

03-724-CD  
BANK ONE vs. GLENN P. SCHILLO, et al.

Jay C. Scheinfeld, Esquire  
Atty. I.D. 23880  
8234 West Chester Pike  
Upper Darby, PA 19082  
(610) 853-0300

Attorney for Plaintiff

BANK ONE, NA  
N54 W13600 Woodale Drive  
Menomonee Falls, WI 53051  
Plaintiff

: COURT OF COMMON PLEAS  
: OF CLEARFIELD COUNTY  
: PENNSYLVANIA

vs.

: NO. 03-724-CD

GLENN P. SCHILLO, ADMINISTRATOR OF  
THE ESTATE OF JOHN M. RUGH,  
DECEASED  
311 Ridge Point Circle  
Bridgeville, PA 15017  
Defendants

: CIVIL ACTION - LAW  
:

#### NOTICE TO DEFEND

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

**You should take this paper to your lawyer at once. If you do not have a lawyer or cannot afford one, go to or telephone the office set forth below to find out where you can get legal help.**

Pennsylvania Lawyer Referral Service  
Pennsylvania Bar Association  
P.O. Box 186  
Harrisburg, PA 17108  
(800) 692-7375

**FILED**

MAY 12 2003

William A. Shaw  
Prothonotary

## AVISO

Le han demandado a usted en la corte. Si usted quiere defenderse de estas demandas expuestas en las paginas siguientes, usted tien veinte (20) dias de plazo al partir de la fecha de la demanda y la notificacion. Hace falta asentar una comparencia escrita o en persona o con un abogado y entregar a la corte en forma escrita sus defensas o sus objeciones a las demandas en contra de su persona. Sea avisado que si usted no se defiende, la corte tomara medidas y puede continuar la demanda en contra suya sin previo aviso o notificacion. Ademias, la corte puede decidir a favor del demandante y requiere que usted cumpla con todas las provisiones de esta demanda. Usted puede perer dinero o sus propiedades u otros derechos importantes para usted.

**Lleva esta demanda a un abogado inmediatamente. Si no tiene abogado o si no tiene el dinero suficiente de pagar tal servicio. Vaya en persona o llame por telefono a la oficina cuya direccion se encuentra escrita abajo para averiguar donde se puede conseguir asistencia legal.**

Pennsylvania Lawyer Referral Service  
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Harrisburg, PA 17108  
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**PURSUANT TO THE FAIR DEBT COLLECTION PRACTICES ACT YOU ARE ADVISED THAT THIS LAW FIRM IS DEEMED TO BE A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.**

**IF YOU HAVE FILED BANKRUPTCY AND RECEIVED A DISCHARGE, THIS IS NOT AN ATTEMPT TO COLLECT A DEBT. IT IS AN ACTION TO ENFORCE A LIEN ON REAL ESTATE.**

Jay C. Scheinfield, Esquire  
Atty. I.D. 23880  
8234 West Chester Pike  
Upper Darby, PA 19082  
(610) 853-0300

Attorney for Plaintiff

BANK ONE, NA  
N54 W13600 Woodale Drive  
Mail Station WI1-4031  
Menomonee Falls, WI 53051  
Plaintiff

: COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY  
: PENNSYLVANIA

: NO.

vs.

GLENN P. SCHILLO, ADMINISTRATOR OF  
THE ESTATE OF JOHN M. RUGH,  
DECEASED  
311 Ridge Point Circle  
Bridgeville, PA 15017  
Defendant

: CIVIL ACTION - LAW

### **COMPLAINT IN MORTGAGE FORECLOSURE**

1. Plaintiff is

BANK ONE, NA  
N54 W13600 Woodale Drive  
Mail Station WI1-4031  
Menomonee Falls, WI 53051

2. The name(s) and last known address(es) of the Defendant(s) are

GLENN P. SCHILLO, ADMINISTRATOR OF THE ESTATE OF JOHN M. RUGH,  
DECEASED  
311 Ridge Point Circle  
Bridgeville, PA 15017

3. John M. Rugh died on June 22, 2001, and on December 10, 2002, Letters of Administration were issued to Glenn P. Schillo appointing him administrator.
4. John M. Rugh (Decedent) was the mortgagor(s) and last record owner(s) of the property hereinafter described.
5. On July 31, 2000 decedent made, executed and delivered a mortgage upon the premises hereinafter described to Bank One, NA which mortgage is recorded in the Office of the Recorder of Clearfield County, in Mortgage Book No. 2000, Page 11331. A true and correct copy of the mortgage is attached as Exhibit "A."
6. The mortgage secures defendant(s) certain note dated July 31, 2000 in the amount of \$93,000, payable to plaintiff in monthly installments with simple interest at the rate of 10.750 percent per annum. A true and correct copy of the note is attached as Exhibit "A."

7. The mortgage covers the real estate known as Lot No. 499, Section No. 15, "Bimini" Treasure Lake Subdivision, Sandy Township, Clearfield County PA and described more fully in the mortgage, which premises upon information and belief, continues to be owned by decedent's estate.
8. The mortgage is in default because monthly payments of principal and interest upon said mortgage due July 4, 2001 and each month thereafter are due and unpaid, and by the terms of said mortgage, upon failure of mortgagor to make such payments after a date specified by written notice sent to Mortgagor, the entire principal balance and all interest due thereon are collectible forthwith. A copy of such default notice is attached as Exhibit "B."
9. The following amounts are due on the mortgage:

Principal Balance	\$91,844.00
Interest	\$18,015.17
7/4/01 through 4/30/03 (Per Diem \$27.0498)	
Attorney's Fees	\$4,592.20
Late Charges	\$75.00
Title Search	\$155.00
<b>TOTAL</b>	<b>\$114,681.37</b>

10. The attorney's fees set forth above are in conformity with the Mortgage documents and Pennsylvania Law, and will be collected in the event of a third party purchaser at Sheriff's Sale. If the Mortgage is reinstated prior to the Sale, reasonable attorney's fees will be charged.
11. This action does not come under Act 6 of 1974 because the original mortgage amount exceeds \$50,000.00.
12. The Combined Notice has been sent to the Defendant(s) by regular and certified mail as required by 35 P.S. § 1680.403c on the date(s) set forth in the true and correct copy of such notice(s) attached hereto as Exhibit "B."
13. The Temporary Stay as provided by the Homeowner's Emergency Mortgage Assistance Program, Act 91 of 1983, has terminated because either:
  - (i) Defendant(s) have failed to meet with the Plaintiff or an authorized Credit Counseling Agency in accordance with Plaintiff's written Notice to Defendants, a true and correct copy of which is attached hereto as Exhibit "B," or
  - (ii) Defendant(s) application for assistance has been rejected by the Pennsylvania Housing Finance Agency.

WHEREFORE, PLAINTIFF demands an in rem Judgment against the Defendant(s) in the sum of \$114,681.37, together with interest from April 30, 2003 at the rate of \$27.0498 per diem to the date of Judgment, and other costs and charges collectible under the mortgage and for the foreclosure and sale of the mortgaged property.




JAY C. SCHEINFELD, ESQUIRE  
Attorney for Plaintiff

### VERIFICATION

The undersigned does hereby verify subject to the penalties of 18 PA.C.S. § 4904 relating to unsworn falsifications to authorities, that he/~~she~~ is Assistant Vice President,  
\_\_\_\_\_, of Bank One, N.A. plaintiff herein, that he/she is duly authorized  
(TITLE)

to make this verification, and that the facts set forth in the foregoing Complaint are true and correct to the best of his/her knowledge, information and belief.

