security Agreement executed by Ed Hanslovan Coal Co., Inc. and Edward J. Hanslovan and Mary Hanslovan in favor of Bank dated June 3, 1997.**

**This Note is secured by real estate as identified in the Open-End Mortgage and Security Agreement executed by Edward J. Hanslovan and Mary Hanslovan, in favor of Bank dated June 3, 1997.**

Maker hereby waives presentment, demand, protest or notice of any kind in connection with this Note.

Maker shall pay Bank on demand any reasonable out-of-pocket expenses, including reasonable legal fees, arising out of or in connection with any action or proceeding, including any action or proceeding arising in or related to any insolvency, bankruptcy or reorganization involving or affecting Maker, taken to protect, enforce, determine, or assert any right or remedy under this Note and any mortgage or security agreement, including the collateral covered thereby, securing the same.

This Note shall bind Maker and the heirs, personal representatives, successors and assigns of Maker, and the benefits hereof shall inure to the benefit of Bank and its successors and assigns. All references herein to "Maker" shall be deemed to apply to Maker and to the heirs, personal representatives, successors and assigns of



Maker, and all references herein to "Bank" shall be deemed to apply to Bank and its successors and assigns.

This Note and any other documents delivered in connection herewith and the rights and obligations of the parties hereto and thereto shall for all purposes be governed by and construed and enforced in accordance with the substantive law of the Commonwealth of Pennsylvania without giving effect to conflict of laws principles.

MAKER HEREBY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY OR ATTORNEY AT LAW AT ANY TIME OR TIMES TO APPEAR FOR MAKER AND WITH OR WITHOUT ONE OR MORE COMPLAINTS FILED, CONFESS JUDGMENT OR JUDGMENTS AGAINST MAKER, OR ANY ONE OR MORE OF THEM, IN ANY STATE OR FEDERAL COURT OF RECORD IN THE UNITED STATES OF AMERICA AT ANY TIME AFTER ALL OR ANY PART OF THE OBLIGATIONS AND INDEBTEDNESS EVIDENCED BY THIS NOTE SHALL HAVE BECOME DUE, WHETHER BY DEMAND, LAPSE OF TIME, ACCELERATION, OR OTHERWISE, IN FAVOR OF BANK AND ITS SUCCESSORS AND ASSIGNS, FOR THE FULL AMOUNT THEN APPEARING DUE, TOGETHER WITH INTEREST, COSTS OF SUIT, AND AN ATTORNEYS' COMMISSION OF 15% OF THE TOTAL AMOUNT DUE HEREUNDER, BUT IN NO EVENT LESS THAN \$500.00, FOR COLLECTION OF SUCH SUMS, AND THEREUPON TO THE EXTENT PERMITTED BY LAW TO RELEASE ALL ERRORS AND WAIVE ALL RIGHTS TO APPEAL AND ANY STAY OF EXECUTION AND STAY, CONTINUANCE OR ADJOURNMENT OF SALE OF EXECUTION. THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST MAKER SHALL SURVIVE ANY JUDGMENT, IT BEING UNDERSTOOD THAT SHOULD ANY JUDGMENT AGAINST MAKER BE VACATED FOR ANY REASON, BANK MAY NEVERTHELESS UTILIZE THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT IN THEREAFTER OBTAINING ONE OR MORE ADDITIONAL JUDGMENTS AGAINST MAKER.

IN WITNESS WHEREOF, Maker, intending to be legally bound, has executed this Note on the day and year first above written with the intention that this Note shall constitute a sealed instrument.

ATTEST:

Ed Hanslovan Coal Co., Inc.

(SEAL)

By *Edward J. Hanslovan*  
(Name and Title) *Edward J. Hanslovan, President*

By *Mary Hanslovan*  
(Name and Title) *Mary Hanslovan, Secretary*

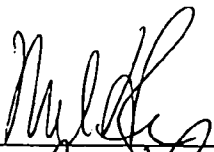
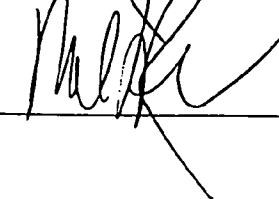
Maker, and all references herein to "Bank" shall be deemed to apply to Bank and its successors and assigns.

