

02-1133-CD
Clfd B&T vs Bradford Coal Co Inc.

02-1133-CD
CLEARFIELD BANK & TRUST COMPANY et al -vs- BRADFORD COAL
COMPANY, INC.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

CLEARFIELD BANK & TRUST COMPANY,
Trustee for the UNION TOWNSHIP TRUST,
U/A Dated May 12, 1995,

CIVIL DIVISION-LAW

Plaintiff,

vs.

No. 02-1153-CO

BRADFORD COAL COMPANY, INC.

**COMPLAINT IN CONFESSION OF
JUDGMENT**

Defendant.

Filed on Behalf of:

Clearfield Bank & Trust Company, Trustee
for the Union Township Trust, Plaintiff

Counsel for Plaintiff:

Michael A. Shiner, Esquire
Pa. I.D. #78088

TUCKER ARENSBERG, P.C.

Firm #287
1500 One PPG Place
Pittsburgh, PA 15222
(412) 566-1212

FILED

JUL 22 2002

m 12:59 atty Shiner
William A. Shaw pd 80.00
W.A. Prothonotary
1cc Def.
2cc 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 COMPANY,)
Trustee for the UNION TOWNSHIP TRUST,) CIVIL DIVISION - LAW
U/A Dated May 12, 1995,)
)
Plaintiff,)
)
vs.) No. 02-1133.CD
)
BRADFORD COAL COMPANY, INC.,)
)
Defendant.)

COMPLAINT IN CONFESSION OF JUDGMENT

Plaintiff, **Clearfield Bank & Trust Company, Trustee for the Union Township Trust U/A dated May 12, 1995**, by and through its counsel, Tucker Arensberg, P.C., avers as follows:

1. The Plaintiff is Clearfield Bank & Trust Company, Trustee for the Union Township Trust, U/A Dated May 12, 1995, a Pennsylvania banking corporation with its principal place of business located at 11 North Second Street, Clearfield, Pennsylvania 16830.
2. Laurel Run Reclamation Company, Inc. (the "**Borrower**") executed and delivered to Ray S. Walker, C. Alan Walker, Susan W. Kriner and Anne Walker Macko an Installment Note dated May 12, 1995 in the original principal amount of \$1,000,000.00 as the same has been amended by an Amendment to Note Payment Terms dated October 31, 2001 (collectively, the "**Note**"). A true and correct copy of the Note is attached hereto, incorporated herein, and labeled as Exhibit "A".

3. The Defendant is Bradford Coal Company, Inc., a Pennsylvania corporation with a last known address of P.O. Box 368, Bigler, Pennsylvania 16825-0368.

4. The Defendant executed and delivered to Ray S. Walker, C. Alan Walker, Susan W. Kriner and Anne Walker Macko a Guaranty and Suretyship Agreement dated May 12, 1995 (the "Guaranty") pursuant to which Defendant agreed to guaranty and stand as surety for all of the obligations of the Borrower under the Note. A true and correct copy of the Guaranty is attached hereto, incorporated herein and labeled as Exhibit "B".

5. Pursuant to an Assignment dated May 12, 1995, Ray S. Walker, C. Alan Walker, Susan W. Kriner and Anne Walker Macko assigned, *inter alia*, the Note and the Guaranty to Plaintiff. A true and correct copy of the Assignment is attached hereto as Exhibit "C".

6. Judgment has not been entered on the Guaranty in any jurisdiction.

7. Except as set forth in paragraph 5, the Note and the Guaranty have not been assigned.

**8. JUDGMENT IS NOT BEING ENTERED BY CONFESSION
AGAINST A NATURAL PERSON IN CONNECTION WITH A CONSUMER CREDIT
TRANSACTION.**

9. The Guaranty contains a warrant of attorney authorizing the confession of judgment in favor of Plaintiff and against Defendant, before or upon default, for the entire unpaid balance of the indebtedness owing under the Note together with costs of suit and ten percent (10%) for attorneys fees.

10. As of July 16, 2002, the amount due from Defendant to Plaintiff pursuant to the Guaranty, and for which judgment is authorized, is \$279,832.22, plus costs of suit and interest, computed as follows:

Principal Debt:	\$254,144.99
Accrued Interest Through July 17, 2002:	247.94
Attorney's Commission of 10% of Principal and Accrued Interest:	<u>25,439.29</u>
Total:	\$279,832.22

Plus interest accruing after July 17, 2002 at the contract rate and costs and expenses of suit.

WHEREFORE, Plaintiff demands that judgment be entered in its favor and against Defendant, Bradford Coal Company, Inc., in the amount of Two Hundred Seventy Nine Thousand Eight Hundred Thirty Two and 22/100 Dollars (\$279,832.22) plus interest thereon at the contract rate after July 17, 2002, plus costs and expenses of suit and such other relief as this court deems appropriate.

Respectfully submitted,

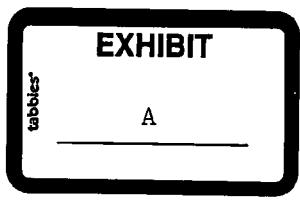
TUCKER ARENSBERG, P.C.



Michael A. Shiner, Esquire
Pa. I.D. #78088
1500 One PPG Place
Pittsburgh, Pennsylvania 15222
TEL: (412) 594-5586
FAX: (412) 594-5619

*Counsel for Clearfield Bank & Trust
Company, Trustee for the Union Township
Trust, U/A Dated May 12, 1995*

BANK_FL:178671-1 013828-108101



INSTALLMENT NOTE

FOR VALUE RECEIVED, LAUREL RUN RECLAMATION COMPANY, INC., of P. O. Box 372, Bigler, Pennsylvania, 16825, hereinafter referred to as "Laurel", hereby promises to pay to the order of RAY S. WALKER, of Bigler, Pennsylvania, C. ALAN WALKER, of Clearfield, Pennsylvania, SUSAN W. KRINER, of Clearfield, Pennsylvania, and ANNE WALKER MACKO, of State College, Pennsylvania, the sum of One Million (\$1,000,000.00) Dollars, with interest at the rate of nine (9%) percent per annum, on the unpaid balance, payable as follows:

(a) Eighteen (18) monthly installments of interest in the amount of Seven Thousand, Five Hundred and no/100 (\$7,500.00) Dollars, commencing on June 12, 1995, and continuing each and every month thereafter until November 12, 1996;

(b) The sum of One Million and no/100 (\$1,000,000) Dollars, with interest thereon at the rate of nine (9%) per cent, in sixty (60) monthly installments of \$20,758.36, beginning on December 12, 1996, and continuing monthly thereafter for a term of five (5) years, (an amortization schedule is attached hereto), together with repayment of funds expended by or on behalf of Ray S. Walker, C. Alan Walker, Susan W. Kriner and/or Anne Walker Macko to maintain or protect the ownership of assets pledged as security for payment by Laurel or Bradford Coal Co., Inc., *at that occasion occur*

Upon the default in payment of any such installment when due, the whole of principal sum then remaining unpaid shall at the option of the holder hereof become immediately due and payable without demand or notice. And further Laurel, authorizes and empowers any attorney of any court of record within the United States of America or elsewhere, to appear for Laurel and with or without complaints filed, to enter or confess judgment or judgments against Laurel, in any Court of record within the United States, in favor of any holder of this Note for the unpaid balance due, together with costs of suit and an attorney's commission of ten (10%) percent of the unpaid balance for collection on which judgment one or more executions may issue forthwith.

Laurel hereby forever waives and releases all errors in said proceedings, waives stay of execution, the right of inquisition, and agrees to condemnation of any property levied upon by virtue of any such execution and waives all exemptions from levy and sale of any property that is, or hereafter, exempted by law.

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

And further, Laurel reserves the right to prepay the principal and interest hereof, in whole or in part, at any time without penalty. The authority and power to appear for and enter judgment against Laurel shall not be exhausted by one or more exercises thereof and may be exercised from time to time and as often as any holder deems desirable.

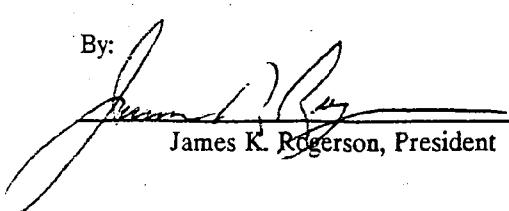
Laurel hereby agrees that upon demand of the holder of this Note, the face value of the Note will be broken down into smaller denominations.

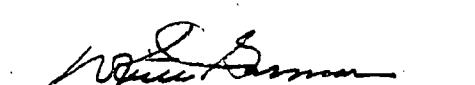
WITNESSETH the due execution hereof this 12th day of May, 1995.

LAUREL RUN RECLAMATION COMPANY, INC.

ATTEST:

By:


James K. Ridderson, President


Secretary

5/11/1995
William C. Kriner

Loan Amortization

Page 1

Loan Date	Type	Balance	# Payments	Interest Rate		
11/12/1996	Monthly	\$1,000,000.00	60	9.000%		
Pmt #	Date	Int. Rate	Payment	Principal	Interest	Balance Due
0	11/12/1996					\$1,000,000.00
1	12/12/1996	9.000%	\$20,758.36	\$13,258.36	\$7,500.00	\$986,741.64
Totals for 1996:				\$13,258.36	\$7,500.00	
2	1/12/1997	9.000%	\$20,758.36	\$13,357.79	\$7,400.56	\$973,383.85
3	2/12/1997	9.000%	\$20,758.36	\$13,457.98	\$7,300.38	\$959,925.88
4	3/12/1997	9.000%	\$20,758.36	\$13,558.91	\$7,199.44	\$946,366.96
5	4/12/1997	9.000%	\$20,758.36	\$13,660.60	\$7,097.75	\$932,706.36
6	5/12/1997	9.000%	\$20,758.36	\$13,763.06	\$6,995.30	\$918,943.30
7	6/12/1997	9.000%	\$20,758.36	\$13,866.28	\$6,892.07	\$905,077.02
8	7/12/1997	9.000%	\$20,758.36	\$13,970.28	\$6,788.08	\$891,106.75
9	8/12/1997	9.000%	\$20,758.36	\$14,075.05	\$6,683.30	\$877,031.69
10	9/12/1997	9.000%	\$20,758.36	\$14,180.62	\$6,577.74	\$862,851.07
11	10/12/1997	9.000%	\$20,758.36	\$14,286.97	\$6,471.38	\$848,564.10
12	11/12/1997	9.000%	\$20,758.36	\$14,394.12	\$6,364.23	\$834,169.98
13	12/12/1997	9.000%	\$20,758.36	\$14,502.08	\$6,256.27	\$819,667.90
Totals for 1997:				\$167,073.75	\$82,026.51	
14	1/12/1998	9.000%	\$20,758.36	\$14,610.85	\$6,147.51	\$805,057.05
15	2/12/1998	9.000%	\$20,758.36	\$14,720.43	\$6,037.93	\$790,336.62
16	3/12/1998	9.000%	\$20,758.36	\$14,830.83	\$5,927.52	\$775,505.79
17	4/12/1998	9.000%	\$20,758.36	\$14,942.06	\$5,816.29	\$760,563.73
18	5/12/1998	9.000%	\$20,758.36	\$15,054.13	\$5,704.23	\$745,509.60
19	6/12/1998	9.000%	\$20,758.36	\$15,167.03	\$5,591.32	\$730,342.57
20	7/12/1998	9.000%	\$20,758.36	\$15,280.79	\$5,477.57	\$715,061.78
21	8/12/1998	9.000%	\$20,758.36	\$15,395.39	\$5,362.96	\$699,666.39
22	9/12/1998	9.000%	\$20,758.36	\$15,510.86	\$5,247.50	\$684,155.54
23	10/12/1998	9.000%	\$20,758.36	\$15,627.19	\$5,131.17	\$668,528.35
24	11/12/1998	9.000%	\$20,758.36	\$15,744.39	\$5,013.96	\$652,783.95
25	12/12/1998	9.000%	\$20,758.36	\$15,862.48	\$4,895.88	\$636,921.48
Totals for 1998:				\$182,746.42	\$66,353.84	
26	1/12/1999	9.000%	\$20,758.36	\$15,981.44	\$4,776.91	\$620,940.03
27	2/12/1999	9.000%	\$20,758.36	\$16,101.30	\$4,657.05	\$604,838.73
28	3/12/1999	9.000%	\$20,758.36	\$16,222.06	\$4,536.29	\$588,616.66
29	4/12/1999	9.000%	\$20,758.36	\$16,343.73	\$4,414.62	\$572,272.93
30	5/12/1999	9.000%	\$20,758.36	\$16,466.31	\$4,292.05	\$555,806.63
31	6/12/1999	9.000%	\$20,758.36	\$16,589.81	\$4,168.55	\$539,216.82
32	7/12/1999	9.000%	\$20,758.36	\$16,714.23	\$4,044.13	\$522,502.59
33	8/12/1999	9.000%	\$20,758.36	\$16,839.59	\$3,918.77	\$505,663.01
34	9/12/1999	9.000%	\$20,758.36	\$16,965.88	\$3,792.47	\$488,697.12
35	10/12/1999	9.000%	\$20,758.36	\$17,093.13	\$3,665.23	\$471,604.00
36	11/12/1999	9.000%	\$20,758.36	\$17,221.33	\$3,537.03	\$454,382.67
37	12/12/1999	9.000%	\$20,758.36	\$17,350.49	\$3,407.87	\$437,032.19
Totals for 1999:				\$199,889.29	\$49,210.97	
38	1/12/2000	9.000%	\$20,758.36	\$17,480.61	\$3,277.74	\$419,551.57
39	2/12/2000	9.000%	\$20,758.36	\$17,611.72	\$3,146.64	\$401,939.85