  
\_\_\_\_\_  
(Signature)

**SCOTT WILLIAMS**  
**Assistant Vice President**



**EXHIBIT "A"**

BANK ONE, NA  
P.O. BOX 710097  
COLUMBUS, OH 43271-0097

JOHN M RUGH  
RD2 SECTION 15 LOT 499  
DUBOIS, PA 15801

1870072630  
Account # 1870072631

Loan Number  
Date July 31, 2000  
Maturity Date Aug. 25, 2015  
Loan Amount \$93,000.00  
Renewal Of

LENDER'S NAME AND ADDRESS

"You" means the Lender, its successors and assigns.

TERMS FOLLOWING A ☐ APPLY ONLY IF CHECKED

BORROWER'S NAME AND ADDRESS

"I" includes each Borrower above, jointly and severally.

Secondary Mortgage Loan

This agreement is subject to the provisions of the Secondary Mortgage Loan Act.

For value received, I promise to pay to you at your address listed above the PRINCIPAL sum of NINETY THREE THOUSAND and NO/100\*

\*\*\*\*\* Dollars \$ 93,000.00

☒ Single Advance: I will receive all of this principal sum on August 4, 2000. 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 \_\_\_\_\_ I will receive the amount of \$ \_\_\_\_\_ and future principal advances are contemplated.

You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

Conditions: The conditions for future advances are \_\_\_\_\_

INTEREST: I agree to pay interest on the outstanding principal balance from August 4, 2000 at the rate of 10.750 % per year until MATURITY

☐ Variable Rate: Notice to borrower: This document contains provisions for a variable interest rate. This rate may then change as stated below.

Change Dates: Each date on which the interest rate may change is called a Change Date. The interest rate may change \_\_\_\_\_ and on every \_\_\_\_\_ thereafter.

The Index: Beginning with the first Change Date, the interest rate will be based on the following Index: \_\_\_\_\_

The most recent Index value available as of the date ☐ 45 days ☐ \_\_\_\_\_ before each Change Date is called the "Current Index."

Calculation of Change: Before each Change Date, the Lender will calculate the interest rate, which will be \_\_\_\_\_ the Current Index. The result of this calculation will be rounded \_\_\_\_\_ . The new interest rate will become effective on each Change Date. Subject to any limitations below, this will be the new interest rate until the next Change Date.

Limitations: The interest rate will never be greater than \_\_\_\_\_ % or less than \_\_\_\_\_ %.

☐ The interest rate will never change on any single Change Date by more than \_\_\_\_\_ %.

Effect of Variable Rate: A change in the interest rate will have the effect of changing the amount of the scheduled payments:

ACCUAL METHOD: Interest will be calculated on a actual/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: I agree to pay a late charge on the portion of any payment made more than 10 days after it is due equal to 5.000% of the late payment

☐ ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which ☐ are ☐ are not included in the principal amount above: \_\_\_\_\_

PAYMENTS: I agree to pay this note as follows:

180 payments of \$1,049.23 each on the 25th of each month beginning on September 25, 2000

SECURITY: This note is secured by (describe separate document by type (e.g., mortgage) and date):

MORTGAGE TO SECURE DEBT DATED JULY 31, 2000 SECURING THE PRINCIPAL AMOUNT OF \$93,000.00

ADDITIONAL TERMS:

PURPOSE: The purpose of this loan is consumer: REFINANCE

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

Signature for Lender

JOHN M RUGH

The headings at the beginning of each section are for convenience and are not to be used in interpreting the text of the section.

"I," "me" or "my" means each Borrower who signs this note and other person or legal entity (including guarantors, endorser, and sureties) who pays this note (together referred to as "us"). "You" or "your" means the lender and its successors and assigns.

**LAW** - This note and any agreement securing this note will be governed by the laws of the state of Pennsylvania. The fact that any part of this note cannot be enforced will not affect the rest of this note. Any change to this note or any agreement securing this note must be in writing and signed by you and the lender.

**Payments** - Each payment I make on this note will first reduce the amount I owe in the following order: a) to earned interest; b) to the unpaid principal balance, any fees or charges that are due. No late charge will be assessed on any payment when the only delinquency is due to late fees assessed on earlier payments and the payment is otherwise a full payment. The actual amount of my payment will depend on the interest rates (if variable) and my payment record. Payment due under this loan does not equal or exceed the amount of due, you may, at your option, increase the amount of the payment due. Future payments to an amount that will pay off this loan in equal payments the remaining term of this loan.

**Prepayment** - I may prepay this loan in whole or in part at any time. If I prepay in full, I must still make each later payment in the original amount as it becomes due under this note.

**Interest** - Interest accrues on the principal remaining unpaid from time to time. If "Variable Rate" is checked on page 1, I will pay interest at the rate in effect from time to time. The interest rate(s) and other charges on this note will never exceed the highest rate or charge allowed by law for this loan. If the interest rate on this note ceases to exist, I agree that you may substitute a new rate for the original.

**Index** - If you and I have agreed that the interest rate on this note will be variable will be related to an index, then the index you select will function only as a guide to setting the rate on this note. You do not guaranty, by selecting any index, the interest rate on this note will have a particular relationship to the interest you charge on any other loans or any type or class of loans with your other customers.

**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. For calculation, the accrual method will determine the number of days in a month. If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

**ADVANCE LOANS** - If this is a single advance loan you and I expect that you will make one advance of principal. However, you may add other amounts to the advance. You make any payments described in the PAYMENTS BY LENDER section.

**MULTIPLE ADVANCE LOANS** - If this is a multiple advance loan, you and I expect you will make more than one advance of principal, subject to the conditions of separate agreements.

**Charges 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 charges as advances and add them to the unpaid principal under this loan, or you may demand immediate payment of the charges.

**MATURITY INTEREST** - Interest will accrue on the principal balance remaining unpaid after final maturity at the rate specified on page 1. For purposes of this section, final maturity occurs:

- On the date of the last scheduled payment of principal; or
- On the date you accelerate the due date of this loan (demand immediate payment).

**REAL ESTATE OR RESIDENCE SECURITY** - If this loan is secured by real estate or other property that is personal property, the existence of a default and your remedies such as a default will be determined by applicable law, by the terms of any security 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 this note.

**Assignment** - This note and any document securing it cannot be assumed by anyone buying the secured property from me. This will be true unless you agree in writing to the contrary. Without such an agreement, if I try to transfer any interest in the property securing this note, I will be in default on this loan. You may assign me under any due on sale clause in the security agreement, which is incorporated by reference.

**Default** - Subject to any limitations in the "REAL ESTATE OR RESIDENCE SECURITY" paragraph above, I will be in default on this loan and any agreement securing this loan if any one or more of the following occurs:

- I fail to make a payment in full when due;
- I die, am declared incompetent, or become insolvent;
- I fail to keep any promise I have made in connection with this loan;
- I fail to pay, or keep any other promise on, any other loan or agreement I have with you;
- I make any written statement or provide any financial information that is untrue or inaccurate at the time it is provided;
- Any creditor of mine attempts to collect any debt I owe through court proceedings, set-off or self-help repossession;
- The property securing this loan is damaged, destroyed or stolen;
- I fail to provide any additional security that you may require;
- Any legal entity (such as a partnership or corporation) that has agreed to pay this note merges, dissolves, reorganizes, ends its business or existence, or a partner or majority stockholder dies or is declared incompetent; or
- Anything else happens that causes you to believe that you will have difficulty collecting the amount I owe you.
- If any of us are in default on this note or any security agreement, you may use your remedies against any or all of us.