This Note and any other documents delivered in connection herewith and the rights and obligations of the parties hereto and thereto shall for all purposes be governed by and construed and enforced in accordance with the substantive law of the Commonwealth of Pennsylvania without giving effect to conflict of laws principles.


**MAKER HEREBY AUTHORIZES AND EMPOWERS ANY PROTHONOTARY OR ATTORNEY AT LAW AT ANY TIME OR TIMES TO APPEAR FOR MAKER AND WITH OR WITHOUT ONE OR MORE COMPLAINTS FILED, CONFESS JUDGMENT OR JUDGMENTS AGAINST MAKER, OR ANY ONE OR MORE OF THEM, IN ANY STATE OR FEDERAL COURT OF RECORD IN THE UNITED STATES OF AMERICA AT ANY TIME AFTER ALL OR ANY PART OF THE OBLIGATIONS AND INDEBTEDNESS EVIDENCED BY THIS NOTE SHALL HAVE BECOME DUE, WHETHER BY DEMAND, LAPSE OF TIME, ACCELERATION, OR OTHERWISE, IN FAVOR OF BANK AND ITS SUCCESSORS AND ASSIGNS, FOR THE FULL AMOUNT THEN APPEARING DUE, TOGETHER WITH INTEREST, COSTS OF SUIT, AND AN ATTORNEYS' COMMISSION OF 15% OF THE TOTAL AMOUNT DUE HEREUNDER, BUT IN NO EVENT LESS THAN \$500.00, FOR COLLECTION OF SUCH SUMS, AND THEREUPON TO THE EXTENT PERMITTED BY LAW TO RELEASE ALL ERRORS AND WAIVE ALL RIGHTS TO APPEAL AND ANY STAY OF EXECUTION AND STAY, CONTINUANCE OR ADJOURNMENT OF SALE OF EXECUTION. THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT AGAINST MAKER SHALL SURVIVE ANY JUDGMENT, IT BEING UNDERSTOOD THAT SHOULD ANY JUDGMENT AGAINST MAKER BE VACATED FOR ANY REASON, BANK MAY NEVERTHELESS UTILIZE THE FOREGOING WARRANT OF ATTORNEY TO CONFESS JUDGMENT IN THEREAFTER OBTAINING ONE OR MORE ADDITIONAL JUDGMENTS AGAINST MAKER.**


IN WITNESS WHEREOF, Maker, intending to be legally bound, has executed this Note on the day and year first above written with the intention that this Note shall constitute a sealed instrument.

ATTEST:

  
\_\_\_\_\_  
(SEAL)   
\_\_\_\_\_

Ed Hanslovan Coal Co., Inc.

By   
(Name and Title) Edward J. Hanslovan, President

By   
(Name and Title) Mary Hanslovan, Secretary

WITNESS:

Paul R. G.  
Paul R. G.

Edward J. Hanslován (SEAL)  
Edward J. Hanslován

Mary Hanslován (SEAL)  
Mary Hanslován

NOTE MODIFICATION AGREEMENT

THIS AGREEMENT made and entered into on JUNE 15, 2000, by and between Ed Hanslovan Coal Co., Inc. and Edward J. and Mary Hanslovan ("Maker") and NATIONAL CITY BANK OF PENNSYLVANIA ("Bank"), a national banking association.

WITNESSETH:

WHEREAS, Maker heretofore executed a Amended and Restated Term Note in favor of Bank in the stated principal amount of Three Hundred Forty Seven Thousand One Hundred Ninety Four and 96/100 Dollars (\$347,194.96), dated October 15, 1999 as may have been amended, modified or supplemented from time to time ("Note"), which Note shall be attached to the counterpart of this agreement and held by Bank; and

WHEREAS, Bank and Maker desire to modify the Note as provided below.

NOW THEREFORE, by mutual agreement of the parties and in mutual consideration of the premises and intending to be legally bound hereby, the parties agree as follows:

1. Maker hereby acknowledges and agrees that as of JUNE 15, 2000 the outstanding principal balance of the Note is \$ 337,811.19 plus accrued interest of \$ 8,644.14 and charges of \$ 1,429.02. Maker waives and releases Bank from any and all defenses or claims Maker has with respect to the indebtedness evidenced by the Note and the enforceability thereof.