82,704.84

5/11/1995
William C. Kriner

Loan Amortization

Page 2

40	3/12/2000	9.000%	\$20,758.36	\$17,743.81	\$3,014.55	\$384,196.05
41	4/12/2000	9.000%	\$20,758.36	\$17,876.88	\$2,881.47	\$366,319.16
42	5/12/2000	9.000%	\$20,758.36	\$18,010.96	\$2,747.39	\$348,308.20
43	6/12/2000	9.000%	\$20,758.36	\$18,146.04	\$2,612.31	\$330,162.16
44	7/12/2000	9.000%	\$20,758.36	\$18,282.14	\$2,476.22	\$311,880.02
45	8/12/2000	9.000%	\$20,758.36	\$18,419.26	\$2,339.10	\$293,460.76
46	9/12/2000	9.000%	\$20,758.36	\$18,557.40	\$2,200.96	\$274,903.36
47	10/12/2000	9.000%	\$20,758.36	\$18,696.58	\$2,061.78	\$256,206.78
48	11/12/2000	9.000%	\$20,758.36	\$18,836.80	\$1,921.55	\$237,369.98
49	12/12/2000	9.000%	\$20,758.36	\$18,978.08	\$1,780.27	\$218,391.90
Totals for 2000:				\$218,640.29	\$30,459.98	
50	1/12/2001	9.000%	\$20,758.36	\$19,120.42	\$1,637.94	\$199,271.48
51	2/12/2001	9.000%	\$20,758.36	\$19,263.82	\$1,494.54	\$180,007.66
52	3/12/2001	9.000%	\$20,758.36	\$19,408.30	\$1,350.06	\$160,599.37
53	4/12/2001	9.000%	\$20,758.36	\$19,553.86	\$1,204.50	\$141,045.51
54	5/12/2001	9.000%	\$20,758.36	\$19,700.51	\$1,057.84	\$121,344.99
55	6/12/2001	9.000%	\$20,758.36	\$19,848.27	\$910.09	\$101,496.72
56	7/12/2001	9.000%	\$20,758.36	\$19,997.13	\$761.23	\$81,499.59
57	8/12/2001	9.000%	\$20,758.36	\$20,147.11	\$611.25	\$61,352.49
58	9/12/2001	9.000%	\$20,758.36	\$20,298.21	\$460.14	\$41,054.27
59	10/12/2001	9.000%	\$20,758.36	\$20,450.45	\$307.91	\$20,603.83
60	11/12/2001	9.000%	\$20,758.36	\$20,603.83	\$154.53	\$0.00
Totals for 2001:				\$218,391.90	\$9,950.01	

Totals over the life of the loan:

Principal: \$1,000,000.00 Interest: \$245,501.31

(@ 10/31/01)

AMENDMENT TO NOTE PAYMENT TERMS

THIS AGREEMENT made by and between LAUREL RUN RECLAMATION COMPANY, INC., a Pennsylvania business corporation with its principal place of business at R. D., Woodland, Clearfield County, Pennsylvania; party of the first part, hereinafter referred to as "LAUREL RUN",

AND

CLEARFIELD BANK & TRUST COMPANY, TRUSTEE, u/a dated May 12, 1995, known as the UNION TOWNSHIP TRUST, of 11 North Second Street, Clearfield, Pennsylvania; party of the second part, hereinafter referred to as "BANK".

W I T N E S S E T H :

WHEREAS, LAUREL RUN is a debtor under a Note dated May 12, 1995, in the principal amount of One Million Dollars, a copy of said Note is attached hereto, marked Exhibit "A", and incorporated herein by reference; and

WHEREAS, BANK is the holder of said Note by virtue of an Assignment dated May 12, 1995, a copy of which is attached hereto, marked Exhibit "B", and incorporated herein by reference; and

WHEREAS, LAUREL RUN has approached BANK requesting a moratorium on principal payments under said Note for a period of twelve (12) months; and

WHEREAS, the BANK has agreed to said moratorium under the terms and conditions outlined herein.