**Remedies** - Subject to any limitations in the "REAL ESTATE OR RESIDENCE SECURITY" paragraph above, and after giving any appropriate notice, if I am in default on this loan or any agreement securing this loan, you may:

- Make unpaid principal, earned interest and all other agreed charges I owe you under this loan immediately due;
- Use the right of set-off as explained below;
- Demand more security or new parties obligated to pay this loan (or both) in return for not using any other remedy;
- Make a claim for any and all insurance benefits or refunds that may be available on my default;
- Use any remedy you have under state or federal law; and
- Use any remedy given to you in any agreement securing this loan.

By choosing any one or more of these remedies you do not give up your right to use another remedy later. By deciding not to use any remedy should I be in default, you do not give up your right to consider the event a default if it happens again.

**COSTS OF COLLECTION AND ATTORNEYS' FEES** - I agree to pay you all reasonable costs you incur to collect this debt or realize on any security. This includes, unless prohibited by law, reasonable attorneys' fees. This provision also shall apply if I file a petition or any other claim for relief under any bankruptcy rule or law of the United States, or if such petition or other claim for relief is filed against me by another.

**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:

- (a) Any deposit account balance I have with you;
- (b) Any money owed to me on an item presented to you or in your possession for collection or exchange; and
- (c) 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 arise only in a representative capacity. 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.

**OTHER SECURITY** - Any present or future agreement securing any other debt I owe you also will secure the payment of this loan. Property securing another debt will not secure this loan if such property is my principal dwelling and you fail to provide any required notice of right of rescission. Also, property securing another debt will not secure this loan to the extent such property is in household goods.

**OBLIGATIONS INDEPENDENT** - I understand that my obligation to pay this loan is independent of the obligation of any other person who has also agreed to pay it. You may, without notice, release me or any of us, give up any right you may have against any of us, extend new credit to any of us, or renew or change this note one or more times and for any term, and I will still be obligated to pay this loan. You may, without notice, fail to perfect your security interest in, impair, or release any security and I will still be obligated to pay this loan.

**WAIVER** - I waive (to the extent permitted by law) demand, presentment, protest, notice of dishonor and notice of protest.

**PRIVACY** - I agree that from time to time you may receive credit information about me from others, including other lenders and credit reporting agencies. I agree that you may furnish on a regular basis credit and experience information regarding my loan to others seeking such information. To the extent permitted by law, I agree that you will not be liable for any claim arising from the use of information provided to you by others or for providing such information to others.

**FINANCIAL STATEMENTS** - I will give you any financial statements or information that you feel is necessary. All financial statements and information I give you will be correct and complete.

**PURCHASE MONEY LOAN** - If this is a Purchase Money Loan, you may include the name of the seller on the check or draft for this loan.

#### NOTICE TO COSIGNER

You (the cosigner) are being asked to guaranty this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You also may have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record.

This notice is not the contract that makes you liable for the debt.

Attach FTC "Preservation of Consumer Claims and Defenses" Notice if Applicable

## Notice of Proposed Termination of Court Case

October 23, 2007

RE: 2003-00724-CD


Bank One

Vs.

Glenn P. Schillo  
John M. Rugh

**FILED**

OCT 23 2007

  
William A. Shaw  
Prothonotary/Clerk of Courts

Dear Jay C. Scheinfeld, Esq:

Please be advised that the Court intends to terminate the above captioned case without notice, because the Court records show no activity in the case for a period of at least two years.

You may stop the Court terminating the case by filing a Statement of Intention to Proceed. The Statement of Intention to Proceed must be filed with the **Prothonotary of Clearfield County, PO Box 549, Clearfield, Pennsylvania 16830**. The Statement of Intention to Proceed must be filed on or before **December 24, 2007**.

**If you fail to file the required statement of intention to proceed within the required time period, the case will be terminated.**

By the Court,



Daniel J. Nelson  
Court Administrator

## Notice of Proposed Termination of Court Case

October 23, 2007

RE: 2003-00724-CD

Bank One

Vs.

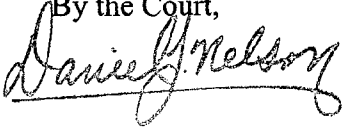
Glenn P. Schillo  
John M. Rugh

Dear Glenn P. Schillo, Administrator of the Estate of John M. Rugh:

Please be advised that the Court intends to terminate the above captioned case without notice, because the Court records show no activity in the case for a period of at least two years.

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**If you fail to file the required statement of intention to proceed within the required time period, the case will be terminated.**

By the Court,  


Daniel J. Nelson  
Court Administrator

**Jay C. Scheinfield, Esquire**  
8234 West Chester Pike  
Upper Darby, PA 19082  
Atty. I.D. #23880  
(610) 853-0300

**FILED** *no ce*  
m10:3761  
DEC 21 2007  
William A. Shaw  
Prothonotary/Clerk of Courts

Attorney for Plaintiff

BANK ONE, NA  
N54 W13600 Woodale Drive  
Menomonee Falls, WI 53051  
Plaintiff

: COURT OF COMMON PLEAS  
: CLEARFIELD COUNTY  
: PENNSYLVANIA  
: CIVIL ACTION - LAW

vs.

GLENN P. SCHILLO, Administrator of the  
Estate of John M. Rugh, Deceased  
311 Ridge Point Circle  
Bridgeville, PA 15017  
Defendant


: NO. 03-724 CD  
:  
:

TO THE PROTHONOTARY:

**STATEMENT OF INTENTION TO PROCEED**

Plaintiff intends to proceed in the above-captioned matter.

Date: 12/19/07

  
Jay C. Scheinfield, Esquire  
Attorney for Plaintiff

F. CORTEZ BELL, III, ESQUIRE  
DISTRICT COURT ADMINISTRATOR

SHARON S. WHIPPLE  
DEPUTY COURT ADMINISTRATOR

PHONE: 814-765-2641 x 5010  
FAX: 814-765-7649  
EMAIL: fbell@clearfieldco.org



OFFICE OF THE COURT ADMINISTRATOR  
FORTY-SIXTH JUDICIAL DISTRICT OF PENNSYLVANIA  
CLEARFIELD COUNTY COURTHOUSE  
230 EAST MARKET STREET, SUITE 228  
CLEARFIELD, PENNSYLVANIA 16830-2448

HON. FREDRIC J. AMMERMAN  
PRESIDENT JUDGE

HON. PAUL E. CHERRY  
JUDGE

March 1, 2013

RE: 2003 - 724 - CD

Bank One  
vs.  
Glenn P. Schillo  
John M. Rugh

FILED

MAR 08 2013

William A. Shaw  
Prothonotary/Clerk of Courts

CLERK TO ATTY SCHILLO  
G. SCHILLO  
RUGG & BROTHERS

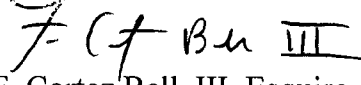
To All Parties and Counsel:

Please be advised that the Court intends to terminate the above-captioned case without notice, because the Court records show that no activity in the case for a period of at least two years.

You may stop the Court terminating the case by filing a Statement of Intention to Proceed. The Statement of Intention to Proceed must be filed with the **Prothonotary of Clearfield County, PO Box 549, Clearfield, Pennsylvania 16830**. The Statement to Proceed must be filed on or before May 1, 2013.