2. The Note shall be amended as follows:

(a) Maturity Date. The term of the Note shall be extended and mature on March 30, 2005.

(d) Interest. Interest shall accrue and be payable at the following rate:

(X) Fixed Rate. Interest shall accrue on the daily unpaid principal balance of the Note at a rate of 9.5% per annum.

(e) Payments of Principal and Interest. Payments of principal and interest shall be due on the Note as follows:

(X) Payment Provisions. Commencing on the 31st day of March, 2000 and on the last day of each month thereafter, installments of accrued interest on the unpaid principal balance of the Note, and commencing on the 30th day of June, 2000 and on the last day of each month thereafter, installments of principal and interest of \$7,308.91 each, and one final installment of all unpaid principal and accrued interest on the Note on March 30, 2005.

3. Maker and Bank agree that all collateral and guaranties securing or supporting the Note shall remain as collateral and support for the Note as modified hereby.

4. If any amount of principal due under the Note or otherwise is not paid by Maker when due, whether at the stated payment date, at the stated maturity date, by acceleration, or otherwise, such amount shall bear interest until paid at a rate per annum which is ~~three~~ percent (3.0%) above the rate of interest applicable to the Note immediately prior to maturity. If any payment due under the Note (whether at the stated payment date, at the stated maturity date, by acceleration or otherwise) is more than ten (10) days late, Maker shall pay Bank a late charge equal to the greater of twenty dollars (\$20) or ~~five~~ percent (5.0%) of such late payment. The foregoing late payment fees and default rate of interest shall be immediately due and payable without demand or notice by Bank.

5. Maker, and each of them if more than one, hereby acknowledges and agrees that the note contains provisions under which the Bank may enter judgment by confession against maker, and any one or more of them. Being fully aware of its rights to prior notice and a hearing on the validity of any judgment or other claims that may be asserted against maker, or any one or more of them, by Bank hereunder before judgment is entered, maker, and each of them if more than one, hereby freely and knowingly waives these rights and expressly agrees and consents to the Bank entering judgment against maker, and any one or more of them, by confession pursuant to the terms thereof.

6. Maker, and each of them if more than one, also acknowledges and agrees that the note contains provisions under which the Bank may, after entry of judgment and without either notice or a hearing, foreclose upon, attach, levy or otherwise seize property of the undersigned in full or partial payment of the judgment. Being fully aware of its rights after judgment is entered (including the right to move to open or strike the judgment), maker, and each of them if more than one, hereby freely and knowingly waives these rights and expressly agrees and consents to the Bank's taking such actions as may be permitted under applicable state and federal law without prior notice to maker, or any one or more of them.

7. This agreement is only a modification of the Note and not a novation.


8. If any one or more of the provisions of this agreement should for any reason be invalid, illegal or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, and such invalid, illegal or unenforceable provision shall be deemed modified to the extent necessary to render it valid while most nearly preserving its original intent.

9. Except for the above modification(s), the Note and any mortgage(s) and security agreement(s) securing or relating to the Note or other agreement(s) and all the terms and conditions thereof shall remain in full force and effect, and this agreement shall not release or affect the liability of any guarantors, sureties or endorsers on the Note. If the Note being modified by this agreement is signed by more than one person, the modified note shall continue to be the joint and several obligation of all signatories to the Note.

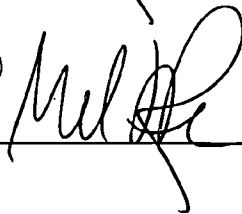
10. All modifications and amendments to the Note as contemplated herein shall be effective as of June 15, 2000 and thereafter regardless of the actual date of execution of this agreement.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this agreement the day and year first above written with the intention that this agreement shall constitute a sealed instrument.

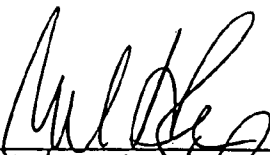
ATTEST:



(SEAL)

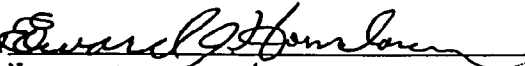


WITNESS:






Ed Hanslovan Coal Co., Inc.