WHEREAS, the above parties agreed to a moratorium on principal payments for a period of twelve (12) months under an Amendment dated June 6, 1997, a copy of which is attached hereto, marked Exhibit "C", and incorporated herein by reference; and

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and with the intention of being legally bound, the parties hereto agree as follows:

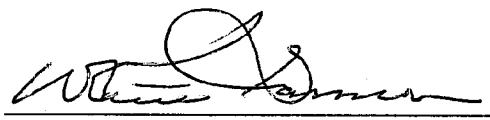
- 1). That BANK hereby agrees to a moratorium on principal payments under the Note attached hereto and marked Exhibit "A", beginning with the payment due on November 12, 2001.
- 2). That said moratorium on principal payments shall continue through October 12, 2002.
- 3). That during the moratorium time period, the monthly payments due and owing under the Note shall be interest only in the amount of One Thousand Nine Hundred Twenty-one and 55/100 (\$1,921.55) Dollars each, for monthly payments due from November 12, 2001 through October 12, 2002.
- 4). That commencing November 12, 2002, the balance due under said Note of Two Hundred Fifty-six Thousand Two Hundred Six and 78/100 (\$256,206.78) Dollars shall be paid in thirteen (13) equal monthly installments of Twenty Thousand Seven Hundred Fifty-eight and 36/100 (\$20,758.36) Dollars, which includes principal and interest thereon at nine (9%) percent per annum, in accordance with the amortization schedule attached hereto, marked Exhibit "D", and incorporated herein by reference.

5). That in all other regards, except for the modification of the payment schedule, the Note executed by LAUREL RUN dated May 12, 1995, shall remain unchanged and fully enforceable.

6). That LAUREL RUN hereby ratifies and confirms its obligation under the Note dated May 12, 1995, agrees to pay same under the terms and conditions of this Agreement, and ratifies and confirms all other provisions of said Note, as well as all security agreements and instruments executed to ensure payment of said obligation.

IN WITNESS WHEREOF, the parties have hereunto caused this instrument to be properly executed the day and year first above written.

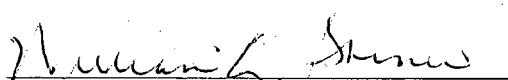
WITNESS:



LAUREL RUN RECLAMATION
COMPANY, INC.

C. Alan Walker, President
By: C. Alan Walker, President

ATTEST:



CLEARFIELD BANK & TRUST
COMPANY, TRUSTEE U/A OF
5/12/95, KNOWN AS UNION
TOWNSHIP TRUST

John H. McDowell
By:

COMMONWEALTH OF PENNSYLVANIA:

: ss

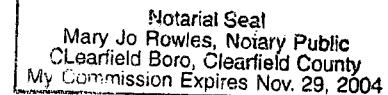
COUNTY OF CLEARFIELD

:

On this, the 29th day of October, 2001, before me, the undersigned officer, personally appeared C. ALAN WALKER, who acknowledged himself to be the President of LAUREL RUN RECLAMATION COMPANY, INC., a corporation, and that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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

Mary Jo Rowles
Notary Public



COMMONWEALTH OF PENNSYLVANIA:

: ss

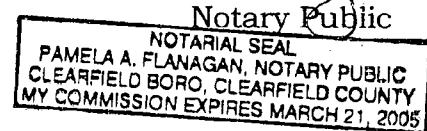
COUNTY OF CLEARFIELD

:

On this, the 31st day of October, 2001, before me, the undersigned officer, personally appeared John H. McGrail, who acknowledged himself to be the Vice Pres. & Trust Officer of CLEARFIELD BANK & TRUST COMPANY, a banking corporation, and that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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

Pamela A. Flanagan
Notary Public



INSTALLMENT NOTE

FOR VALUE RECEIVED, LAUREL RUN RECLAMATION COMPANY, INC., of P. O. Box 372, Bigler, Pennsylvania, 16825, hereinafter referred to as "Laurel", hereby promises to pay to the order of RAY S. WALKER, of Bigler, Pennsylvania, C. ALAN WALKER, of Clearfield, Pennsylvania, SUSAN W. KRINER, of Clearfield, Pennsylvania, and ANNE WALKER MACKO, of State College, Pennsylvania, the sum of One Million (\$1,000,000.00) Dollars, with interest at the rate of nine (9%) percent per annum, on the unpaid balance, payable as follows:

(a) Eighteen (18) monthly installments of interest in the amount of Seven Thousand, Five Hundred and no/100 (\$7,500.00) Dollars, commencing on June 12, 1995, and continuing each and every month thereafter until November 12, 1996;

(b) The sum of One Million and no/100 (\$1,000,000) Dollars, with interest thereon at the rate of nine (9%) per cent, in sixty (60) monthly installments of \$20,758.36, beginning on December 12, 1996, and continuing monthly thereafter for a term of five (5) years, (an amortization schedule is attached hereto), together with repayment of funds expended by or on behalf of Ray S. Walker, C. Alan Walker, Susan W. Kriner and/or Anne Walker Macko to maintain or protect the ownership of assets pledged as security for payment by Laurel or Bradford Coal Co., Inc., *at that occasion occurs*

Upon the default in payment of any such installment when due, the whole of principal sum then remaining unpaid shall at the option of the holder hereof become immediately due and payable without demand or notice. And further Laurel, authorizes and empowers any attorney of any court of record within the United States of America or elsewhere, to appear for Laurel and with or without complaints filed, to enter or confess judgment or judgments against Laurel, in any Court of record within the United States, in favor of any holder of this Note for the unpaid balance due, together with costs of suit and an attorney's commission of ten (10%) percent of the unpaid balance for collection on which judgment one or more executions may issue forthwith.

Laurel hereby forever waives and releases all errors in said proceedings, waives stay of execution, the right of inquisition, and agrees to condemnation of any property levied upon by virtue of any such execution and waives all exemptions from levy and sale of any property that is, or hereafter, exempted by law.

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

And further, Laurel reserves the right to prepay the principal and interest hereof, in whole or in part, at any time without penalty. The authority and power to appear for and enter judgment against Laurel shall not be exhausted by one or more exercises thereof and may be exercised from time to time and as often as any holder deems desirable.

Laurel hereby agrees that upon demand of the holder of this Note, the face value of the Note will be broken down into smaller denominations.

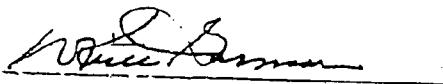
WITNESSETH the due execution hereof this 12th day of May, 1995.

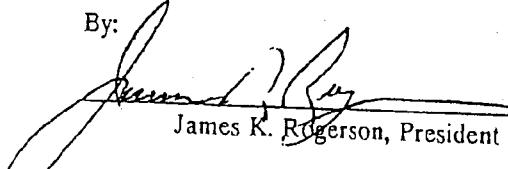
LAUREL RUN RECLAMATION COMPANY, INC.