If you fail to file the required Statement of Intention to Proceed within the required time period, the case will be terminated.

Sincerely,

  
F. Cortez Bell, III, Esquire  
Court Administrator

ORIGINAL

William A. Shaw  
Prothonotary/Clerk of Courts  
PO Box 549  
Clearfield, PA 16830

FILED

5 MAR 18 2013  
William A. Shaw  
Prothonotary/Clerk of Courts

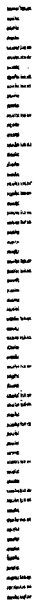
Glenn P. Schillo  
Treasure Lake Lot 499  
Dubois, PA 15801

NIXIE 152 DE 1 00 03/15/13

RETURN TO SENDER  
INSUFFICIENT ADDRESS  
UNABLE TO FORWARD

1580139053 79  
168300549

BC: 16830054949 \*1019-01111-08-42



Hasler

016H26524836  
\$00.460  
03/08/2013  
Mailed From 16830  
US POSTAGE



F. CORTEZ BELL, III, ESQUIRE  
DISTRICT COURT ADMINISTRATOR

SHARON S. WHIPPLE  
DEPUTY COURT ADMINISTRATOR

PHONE: 814-765-2641 x 5010  
FAX: 814-765-7649  
EMAIL: fbell@clearfieldco.org



OFFICE OF THE COURT ADMINISTRATOR  
FORTY-SIXTH JUDICIAL DISTRICT OF PENNSYLVANIA  
CLEARFIELD COUNTY COURTHOUSE  
230 EAST MARKET STREET, SUITE 228  
CLEARFIELD, PENNSYLVANIA 16830-2448

HON. FREDRIC J. AMMERMAN  
PRESIDENT JUDGE

HON. PAUL E. CHERRY  
JUDGE

March 1, 2013

RE: 2003 – 724 – CD

Bank One

vs.

Glenn P. Schillo

John M. Rugh

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

MAR 08 2013

To All Parties and Counsel:

Attest.

*William L. Khan*  
Prothonotary/  
Clerk of Courts

Please be advised that the Court intends to terminate the above-captioned case without notice, because the Court records show that no activity in the case for a period of at least two years.

You may stop the Court terminating the case by filing a Statement of Intention to Proceed. The Statement of Intention to Proceed must be filed with the **Prothonotary of Clearfield County, PO Box 549, Clearfield, Pennsylvania 16830**. The Statement to Proceed must be filed on or before **May 1, 2013**.

**If you fail to file the required Statement of Intention to Proceed within the required time period, the case will be terminated.**

Sincerely,

*F. Cortez Bell III*  
F. Cortez Bell, III, Esquire  
Court Administrator

TRUTH-IN-LENDING DISCLOSURES  
"I" MEANS THE BORROWER AND "YOU" MEANS THE LENDER

<b>ANNUAL PERCENTAGE RATE</b> The cost of my credit as a yearly rate. 11.775 %	<b>FINANCE CHARGE</b> The dollar amount the credit will cost me. \$ 100,978.40	<b>AMOUNT FINANCED</b> The amount of credit provided to me or on my behalf. \$ 87,883.00	<b>TOTAL OF PAYMENTS</b> The amount I will have paid when I have made all scheduled payments. \$ 188,861.40	I have the right to receive at this time an itemization of the Amount Financed  I _____ do _____ do not want an itemization.
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☐ **Demand:** ☐ This loan has a demand feature. ☐ This loan is payable on demand and all disclosures are based on an assumed maturity of one year.

☐ **Variable Rate:** (check one below)

☐ My loan contains a variable rate feature. Disclosures about the variable rate feature have been provided to me earlier.

☐ The annual percentage rate may increase during the term of this transaction if \_\_\_\_\_

XX Security: I am giving a security interest in: MY REAL ESTATE LOCATED AT  
☐ the goods or property being purchased. BD2 SECTION 1 LOT 499, AT  
☐ collateral securing other loans with you may also secure this loan. DOBOTS, PA 15801  
☐ my deposit accounts and other rights I may have to the payment of money from you.

Filing/Recording Fees: \$ \_\_\_\_\_  
☐ Required Deposit: The annual percentage rate does not take into account my required deposit.

**CREDIT INSURANCE** - Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless I sign and agree to pay the additional costs.

**PROPERTY INSURANCE** - I may obtain property insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$ \_\_\_\_\_ for \_\_\_\_\_ of coverage.

**FLOOD INSURANCE** - Flood insurance ☐ is ☒ is not required. I may obtain flood insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$ \_\_\_\_\_ for \_\_\_\_\_ of coverage.

ITEMIZATION OF AMOUNT FINANCED	
Amount given to me directly	\$ 420.05
Amount paid on my (loan) account	\$
<u>BRK/CLS/FLD/PRC/COOP</u>	\$ 5,117.00
AMOUNTS PAID TO OTHERS ON MY BEHALF:	\$
Insurance Companies	\$
Public Officials	\$ 50.00
<u>FLOOD DETERM/TRNSUN</u>	\$
<u>TITLE SEARCH/PINNACL</u>	\$ 100.00
<u>APPRAISAL/EXPRESS FI</u>	\$ 275.00
<u>OWNEN FPD</u>	\$ 61,700.03
<u>CITIBANK</u>	\$ 32,347.24
<u>ANBCC</u>	\$ 6,369.45
<u>FLEET</u>	\$ 7,035.28
<u>Delinquent Taxes</u>	\$ 420.05
	\$
	\$
	\$
(less) PREPAID FINANCE CHARGE(S)	\$ 5,117.00

The insurance covers only the person(s) signing the request for insurance. The charge for each type of credit insurance to be purchased is as indicated above. The term of insurance will begin as of the date of this loan and will end on the original due date of this loan.

Name of Insurer: \_\_\_\_\_  
Amount of Credit Insurance: \$ \_\_\_\_\_ ☐ decreasing term

BY SIGNING BELOW - I ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE ON THE DATE INDICATED ABOVE.

John M. Rizzo X \_\_\_\_\_ X \_\_\_\_\_

JOHN M. RIZZO

TRUTH-IN-LENDING DISCLOSURES  
"I" MEANS THE BORROWER AND "YOU" MEANS THE LENDER

[illegible]

**CREDIT INSURANCE** - Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless I sign and agree to pay the additional costs.

Type	Premium	Term
Credit Life		
Credit Disability		
Joint Credit Life		

**PROPERTY INSURANCE** - I may obtain property insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$\_\_\_\_\_ for \_\_\_\_\_ of coverage.

**FLOOD INSURANCE** - Flood insurance ☐ is ☒ is not required. I may obtain flood insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$\_\_\_\_\_ for \_\_\_\_\_ of coverage.