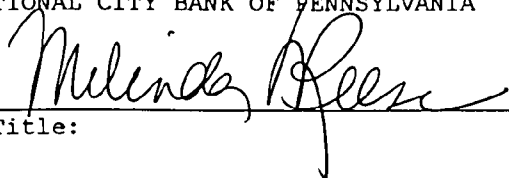
By   
Name:  
Title: Pres. / Chairman

By   
Name:  
Title: Sec. Treasurer

 (SEAL)  
Edward J. Hanslovan

 (SEAL)  
Mary Hanslovan

NATIONAL CITY BANK OF PENNSYLVANIA

By   
Title:

**National City.**

September 21, 2001

**National City Bank of Pennsylvania**  
**Special Assets Department**  
20 Stanwix Street  
Pittsburgh, PA 15222-4802  
Fax (412) 644-0966

**Via First Class Mail and  
Certified Mail; Return Receipt Requested**

Edward J. Hanslovan and  
Mary Hanslovan  
Rt. 2, Box 230  
Morrisdale, PA 16858

**Re: Notice of Defaults and Demand for Payment**

Dear Mr. & Mrs. Hanslovan:

Reference is made to that certain Commercial Demand Line of Credit dated March 22, 1996 in the original principal amount of \$350,000.00 executed by Ed Hanslovan Coal Co., Inc. and Edward J. Hanslovan and Mary Hanslovan ("Borrower") (as the same may have been amended, extended, supplemented or modified from time to time, including the Amended and Restated Term Note dated October 15, 1999 and the Note Modification Agreement dated June 15, 2000, the "Note"). The Note, together with all agreements, documents, financing statements, mortgages, or instruments executed, delivered or issued in connection therewith, if any, as the same may have been amended, extended, supplemented or modified from time to time are collectively referred to in this letter as the "Loan Documents".

This letter is to advise Borrower Edward J. Hanslovan and Mary Hanslovan that a default has occurred under the Loan Documents as a result of, among other defaults: the failure to make payments in accordance with the terms of the Loan Documents. Notice is hereby given that all of the obligations and indebtedness due under the Loan Documents are immediately due and payable and demand for payment in full is hereby made.

As of this date, the debt due under the Note and the Loan Documents totals \$246,961.29. This debt consists of principal of \$230,123.41, accrued and unpaid interest of \$12,558.18, late charges of \$4,279.70, plus accruing interest, late fees, costs and expenses, including, without limitation, the Bank's attorneys' fees. Interest will now accrue at a default rate of interest which rate shall be equal to a per diem rate of \$79.91, under current rates of interest.

Payment in full is to be made by cashier's check, wire transfer or other immediately available funds so as to be received by the Bank by 3:00 p.m. on or before Friday, October 5, 2001. Payment should be directed to

National City Bank of Pennsylvania  
Special Assets Department, LOC #25-185  
20 Stanwix Street  
Pittsburgh, Pennsylvania 15222  
Attention: Quentin R. Szymansky  
Vice President

DefaultBorrower.doc

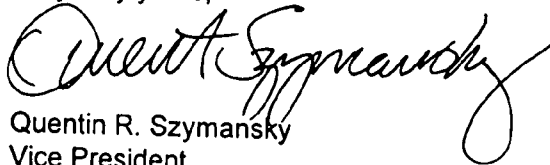
*Exhibit "B"*

This letter will confirm that the Bank has made no agreement or commitment to amend, supplement or modify the Note and any of the Loan Documents in any respect or otherwise and the Bank hereby specifically confirms that it makes no such commitment and specifically advises that no action or inaction should be taken or omitted by Borrower Edward J. Hanslovan and Mary Hanslovan or any guarantor or other obligor evidenced by the Note and any of the Loan Documents based upon any understanding that such a commitment exists or any expectation that any such commitment will be made in the future. Any action or failure to act, any acceptance of any payment or any negotiation by the Bank with Borrower Edward J. Hanslovan and Mary Hanslovan or any guarantor or other obligor concerning this letter, the Note or any of the Loan Documents is not, and shall not be construed to be, a de-acceleration of any such obligations or a modification, alteration, release, limitation, waiver or cure of any default, breach, right, remedy, power or privilege of the Bank under the Note or any of the Loan Documents except to the extent expressly provided in a written agreement signed by the Bank.