I TEST:

By:

James K. Rogerson, President


Secretary


EXHIBIT A

ASSIGNMENT

THE UNDERSIGNED, RAY S. WALKER, of Bigler, Pennsylvania; C. ALAN WALKER, of Clearfield, Pennsylvania; SUSAN W. KRINER, of Clearfield, Pennsylvania; and ANNE WALKER MACKO, of State College, Pennsylvania, hereby assign and transfer unto the CLEARFIELD BANK & TRUST COMPANY, TRUSTEE, of Clearfield, Pennsylvania, under Agreement dated May 12, 1995, known as the UNION TOWNSHIP TRUST, all of their right, title and interest in and to an Installment Note in the original amount of One Million Dollars from LAUREL RUN RECLAMATION COMPANY, INC., (hereinafter "Laurel"), dated May 12, 1995, together with the following documents delivered to the undersigned as security for the payment of said Note:

1. Security Agreement executed by Laurel covering equipment, parts, fittings, accessories, attachments, renewals, additions or replacements located in the Laurel Deep Mine in Union Township, Clearfield County, Pennsylvania;
2. Security Agreement in Proceeds executed by Laurel for the proceeds generated from all coal mined and removed from the Laurel Deep Mine in Union Township, Clearfield County, Pennsylvania; and
3. Guaranty and Suretyship Agreement executed by Bradford Coal Co., Inc. as surety for the full and timely

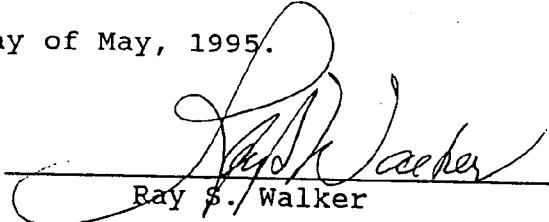
EXHIBIT

payment of both principal and interest of the Note of Laurel.

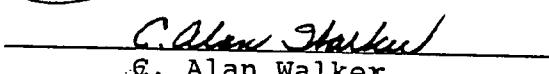
4. Subordination Agreement by and between Clearfield Bank & Trust Company, Trustee, under Agreement dated April 27, 1995, and known as RAY S. WALKER CHARITABLE TRUST, and Ray S. Walker, C. Alan Walker, Susan W. Kriner and Anne Walker Macko.

A copy of the Note and each of the security documents is attached hereto and incorporated herein by reference.

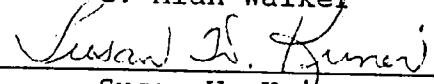
IN WITNESS WHEREOF, the undersigned has executed this Assignment on the 12th day of May, 1995.



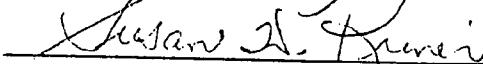
Ray S. Walker (SEAL)



C. Alan Walker (SEAL)



Susan W. Kriner (SEAL)



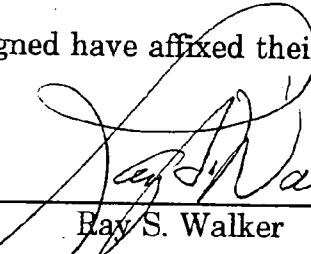
Susan W. Kriner,
Attorney-in-Fact for
Anne Walker Macko (SEAL)

CONSENT OF BENEFICIARIES

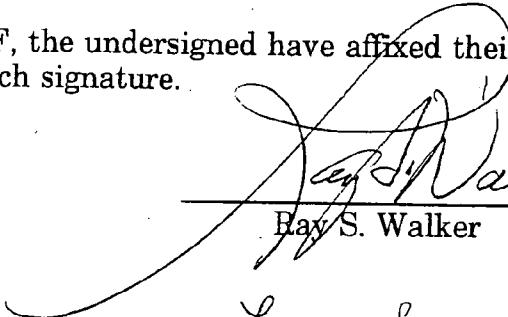
The undersigned, RAY S. WALKER and LOUISE S. WALKER of Bigler, Pennsylvania; C. ALAN WALKER, of Clearfield, Pennsylvania; SUSAN KRINER, of Clearfield, Pennsylvania; and ANNE MACKO, of State College, Pennsylvania, all being beneficiaries under an Agreement of Trust dated May 12, 1995, known as the "Union Township Trust" under which CLEARFIELD BANK & TRUST COMPANY is the Trustee, hereby consent to the modification of Note payment terms for a Note dated May 12, 1995, a copy of said modification being attached hereto, marked Exhibit "A" and incorporated herein by reference.

IN WITNESS WHEREOF, the undersigned have affixed their hands and seals on the date adjacent to each signature.

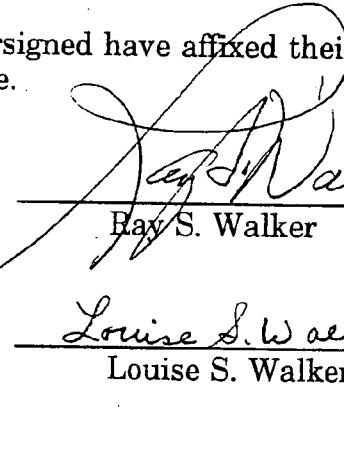
Date:
June 6, 1997


Ray S. Walker (SEAL)

Date:
June 6, 1997


Louise S. Walker (SEAL)

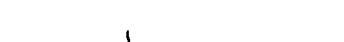
Date:
June 6, 1997


C. Alan Walker (SEAL)

Date:
June 6, 1997


Susan Kriner (SEAL)

Date:
June 6, 1997


Anne Macko (SEAL)

AMENDMENT TO NOTE PAYMENT TERMS

THIS AGREEMENT made by and between LAUREL RUN RECLAMATION COMPANY, INC., a Pennsylvania business corporation with its principal place of business at R. D. Woodland, Clearfield County, Pennsylvania, party of the first part, hereinafter referred to as "LAUREL RUN",

AND

CLEARFIELD BANK & TRUST COMPANY, TRUSTEE u/a dated May 12, 1995, known as the UNION TOWNSHIP TRUST, of 11 North Second Street, Clearfield, Pennsylvania, party of the second part, hereinafter referred to as "BANK".