<p><b>NOTICE OF PROPOSED INSURANCE:</b> If so indicated above, credit life insurance coverage and/or credit accident and health insurance coverage will apply to this loan. The insurance company named below will write the insurance.</p> <p>The insurance covers only the person(s) signing the request for insurance. The charge for each type of credit insurance to be purchased is as indicated above. The term of insurance will begin as of the date of this loan and will end on the original due date of this loan.</p> <p>Subject to acceptance by the insurance company and within 30 days, a certificate of insurance will be given to the insured. If this loan is repaid before it is due, a refund of insurance charges will be made on the due date.</p>	<table border="1"> <tr> <td>TITLE SEARCH/PINNACLE</td> <td>\$</td> <td>100.00</td> </tr> <tr> <td>APPRAISAL/EXPRESS FT</td> <td>\$</td> <td>275.00</td> </tr> <tr> <td>OWEN FED</td> <td>\$</td> <td>61,700.03</td> </tr> <tr> <td>CITIBANK</td> <td>\$</td> <td>11,927.19</td> </tr> <tr> <td>ANCC</td> <td>\$</td> <td>6,369.45</td> </tr> <tr> <td>ELEET</td> <td>\$</td> <td>7,035.28</td> </tr> <tr> <td>Delinquent Taxes</td> <td>\$</td> <td>420.05</td> </tr> <tr> <td></td> <td>\$</td> <td></td> </tr> <tr> <td></td> <td>\$</td> <td></td> </tr> <tr> <td></td> <td>\$</td> <td></td> </tr> <tr> <td>(less) PREPAID FINANCE CHARGE(S)</td> <td>\$</td> <td>5,117.00</td> </tr> </table>	TITLE SEARCH/PINNACLE	\$	100.00	APPRAISAL/EXPRESS FT	\$	275.00	OWEN FED	\$	61,700.03	CITIBANK	\$	11,927.19	ANCC	\$	6,369.45	ELEET	\$	7,035.28	Delinquent Taxes	\$	420.05		\$			\$			\$		(less) PREPAID FINANCE CHARGE(S)	\$	5,117.00
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Name of Insurer: \_\_\_\_\_  
 Amount of Credit Insurance: \$ \_\_\_\_\_ ☐ decreasing term  
 Amount Financed \$ 97,883.00  
 (Add all items financed and subtract prepaid finance charges.)  
 SIGNING BELOW, I ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE ON THE DATE INDICATED ABOVE.  
John M. Rando x \_\_\_\_\_ x \_\_\_\_\_  
 PRINTED NAME

CERTIFIED  
COPY

[Space Above This Line For Recording Data]

## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on July 31, 2000. The mortgagor is JOHN M RUGH

("Borrower"). This Security Instrument is given to BANK ONE, NA

States of America, which is organized and existing under the laws of the United States of America, and whose address is P.O. BOX 710097, COLUMBUS, OH 43271-0097

("Lender"). Borrower owes Lender the principal sum of NINETY THREE THOUSAND and NO/100 \* \* \* \* \* Dollars (U.S. \$ 93,000.00).

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on AUGUST 25, 2015. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in CLEARFIELD County, Pennsylvania:

See exhibit 'A' attached hereto and made a part hereof.

which has the address of RD2 SECTION 15 LOT 499, DUBOIS,  
[Street] [City]  
Pennsylvania 15801 ("Property Address");  
[Zip Code]

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

Bankers Systems, Inc., St. Cloud, MN (1-800-397-2341) Form MD-1-PA 6/11/93

Form 3039 9/90 (page 1 of 6)

JMR

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

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

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

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

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

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

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

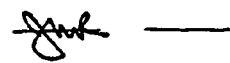
If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due,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

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

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

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

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



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

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

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

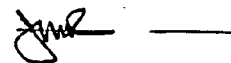
Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's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

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

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

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

**8. Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage



insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

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

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

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

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

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

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

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

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

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

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

*jar*

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

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

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

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

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

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

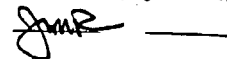
Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns,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

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

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

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

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





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

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

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

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

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

- ☐ Adjustable Rate Rider  
☐ Graduated Payment Rider  
☐ Balloon Rider  
☐ Other(s) [specify]

- ☐ Condominium Rider  
☐ Planned Unit Development Rider  
☐ Rate Improvement Rider

- ☐ 1-4 Family Rider  
☐ Biweekly Payment Rider  
☐ Second Home Rider

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

Witnesses:

[Signature]

X [Signature] (Seal)  
JOHN M. RUGH -Borrower

..... (Seal)  
-Borrower

[Space Below This Line For Acknowledgment]

COMMONWEALTH OF PENNSYLVANIA, CLEARFIELD County ss:

On this, the 31st day of July, 2000

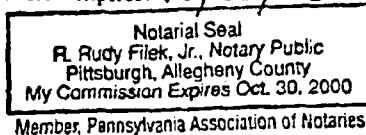
, before me,

..... the undersigned officer, personally appeared JOHN M. RUGH

..... known to me (or satisfactorily proven) to be the person ..... whose name ..... IS ..... subscribed to the within instrument and acknowledged that HE ..... executed the same for the purposes herein contained.

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

My Commission expires: 10/30/00



[Signature]  
Notary Public  
.....  
Title of Officer

IT IS HEREBY certified that the address of the mortgagee in the within mortgage is P.O. BOX 710097  
COLUMBUS, OH 43271-0097

By [Signature]

## PAYMENT RIDER

THIS PAYMENT RIDER is made this 31st day of July, 2000 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to BANK ONE, NA, organized and existing under the laws of the United States of America (the "Lender") of the same date and covering the property described in the Security Instrument and located at: RD2 SECTION 15 LOT 499, DUBOIS, PA 15801  
(Property Address)

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

### A. SCHEDULED PAYMENTS OF PRINCIPAL AND INTEREST

The Note provides for scheduled payments of principal and interest as follows:

### 3. PAYMENTS

#### (A) Scheduled Payments

I will pay principal and interest by making payments when scheduled:

☒ I will make 180 payments of \$ 1,049.23 each on the 25th of each month beginning on September 25, 2000

☐ I will make payments as follows:

☐ In addition to the payments described above, I will pay a "balloon payment" of \$                      on                     . The Note Holder will deliver or mail to me notice prior to maturity that the balloon payment is due. This notice will state the balloon payment amount and the date that it is due.

#### (B) Maturity Date and Place of Payments

I will make these payments as scheduled until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My scheduled payments will be applied to interest before principal. If, on August 25, 2015, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date."

I will make my scheduled payments at P.O. BOX 710097, COLUMBUS, OH 43271-0097 or at a different place if required by the Note Holder.

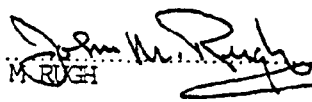
*JUR*

**B. FUNDS FOR TAXES AND INSURANCE (check one)**

- ☐ Uniform Covenant 2 of the Security Instrument is waived by the Lender.  
☐ Uniform Covenant 2 of the Security Instrument is amended to read as follows:  
1. The word "monthly" is changed to "scheduled."  
2. Paragraph 3 is amended to read as follows:

If the funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to the Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at that time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the shortage or deficiency. Borrower shall make up the shortage or deficiency at Lender's sole discretion, subject to the requirements of applicable law.

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

X  ..... (Seal)  
JOHN M. RUGH ..... Borrower

..... (Seal)  
..... Borrower

EXHIBIT "B"

LAW OFFICES  
JAY C. SCHEINFIELD  
ATTORNEY AT LAW

8234 WEST CHESTER PIKE  
UPPER DARBY, PA 19082

COPY

\*LL.M., TAXATION

(610)853-0300  
FAX (610)853-3458

January 11, 2002

VIA CERTIFIED AND FIRST CLASS MAIL

John M. Rugh, Deceased  
His Heirs and Next of Kin  
RD 2 Section 15 Lot 499  
Dubois, PA 15801

ACT 91 NOTICE

**TAKE ACTION TO SAVE YOUR  
HOME FROM FORECLOSURE**

This is an official notice that the mortgage on your home is in default, and the lender intends to foreclose. Specific information about the nature of the default is provided in the attached pages.