The Bank expressly reserves all rights, remedies, powers and privileges it has or may have under the Note or any of the Loan Documents, any agreement, document, instrument, applicable law or equity.

If you have any questions with respect to the foregoing, please call me at 412.644.8587.

Very truly yours,



Quentin R. Szymansky  
Vice President  
Special Assets Management

dmddedmaryhanslovan.doc

DefaultBorrower.doc




# AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA )  
 )  
COUNTY OF ALLEGHENY ) SS:

I, Quentin R. Szymansky, Vice President of National City Bank of Pennsylvania, Plaintiff in the above-captioned action and a person authorized to make this affidavit on behalf of the Plaintiff, hereby certify that: the Note and Demand Letter attached hereto as Exhibits "A" and "B" are true and correct copies of the originals; the averments contained in the foregoing Complaint are true and correct to the best of my knowledge and information; and the Defendant is not in the military service of the United States of America nor any state or territory thereof or its allies as described in the Soldiers and Sailors Relief Act of 1940, as amended.

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

  
Quentin R. Szymanski  
Vice President


IN THE COURT OF COMMON PLEAS OF ClearField COUNTY, PENNSYLVANIA

NATIONAL CITY BANK OF	:	CIVIL DIVISION
PENNSYLVANIA,	:	
	:	
Plaintiff,	:	NO. _____
	:	
vs.	:	
	:	
EDWARD J. HANSLOVAN	:	
AND MARY HANSLOVAN,	:	
	:	
Defendants.	:	

CONFESSION OF JUDGMENT

Pursuant to the authority contained in the provisions of the Note, a copy of which is attached to the Complaint as Exhibit "A", I appear for the Defendant and confess judgment in favor of the Plaintiff and against the Defendant as follows, with additional interest, late charges, fees and attorneys' fees to be added:

Principal.....	\$215,212.89
Interest through April 3, 2002.....	4,706.00
(interest accruing thereafter at a rate of \$74.73 <u>per diem</u> which is based on a rate that is 12.5% per annum)	
Late Charges.....	4,279.70
Costs.....	(to be added)
Attorney's Fees (15%).....	33,629.79
	<hr/>
TOTAL.....	\$257,828.38

  
\_\_\_\_\_  
Attorney for Defendant  
pro hoc vice

COPY

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

NATIONAL CITY BANK OF	:	CIVIL DIVISION
PENNSYLVANIA,	:	
	:	
Plaintiff,	:	NO. _____
	:	
vs.	:	
	:	
EDWARD J. HANSLOVAN	:	
AND MARY HANSLOVAN,	:	
	:	
Defendants.	:	


NOTICE OF JUDGMENT

TO: Mary Hanslovan  
Rt. 2, Box 230  
Morrisdale, PA 16858

You are hereby notified that a judgment was entered in the  
above-captioned proceeding on April 12, 2002.

The judgment was computed as follows with additional  
interest, and costs to be added:

Principal.....	\$215,212.89
Interest through April 3, 2002.....	4,706.00
(interest accruing thereafter at a rate of \$74.73 <u>per diem</u> which is based on a rate that is 12.5% per annum)	
Late Charges.....	4,279.70
Costs.....	(to be added)
Attorney's Fees (15%).....	33,629.79
<hr/>	
TOTAL.....	\$257,828.38

  
\_\_\_\_\_  
Deputy

COPY

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

NATIONAL CITY BANK OF	:	CIVIL DIVISION
PENNSYLVANIA,	:	
	:	
Plaintiff,	:	NO. _____
	:	
vs.	:	
	:	
EDWARD J. HANSLOVAN	:	
AND MARY HANSLOVAN,	:	
	:	
Defendants.	:	

NOTICE OF JUDGMENT

TO: Edward J. Hanslovan  
Rt. 2, Box 230  
Morrisdale, PA 16858

You are hereby notified that a judgment was entered in the above-captioned proceeding on April 12, 2002.