W I T N E S S E T H :

WHEREAS, LAUREL RUN is a debtor under a Note dated May 12, 1995, in the principal amount of One Million Dollars, a copy of said Note is attached hereto and, marked Exhibit "A", and incorporated herein by reference; and

WHEREAS, BANK is the holder of said Note by virtue of an Assignment dated May 12, 1995, a copy of which is attached hereto, marked Exhibit "B", and incorporated herein by reference; and

WHEREAS, LAUREL RUN has approached BANK requesting a moratorium on principal payments under said Note for a period of twelve (12) months; and

WHEREAS, the Bank has agreed to said moratorium under the terms and conditions outlined herein.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants hereinafter set forth and with the intention of being legally bound, the parties hereto agree as follows:

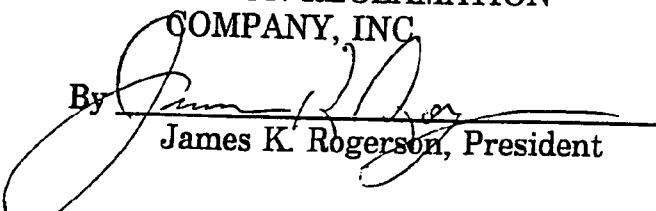
1. That BANK hereby agrees to a moratorium on principal payments under the Note attached hereto and marked Exhibit "A", beginning with the payment due on June 12, 1997.
2. That said moratorium on principal payments shall continue until May 12, 1998.
3. That during the moratorium time period, the monthly payments due and owing under the Note shall be interest only in the amount of Six Thousand, Eight Hundred Ninety-Two and 07/100 (\$6,892.07) Dollars each, for monthly payments due from June 12, 1997, through May 12, 1998.
4. That commencing June 12, 1998, the balance due under said Note of Nine Hundred Eighteen Thousand, Nine Hundred Forty-Three and 30/100 (\$918,943.30) Dollars shall be paid in fifty-four (54) equal monthly installments of Twenty Thousand, Seven Hundred Fifty-Eight and 36/100 (\$20,758.36) Dollars, which includes principal and interest thereon at nine (9%) per cent per annum, in accordance with the amortization schedule attached hereto, marked Exhibit "C", and incorporated herein by reference.
5. That in all other regards, except for the modification of the payment schedule, the Note executed by LAUREL RUN dated May 12, 1995, shall remain

unchanged and fully enforceable.

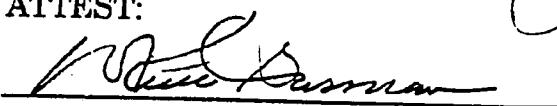
6. That LAUREL RUN hereby ratifies and confirms its obligation under the Note dated May 12, 1995, agrees to pay same under the terms and conditions of this Agreement, and ratifies and confirms all other provisions of said Note, as well as all security agreements and instruments executed to insure payment of said obligation.

IN WITNESS WHEREOF, the parties have hereunto caused this instrument to be properly executed the day and year first above written.

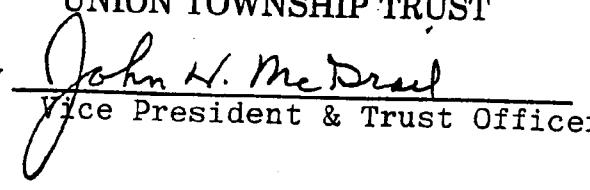
LAUREL RUN RECLAMATION
COMPANY, INC

By 
James K. Rogerson, President

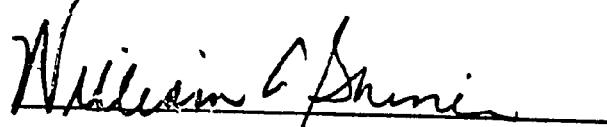
ATTEST:


Secretary

CLEARFIELD BANK & TRUST
COMPANY, TRUSTEE U/A
OF 5/12/95, KNOWN AS
UNION TOWNSHIP TRUST

By 
John W. McDowell
Vice President & Trust Officer

ATTEST:



COMMONWEALTH OF PENNSYLVANIA :

COUNTY OF CLEARFIELD : : SS

On this the 6th day of June, 1997, before me, the undersigned officer, personally appeared JAMES K. ROGERSON, who acknowledged himself to be the President of LAUREL RUN RECLAMATION COMPANY, INC., a corporation, and that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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

Gloria A. Thomas

Notary Public

COMMONWEALTH OF PENNSYLVANIA :

COUNTY OF CLEARFIELD :

: SS

NOTARIAL SEAL
GLORIA A. THOMAN, Notary Public
Bigler, Clearfield County
My Commission Expires Aug. 31, 2000

On this the 11th day of June, 1997, before me, the undersigned officer, personally appeared John H. McGray, who acknowledged himself to be the Vice President of CLEARFIELD BANK & TRUST COMPANY, a banking corporation, and that he as such officer being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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

Valerie A. Sankey

Notary Public

NOTARIAL SEAL
VALERIE A. SANKEY, NOTARY PUBLIC
CLEARFIELD BORO, CLEARFIELD COUNTY
MY COMMISSION EXPIRES JAN. 22, 2000

Union Township Trust

10-24-2001 Pg 1

Compounding period...: Monthly

Nominal annual rate...: 9.000 %
Effective annual rate: 9.381 %
Periodic rate.....: 0.7500 %
Equivalent daily rate: 0.02466 %

CASH FLOW DATA

	Event	Date	Amount	#	Period	End-date
1	Loan	10-12-01	256,206.78	1		
2	Payment	11-12-01	20,758.36	13	Monthly	11-12-02