The HOMEOWNER'S MORTGAGE ASSISTANCE PROGRAM (HEMAP) may be able to help to save your home.

This Notice explains how the program works.

To see if HEMAP can help, you must MEET WITH A CONSUMER CREDIT COUNSELING AGENCY WITHIN 30 DAYS OF THE DATE OF THIS NOTICE. Take this Notice with you when you meet with the Counseling Agency.

The name, address and phone number of Consumer Credit Counseling Agencies serving your County are listed at the end of this Notice. If you have any questions, you may call the Pennsylvania Housing Finance Agency toll free at 1-800-342-2397. (Persons with impaired hearing can call (717) 780-1869.

This Notice contains important legal information. If you have any questions, representatives at the Consumer Credit Counseling Agency may be able to help explain it. You may also

.. want to contact an attorney in your area. The local bar association may be able to help you find a lawyer.

LA NOTIFICACION EN ADJUNTO ES DE SUMA IMPORTANCIA, PUES AFECTA SU DERECHO A CONTINUAR VIVIENDO EN SU CASA. SI NO COMPRENDE EL CONTENIDO DE ESTA NOTIFICACION OBTENGA UNA TRADUCCION INMEDITAMENTE LLAMANDO ESTA AGENCIA (PENNSYLVANIA HOUSING FINANCE AGENCY) SIN CARGOS AL NUMERO MENCIONADO ARRIBA. PUEDES SER ELEGIBLE PARA UN PRESTAMO POR EL PROGRAMA LLAMADO "HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM" EL CUAL PUEDE SALVAR SU CASA DE LA PERDIDA DEL DERECHO A REDIMIR SU HIPOTECA.

HOMEOWNER'S NAME(S) : John M. Rugh  
PROPERTY ADDRESS: RD 2 Section 15 Lot 499  
Dubois, PA 15801  
LOAN ACCT. NO.: 001-00024-18700-72631  
ORIGINAL LENDER: Bank One  
CURRENT LENDER/SERVICER: Bank One

HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM

YOU MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE WHICH CAN  
SAVE YOUR HOME FROM FORECLOSURE AND HELP YOU MAKE  
FUTURE MORTGAGE PAYMENTS.

IF YOU COMPLY WITH THE PROVISIONS OF THE HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE ACT OF 1983 (THE "ACT"), YOU MAY BE ELIGIBLE FOR EMERGENCY MORTGAGE ASSISTANCE:

- IF YOUR DEFAULT HAS BEEN CAUSED BY CIRCUMSTANCES BEYOND YOUR CONTROL,

- IF YOU HAVE A REASONABLE PROSPECT OF BEING ABLE TO PAY YOUR MORTGAGE PAYMENTS, AND

- IF YOU MEET OTHER ELIGIBILITY REQUIREMENTS ESTABLISHED BY THE PENNSYLVANIA HOUSING FINANCE AGENCY.

TEMPORARY STAY OF FORECLOSURE - Under the Act, you are entitled to a temporary stay of foreclosure on your mortgage for thirty (30) days from the date of this Notice. During that time you must arrange and attend a "face-to-face" meeting with one of the consumer credit counseling agencies listed at the end of this Notice. THIS MEETING MUST OCCUR WITHIN THE NEXT (30) DAYS. IF YOU DO NOT APPLY FOR EMERGENCY MORTGAGE ASSISTANCE, YOU MUST BRING YOUR MORTGAGE UP TO DATE. THE PART OF THIS NOTICE CALLED "HOW TO CURE YOUR MORTGAGE DEFAULT", EXPLAINS HOW TO BRING YOUR MORTGAGE UP TO DATE.

**CONSUMER CREDIT COUNSELING AGENCIES** - If you meet with one of the consumer credit counseling agencies listed at the end of this notice, the lender may NOT take action against you for thirty (30) days after the date of this meeting. The names, addresses and telephone numbers of designated consumer credit counseling agencies for the county in which the property is located are set forth at the end of this Notice. It is only necessary to schedule one face-to-face meeting. Advise your lender immediately of your intentions.

**APPLICATION FOR MORTGAGE ASSISTANCE** - Your mortgage is in default for the reasons set forth later in this Notice (see following pages for specific information about the nature of your default.) If you have tried and are unable to resolve this problem with the lender, you have the right to apply for financial assistance from the Homeowner's Emergency Mortgage Assistance Program. To do so, you must fill out, sign and file a completed Homeowner's Emergency Assistance Program Application with one of the designated consumer credit counseling agencies listed at the end of this Notice. Only consumer credit counseling agencies have applications for the program and they will assist you in submitting a complete application to the Pennsylvania Housing Finance Agency. Your application MUST be filed or postmarked within thirty (30) days of your face-to-face meeting.

**YOU MUST FILE YOUR APPLICATION PROMPTLY. IF YOU FAIL TO DO SO OR IF YOU DO NOT FOLLOW THE OTHER TIME PERIODS SET FORTH IN THIS LETTER, FORECLOSURE MAY PROCEED AGAINST YOUR HOME IMMEDIATELY AND YOUR APPLICATION FOR MORTGAGE ASSISTANCE WILL BE DENIED.**

**AGENCY ACTION** - Available funds for emergency mortgage assistance are very limited. They will be disbursed by the Agency under the eligibility criteria established by the Act. The Pennsylvania Housing Finance Agency has sixty (60) days to make a decision after it receives your application. During that time, no foreclosure proceedings will be pursued against you if you have met the time requirements set forth above. You will be notified directly by the Pennsylvania Housing Finance Agency of its decision on your application.

**NOTE: IF YOU ARE CURRENTLY PROTECTED BY THE FILING OF A PETITION IN BANKRUPTCY, THE FOLLOWING PART OF THIS NOTICE IS FOR INFORMATION PURPOSES ONLY AND SHOULD NOT BE CONSIDERED AS AN ATTEMPT TO COLLECT THE DEBT.**

**(If you have filed bankruptcy you can still apply for Emergency Mortgage Assistance.)**

HOW TO CURE YOUR MORTGAGE DEFAULT (Bring it up to date).

NATURE OF DEFAULT - The MORTGAGE debt held by the above lender on your property located at:

RD 2 Section 15 Lot 499, Dubois, PA 15801

IS SERIOUSLY IN DEFAULT because:

- A. YOU HAVE NOT MADE MONTHLY MORTGAGE PAYMENTS for the following months and the following amounts are now past due:

Payment of \$1,049.23 each month for the months of July 2001 through December 2001.

Other charges (explain/itemize):

Late Fees: \$75.00

TOTAL AMOUNT PAST DUE: \$6,370.38

- B. YOU HAVE FAILED TO TAKE THE FOLLOWING ACTION (Do not use if not applicable):

Not applicable.

HOW TO CURE THE DEFAULT - You may cure the default within THIRTY (30) DAYS of the date of this notice **BY PAYING THE TOTAL AMOUNT PAST DUE TO THE LENDER, WHICH IS \$6,370.38, PLUS ANY MORTGAGE PAYMENTS AND LATE CHARGES WHICH BECOME DUE DURING THE THIRTY (30) DAY PERIOD.** Payments must be made either by cash, cashier's check, certified check or money order made payable and sent to:

Bank One  
c/o Jay C. Scheinfield, Esquire  
8234 West Chester Pike  
Upper Darby, PA 19082

You can cure any other default by taking the following action within THIRTY (30) DAYS of the date of this letter: (Do not use if not applicable.)

Not applicable.