The judgment was computed as follows with additional interest, and costs to be added:

Principal.....	\$215,212.89
Interest through April 3, 2002.....	4,706.00
(interest accruing thereafter at a rate of \$74.73 <u>per diem</u> which is based on a rate that is 12.5% per annum)	
Late Charges.....	4,279.70
Costs.....	(to be added)
Attorney's Fees (15%).....	33,629.79
<hr/>	
TOTAL.....	\$257,828.38



Deputy

**FILED**

APR 12 2002

PM 11:35/NO CC

William A. Shaw  
Prothonotary

atty Schmeck pd \$80.00  
Notes to Dgs

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

NATIONAL CITY BANK OF  
PENNSYLVANIA,

CIVIL DIVISION

Plaintiff,

NO. 02-574 CD

vs.

EDWARD J. HANSLOVAN  
AND MARY HANSLOVAN,

AFFIDAVIT OF SERVICE

Defendants.

Filed on behalf of  
Plaintiff

Counsel of Record for  
this Party:

Paula A. Schmeck  
PA I.D. #61189

National City Bank of  
Pennsylvania  
20 Stanwix Street  
Pittsburgh, PA 15222  
(412) 644-8806

**FILED**

APR 25 2002  
m11/05/2002  
William A. Shaw  
Prothonetary

AFFIDAVIT OF SERVICE

I, Paula A. Schmeck, Counsel for Plaintiff, being duly sworn according to law depose and make the following Affidavit regarding service of Plaintiff's Notice Under Rule 2958.1 of Judgment and Execution Thereon ("Notice") in this matter upon the Defendants.

1. Pursuant to PA R.C.P. 403, the undersigned served the Defendants with a true and correct copy of Plaintiff's Notice by restricted mail on April 19, 2002 at RT 2, box 230, Morrisdale, PA 16858. True and correct copies of U.S. Postal Form 3811 are attached hereto as Exhibit "A".

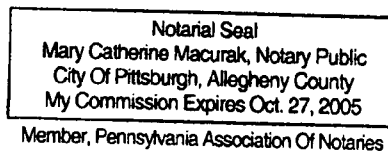
I verify that the facts contained in this Affidavit are true and correct based on my personal knowledge, information and belief.

National City Bank of  
Pennsylvania

By: Paula A Schmeck  
Paula A. Schmeck  
20 Stanwix Street  
Pittsburgh, PA 15222  
(412) 644-8806

Sworn to and subscribed  
before me this 23rd  
day of April, 2002.

Mary Catherine Macurak



SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Received by (Please Print Clearly) <u>GARY COVER</u> B. Date of Delivery <u>4-19-02</u></p>	
<p>1. Article Addressed to:</p> <p><u>Mary Handlovian</u>  <u>RT 2, Box 230</u>  <u>Morrisdale Pa</u>  <u>16858</u></p>		<p>C. Signature <u>X</u> <u>[Signature]</u> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>	
		<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
		<p>4. Restricted Delivery? (Extra Fee) <input checked="" type="checkbox"/> Yes</p>	
<p>2. Article Number (Copy from service label)</p> <p><u>7000 1530 0001 9523 7542</u></p>			

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Received by (Please Print Clearly) <u>GARY COVER</u> B. Date of Delivery <u>4-19-02</u></p>	
<p>1. Article Addressed to:</p> <p><u>Edward Handlovian</u>  <u>RT 2, Box 230</u>  <u>Morrisdale Pa</u>  <u>16858</u></p>		<p>C. Signature <u>X</u> <u>[Signature]</u> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input checked="" type="checkbox"/> No</p>	
		<p>3. Service Type  <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail  <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise  <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>	
		<p>4. Restricted Delivery? (Extra Fee) <input checked="" type="checkbox"/> Yes</p>	
<p>2. Article Number (Copy from service label)</p> <p><u>7000 1530 0001 9523 7535</u></p>			

PS Form 3811, July 1999 Domestic Return Receipt 102595-00-M-0952

Exhibit "A"