AMORTIZATION SCHEDULE - Normal amortization

Pmt	Date	Payment	Interest	Principal	Balance
Loan	10-12-2001				256,206.78
1	11-12-2001	20,758.36	1,921.55	18,836.81	237,369.97
2	12-12-2001	20,758.36	1,780.27	18,978.09	218,391.88
2001 totals		41,516.72	3,701.82	37,814.90	
3	01-12-2002	20,758.36	1,637.94	19,120.42	199,271.46
4	02-12-2002	20,758.36	1,494.54	19,263.82	180,007.64
5	03-12-2002	20,758.36	1,350.06	19,408.30	160,599.34
6	04-12-2002	20,758.36	1,204.50	19,553.86	141,045.48
7	05-12-2002	20,758.36	1,057.84	19,700.52	121,344.96
8	06-12-2002	20,758.36	910.09	19,848.27	101,496.69
9	07-12-2002	20,758.36	761.23	19,997.13	81,499.56
10	08-12-2002	20,758.36	611.25	20,147.11	61,352.45
11	09-12-2002	20,758.36	460.14	20,298.22	41,054.23
12	10-12-2002	20,758.36	307.91	20,450.45	20,603.78
13	11-12-2002	20,758.36	154.58	20,603.78	0.00
2002 totals		228,341.96	9,950.08	218,391.88	
Grand totals		269,858.68	13,651.90	256,206.78	

EXHIBIT

tabbies®

B

GUARANTY AND SURETYSHIP AGREEMENT

FOR VALUE RECEIVED, including its right of first refusal to market all coal produced from the Laurel Run deep mine, and intending to be legally bound, BRADFORD COAL COMPANY, INC., of Bigler, Pennsylvania, (hereinafter "Bradford"), absolutely and unconditionally guarantees to RAY S. WALKER, C. ALAN WALKER, SUSAN W. KRINER and ANNE WALKER MACKO (hereinafter "Lenders"), and becomes Surety for the full and timely payment, both principal and interest, of the indebtedness of Laurel Run Reclamation Company, Inc. ("Debtor") to the Lenders in the original amount of One Million and no/100 (\$1,000,000) Dollars, together with any additions thereto and extensions or renewals thereof in whole or in part, when and as said indebtedness becomes due and payable in accordance with the terms thereof, whether at maturity or by declaration, acceleration, or otherwise.

Bradford waives presentment for payment, notice of non-payment, demand and protest and declares that Bradford's obligations hereunder are absolute and unconditional and shall not be released or discharged by any release or discharge of or accord in satisfaction with the Debtor or any other person, by any renewal or extension of time of payment of said indebtedness, by any compromise with or indulgence granted to the Debtor or any other person, by any variation of the terms of said indebtedness, by any substitution or release of, or failure to preserve or

protect any collateral therefor, or by any other matter or thing whatsoever whereby Bradford as unconditional and absolute Guarantor and Surety of said indebtedness would or might be released or discharged.

In the event Debtor defaults in the full and timely payment of the principal or interest on said indebtedness, Bradford will promptly make payment thereof directly to the Lenders. Bradford's obligations hereunder shall be directly enforceable by the Lenders without any action of any nature against the Debtor or any person. Said obligations are continuing obligations, are absolute and unconditional, irrespective of the genuineness, validity or enforceability of any Note or other instrument evidencing said indebtedness, or of any other circumstance which might otherwise constitute a legal or equitable discharge of a Guarantor or Surety, and shall remain in full force and effect as long as any of said indebtedness remains outstanding and unpaid. Bradford hereby authorizes any attorney or prothonotary of any Court of record to confess judgment against Bradford for the unpaid balance of said indebtedness before or upon default with costs of suit and ten (10%) per cent attorneys' fees.

Bradford shall pay, in addition to all other sums payable hereunder, the reasonable costs and expenses incurred by the Lenders in connection with all actions taken to enforce collection of said indebtedness upon default of the Debtor,

whether by local proceedings or otherwise, including without limitation, an attorney's fee of ten (10%) per cent of the unpaid balance of said indebtedness and court costs.

All the foregoing promises and obligations shall bind Bradford, Bradford's successors and assigns, and shall inure to the benefit of the Lenders, their heirs, executors, administrators, successors and assigns, whether so expressed or not. This Agreement has been entered into under and pursuant to the laws of the Commonwealth of Pennsylvania, and for all purposes shall be construed in accordance with said laws.

Bradford waives notice of acceptance of this Agreement by the Lenders.

WITNESS the execution hereof by Bradford this 12th day of May, 1995.

BRADFORD COAL COMPANY, INC.
By

C. Alan Walker, President
C. Alan Walker, President

ATTEST:

Walter D. Morris
Secretary

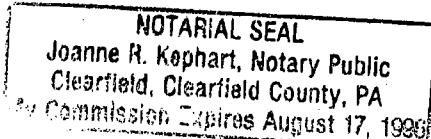
(Corporate Seal)

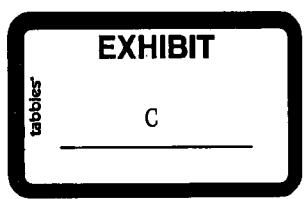
COMMONWEALTH OF PENNSYLVANIA:
: ss
COUNTY OF CLEARFIELD :
:

On this the 12th day of May, 1995, before me,
the undersigned officer, personally appeared C. ALAN WALKER,
who acknowledged himself to be the President of
BRADFORD COAL COMPANY, INC., a corporation, and that he as such
officer being authorized to do so, executed the foregoing
instrument for the purposes therein contained by signing the name
of the corporation by himself as such officer.

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

Joanne R. Kephart
Title of Officer





ASSIGNMENT

THE UNDERSIGNED, RAY S. WALKER, of Bigler, Pennsylvania; C. ALAN WALKER, of Clearfield, Pennsylvania; SUSAN W. KRINER, of Clearfield, Pennsylvania; and ANNE WALKER MACKO, of State College, Pennsylvania, hereby assign and transfer unto the CLEARFIELD BANK & TRUST COMPANY, TRUSTEE, of Clearfield, Pennsylvania, under Agreement dated May 12, 1995, known as the UNION TOWNSHIP TRUST, all of their right, title and interest in and to an Installment Note in the original amount of One Million Dollars from LAUREL RUN RECLAMATION COMPANY, INC., (hereinafter "Laurel"), dated May 12, 1995, together with the following documents delivered to the undersigned as security for the payment of said Note:

1. Security Agreement executed by Laurel covering equipment, parts, fittings, accessories, attachments, renewals, additions or replacements located in the Laurel Deep Mine in Union Township, Clearfield County,

Pennsylvania;

2. Security Agreement in Proceeds executed by Laurel for the proceeds generated from all coal mined and removed from the Laurel Deep Mine in Union Township, Clearfield County, Pennsylvania; and

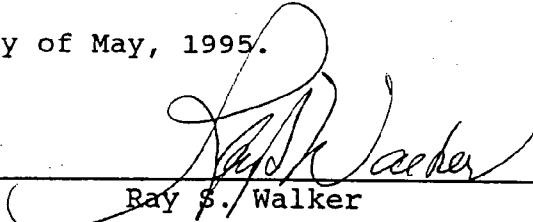
3. Guaranty and Suretyship Agreement executed by Bradford Coal Co., Inc. as surety for the full and timely

payment of both principal and interest of the Note of Laurel.