• • • IF YOU DO NOT CURE THE DEFAULT - If you do not cure the default within THIRTY (30) DAYS of the date of this Notice, the lender intends to exercise its rights to accelerate the mortgage debt. This means that the entire outstanding balance of this debt will be considered due immediately and you may lose the chance to pay the mortgage in monthly installments. If full payment of the total amount past due is not made within THIRTY (30) DAYS, the lender also intends to instruct its attorneys to start legal action to foreclose upon your mortgaged property.

IF THE MORTGAGE IS FORECLOSED UPON - The mortgaged property will be sold by the Sheriff to pay off the mortgage debt. If the lender refers your case to its attorneys, but you cure the delinquency before the lender begins legal proceedings against you, you will still be required to pay the reasonable attorney's fees that were actually incurred, up to \$50.00. However, if legal proceedings are started against you, you will have to pay all reasonable attorney's fees actually incurred by the lender even if they exceed \$50.00. Any attorney's fees will be added to the amount you owe the lender, which may also include other reasonable costs. If you cure the default within the THIRTY (30) DAY period, you will not be required to pay attorney's fees.

OTHER LENDER REMEDIES - The lender may also sue you personally for the unpaid principal balance and all other sums due under the mortgage.

RIGHT TO CURE THE DEFAULT PRIOR TO SHERIFF'S SALE - If you have not cured the default within the THIRTY (30) DAY period and foreclosure proceedings have begun, you still have the right to cure the default and prevent the sale at any time up to one hour before the Sheriff's Sale. You may do so by paying the total amount then past due, plus any late or other charges then due, reasonable attorney's fees and costs connected with the foreclosure sale and any other costs connected with the Sheriff's Sale as specified in writing by the lender and by performing any other requirements under the mortgage. Curing your default in the manner set forth in this notice will restore your mortgage to the same position as if you had never defaulted.

EARLIEST POSSIBLE SHERIFF'S SALE DATE - It is estimated that the earliest date that such a Sheriff's Sale of the mortgage property could be held would be approximately five (5) months from the date of this Notice. A notice of the actual date of the Sheriff's Sale will be sent to you before the sale. Of course, the amount needed to cure the default will increase the longer you wait. You may find out at any time exactly what the required payment or action will be by contacting the lender.

HOW TO CONTACT THE LENDER:

Name of Lender: Bank One

Address: P.O. Box 2071  
Milwaukee, WI 53201

Phone Number: (800) 576-6730

Fax Number: (262) 502-6749

Contact Person: Brian Biernat

EFFECT OF SHERIFF'S SALE - You should realize that a Sheriff's Sale will end your ownership of the mortgaged property and your right to occupy it. If you continue to live in the property after the Sheriff's Sale, a lawsuit to remove you and your furnishings and other belongings could be started by the lender at any time.

ASSUMPTION OF MORTGAGE - You        may or X may not (CHECK ONE) sell or transfer your home to a buyer or transferee who will assume the mortgage debt, provided that all the outstanding payments, charges and attorney's fees and costs are paid prior to or at the sale and that the other requirements of the mortgage are satisfied.

YOU MAY ALSO HAVE THE RIGHT:

- TO SELL THE PROPERTY TO OBTAIN MONEY TO PAY OFF THE MORTGAGE DEBT OR TO BORROW MONEY FROM ANOTHER LENDING INSTITUTION TO PAY OFF THIS DEBT.
- TO HAVE THIS DEFAULT CURED BY ANY THIRD PARTY ACTING ON YOUR BEHALF.
- TO HAVE THE MORTGAGE RESTORED TO THE SAME POSITION AS IF NO DEFAULT HAD OCCURRED, IF YOU CURE THE DEFAULT. (HOWEVER, YOU DO NOT HAVE THIS RIGHT TO CURE YOUR DEFAULT MORE THAN THREE TIMES IN ANY CALENDAR YEAR.)
- TO ASSERT THE NONEXISTENCE OF A DEFAULT IN ANY FORECLOSURE PROCEEDING OR ANY OTHER LAWSUIT INSTITUTED UNDER THE MORTGAGE DOCUMENTS.
- TO ASSERT ANY OTHER DEFENSE YOU BELIEVE YOU MAY HAVE TO SUCH ACTION BY THE LENDER.
- TO SEEK PROTECTION UNDER THE FEDERAL BANKRUPTCY LAW.

. . . \* . THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THIS PURPOSE. UNLESS YOU NOTIFY THIS OFFICE WITHIN THIRTY (30) DAYS AFTER RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THE DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL ASSUME THE DEBT IS VALID. IF YOU NOTIFY THIS OFFICE IN WRITING WITHIN THIRTY (30) DAYS OF RECEIVING THIS NOTICE, THIS OFFICE WILL OBTAIN VERIFICATION OF THE DEBT OR OBTAIN A COPY OF A JUDGMENT, IF ANY, AND MAIL YOU A COPY OF SUCH VERIFICATION OR ANY JUDGMENT. IF YOU REQUEST, THIS OFFICE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR, IF DIFFERENT FROM THE CURRENT CREDITOR.

PENNSYLVANIA HOUSING FINANCE AGENCY  
HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM  
CONSUMER CREDIT COUNSELING AGENCIES

CLEARFIELD COUNTY

Keystone Economic Development Corporation  
1954 Mary Grace Lane  
Johnstown, PA 15901  
(814) 535-6556  
FAX (814) 539-1688

CCCS of Western Pennsylvania, Inc.  
217 E. Plank Road  
Altoona, PA 16602  
(814) 944-8100  
FAX (814) 944-5747

CCCS of Western PA  
219-A College Park Plaza  
Johnstown, PA 15904  
(814) 539-6335

Indiana Co. Community Action Program  
827 Water Street, Box 187  
Indiana, PA 15701  
(724) 465-2657  
FAX (724) 465-5118

CCCS of Northeastern PA  
1631 S Atherton St  
Suite 100  
State College, PA 16801  
(814) 238-3668  
FAX (814) 238-3669

LAW OFFICES  
JAY C. SCHEINFIELD  
ATTORNEY AT LAW

COPY

8234 WEST CHESTER PIKE  
UPPER DARBY, PA 19082

\*LL.M., TAXATION

(610)853-0300  
FAX (610)853-3458

January 11, 2002

VIA CERTIFIED AND FIRST CLASS MAIL

John M. Rugh, Deceased  
His Heirs and Next of Kin  
1203 Riverview Drive  
Verona, PA 15147

ACT 91 NOTICE

**TAKE ACTION TO SAVE YOUR  
HOME FROM FORECLOSURE**

This is an official notice that the mortgage on your home is in default, and the lender intends to foreclose. Specific information about the nature of the default is provided in the attached pages.

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To see if HEMAP can help, you must MEET WITH A CONSUMER CREDIT COUNSELING AGENCY WITHIN 30 DAYS OF THE DATE OF THIS NOTICE. Take this Notice with you when you meet with the Counseling Agency.