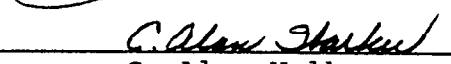
4. Subordination Agreement by and between Clearfield Bank & Trust Company, Trustee, under Agreement dated April 27, 1995, and known as RAY S. WALKER CHARITABLE TRUST, and Ray S. Walker, C. Alan Walker, Susan W. Kriner and Anne Walker Macko.

A copy of the Note and each of the security documents is attached hereto and incorporated herein by reference.

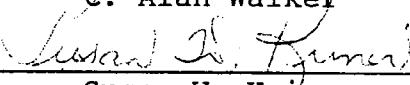
IN WITNESS WHEREOF, the undersigned has executed this Assignment on the 12th day of May, 1995.



Ray S. Walker (SEAL)



C. Alan Walker (SEAL)



Susan W. Kriner (SEAL)



Susan W. Kriner, (SEAL)
Attorney-in-Fact for
Anne Walker Macko

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

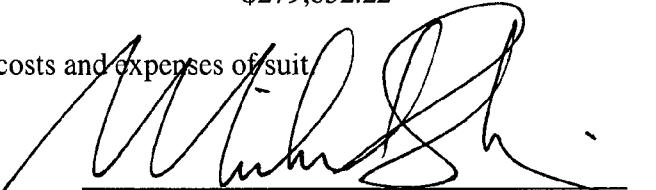
CLEARFIELD BANK & TRUST COMPANY,)
Trustee for the UNION TOWNSHIP TRUST,) CIVIL DIVISION - LAW
U/A Dated May 12, 1995,)
)
Plaintiff,)
)
vs.) No. _____
)
BRADFORD COAL COMPANY, INC.,)
)
Defendant.)

CONFESSTION OF JUDGMENT

Pursuant to the authority contained in the Warrant of Attorney contained in the
Guaranty, a copy of which is attached to the Complaint filed in this action as Exhibit "B"; I hereby
appear for the Defendant and confess judgment in favor of the Plaintiff and against the Defendant,
as follows:

Principal Debt:	\$254,144.99
Accrued Interest Through July 17, 2002:	247.94
Attorney's Commission of 10% of Principal and Accrued Interest:	25,439.29
Total:	\$279,832.22

Plus interest accruing at the contract rate and costs and expenses of suit



Attorney for Defendant
pro hac vice

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

CLEARFIELD BANK & TRUST COMPANY,)
Trustee for the UNION TOWNSHIP TRUST,) CIVIL DIVISION - LAW
U/A Dated May 12, 1995)
)
Plaintiff,)
)
vs.) No. _____
)
BRADFORD COAL COMPANY, INC.,)
)
Defendant.)

CERTIFICATE OF RESIDENCE

I hereby certify that the precise address of Plaintiff is:

11 North Second Street
Clearfield, PA 16830

and the last known address of the Defendant is:

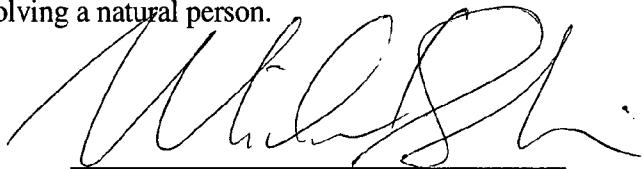
P.O. Box 368
Bigler, Pennsylvania 16825-0368.



Attorney for Plaintiff

AFFIDAVIT

I hereby certify that the underlying transaction giving rise to this action is commercial in nature and is not a consumer credit transaction involving a natural person.



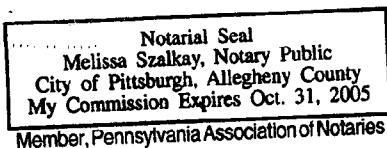
Michael A. Shiner, Esquire

Sworn to and subscribed
before me this 19th
day of July, 2002.

Melissa Szalkay

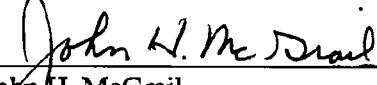
Notary Public

My commission expires:



VERIFICATION

I, John H. McGrail, Vice President and Trust Officer of Clearfield Bank & Trust Company,
U/A dated 5/12/95
Trustee under the Union Township Trust hereby certify that the averments of fact contained in the
foregoing Complaint in Confession of Judgment are true and correct to the best of my knowledge,
information and belief; that I am authorized to make this declaration on behalf of the Plaintiff, and
that it is made subject to the penalties of 18 Pa.C.S.A. § 4904, relating to unsworn falsification to
authorities.



John H. McGrail
Vice President & Trust Officer

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY,
PENNSYLVANIA

CLEARFIELD BANK & TRUST COMPANY,)
Trustee for the UNION TOWNSHIP TRUST,) CIVIL DIVISION - LAW
U/A Dated May 12, 1995)
)
Plaintiff,)
)
vs.) No. 02-1133-CO
)
BRADFORD COAL COMPANY, INC.,)
)
Defendant.)

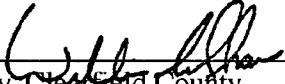
NOTICE OF ENTRY OF JUDGMENT

To: Bradford Coal Company, Inc.
P.O. Box 368
Bigler, Pennsylvania 16825-0368.

You are hereby notified that a judgment was entered against you by confession in the above captioned proceeding on July 22, 2002.

The amount of the judgment is **\$279,832.22**, plus interest accruing at the contract rate and costs and expenses of suit.

A copy of the complaint is enclosed.



Prothonotary, Clearfield County