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This Notice contains important legal information. If you have any questions, representatives at the Consumer Credit Counseling Agency may be able to help explain it. You may also

FILED  
MAY 12 2003  
M. 2:02 PM  
1085502  
2005084  
William A. Shaw  
Prothonotary

**In The Court of Common Pleas of Clearfield County, Pennsylvania**

**BANK ONE**

**VS.**

**Sheriff Docket #**

**14051**

**03-724-CD**

**SCHILLO, GLENN P., ADM. OF THE ESTATE OF JOHN M. RUGH, DEC.**

**COMPLAINT IN MORTGAGE FORECLOSURE**

**SHERIFF RETURNS**

NOW JULY 9, 2003 AFTER DILIGENT SEARCH IN MY BAILIWICK I RETURN THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE "NOT FOUND" AS TO OCCUPANT AT LOT 499, SECTION 15 "BIMINI" TREASURE LAKE SUBDIVISION, SANDY TWP., CLEARFIELD COUNTY, PENNSYLVANIA." HOUSE IS VACANT"

NOW MAY 21, 2003, PETER DEFAZIO, SHERIFF OF ALLEGHENY COUNTY WAS DEPUTIZED BY CHESTER A. HAWKINS, SHERIFF OF CLEARFIELD COUNTY TO SERVE THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON GLENN P. SCHILLO Adm. Of Estate of JOHN M. RUGH, DECEASED, DEFENDANT.

NOW JUNE 4, 2003 SERVED THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON GLENN P. SCHILLO, ADM. OF ESTATE OF JOHN RUGH, DECEASED, DEFENDANT BY DEPUTIZING THE SHERIFF OF ALLEGHENY COUNTY. THE RETURN OF SHERIFF DEFAZIO IS HERETO ATTACHED AND MADE A PART OF THIS RETURN.

**Return Costs**

Cost	Description
54.05	SHERIFF HAWKINS PAID BY: ATT CK# 3293
20.00	SURCHARGE PAID BY: ATTY CK# 3294
50.00	ALLEGHENY CO. SHFF. PAID BY: ATTY CK# 3287
3.00	NOTARY (ALLEGHENY CO.) PAID BY: ATTY CK# 3288

*\$107.05*

**Sworn to Before Me This**

*9<sup>th</sup>* Day Of *July*, 2003

*William A. Shaw*

WILLIAM A. SHAW

Prothonotary

My Commission Expires

1st Monday in Jan. 2006

Clearfield Co., Clearfield, PA

**So Answers,**

*Chester A. Hawkins*

Chester A. Hawkins

Sheriff

**FILED**

*01/3:30-01*  
JUL 09 2003 *ES*

William A. Shaw  
Prothonotary

FW 104 BT31 (4)

ALLEGHENY COUNTY SHERIFF'S DEPARTMENT

436 GRANT STREET  
PITTSBURGH, PA 15219-2495  
PHONE (412) 350-4700  
FAX (412) 350-6388

14051

50764

PETER R. DEFAZIO  
Sheriff

DENNIS SKOSNIK  
Chief Deputy

PLAINTIFF: BANK ONE, NA

CASE#: 03-000124-00  
EXPIRES: 6-11-03

VS.

DEFT: GLENN P. SCHILLO, ADMINISTRATOR OF ESTATE OF JOHN RUGH

- ☐ SUMMONS/PRAECIPE  
☐ SEIZURE OR POSSESSION  
☒ NOTICE AND COMPLAINT MF  
☐ REVIVAL OR SCI FA  
☐ INTERROGATORIES  
☐ EXECUTION • LEVY OR GARNISHEE  
☐ OTHER

DEFT:

DEFT:

GARNISHEE:

ADDRESS: 311 RIDGE POINT CIRCLE  
BRIDGEVILLE PA 15017

MUNICIPALITY OR CITY WARD: South Fayette

ATTY: Jay C. Scheinfield, Esq.

DATE: May 9, 20 03

Code 946

ADDRESS: 8234 West Chester Pike

Upper Darby, PA 19082

ATTY'S PHONE: (610) 853-0300

INDICATE TYPE OF SERVICE: ☐ PERSONAL ☒ PERSON IN CHARGE ☐ DEPUTIZE ☐ MAIL ☐ POSTED ☐ OTHER ☐ LEVY ☐ SEIZED & STORED

NOW: 20 I, SHERIFF OF ALLEGHENY COUNTY, PA do hereby deputize the Sheriff of County to execute this Writ and make return thereof according to law

NOTE: ONLY APPLICABLE ON WRIT OF EXECUTION: N.B. WAIVER OF WATCHMAN - Any deputy sheriff levying upon or attaching any property under within writ may leave same without a watchman, in custody of whomever is found in possession, after notifying person of levy or attachment, with out liability on the part of such deputy herein for any loss, destruction or removal of any such property before sheriff's sale thereof.

Seize, levy, advertise and sell all the personal property of the defendant on the premises located at:

MAKE

MODEL

MOTOR NUMBER

SERIAL NUMBER

LICENSE NUMBER

SHERIFF'S OFFICE USE ONLY

I hereby CERTIFY and RETURN that on the 4<sup>th</sup> day of June, 20 03, at 8:20 o'clock, A.M. Address Above/ Address Below, County of Allegheny, Pennsylvania

I have served in the manner Described below:

- ☒ Defendant(s) personally served.  
☐ Adult family member with whom said Defendant(s) reside(s). Name & Relationship  
☐ Adult in charge of Defendant's residence who refused to give name or relationship.  
☐ Manager/other person authorized to accept deliveries of United States Mail  
☐ Agent or person in charge of Defendant(s) office or usual place of business.  
☐ Other  
☐ Property Posted

Defendant not found because: ☐ Moved ☐ Unknown ☐ No Answer ☐ Vacant ☐ Other  
☐ Certified Mail ☐ Receipt ☐ Envelope Returned ☐ Neither receipt or envelope returned: writ expired  
☐ Regular Mail Why

You are hereby notified that on 19, levy was made in the case of Possession/Sale has been set for 20 at o'clock

YOU MUST CALL DEPUTY ON THE MORNING OF SALE/POSSESSION BETWEEN 8:30 - 9:30 A.M.

ATTEMPTS  
Sheila R. O'Brien, Notary Public  
City of Pittsburgh, Allegheny County  
My Commission Expires June 19, 2004

Additional placed on writ when returned to Prothonotary. Please check before satisfying case.

Affirmed and subscribed before me this 12 day of June 20 03  
Sheila R. O'Brien  
Notary

PETER R. DEFAZIO, Sheriff

BY: Larry Decker (DEPUTY)

DISTRICT: 4-12

White Copy - Sheriff

Pink Copy - Attorney





CHESTER A. HAWKINS  
SHERIFF

# Sheriff's Office Clearfield County

COURTHOUSE  
1 NORTH SECOND STREET, SUITE 116  
CLEARFIELD, PENNSYLVANIA 16830

OFFICE (814) 765-2641 EXT. 5986  
AFTER 4:00 P.M. (814) 765-1533  
FAX (814) 765-5915

ROBERT SNYDER  
CHIEF DEPUTY  
CYNTHIA AUGHENBAUGH  
OFFICE MANAGER

MARILYN HAMM  
DEPT. CLERK  
PETER F. SMITH  
SOLICITOR

## DEPUTATION

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

Pg. 14051

BANK ONE

VS

GLENN P. SCHILLO, ADM. OF ESTATE

TERM & NO. 03-724-CD

DOCUMENT TO BE SERVED:

COMPLAINT IN MORTGAGE FORECLOSURE

SERVE BY: 06/11/2003

**MAKE REFUND PAYABLE TO:** JAY C. SCHEINFIELD, ATTORNEY

**SERVE:** GLENN P. SCHILLO Adm. Of Estate of John M. Rugh, deceased

**ADDRESS:** 311 RIDGE POINT CIRCLE, BRIDGEVILLE, PA. 15017

Know all men by these presents, that I, CHESTER A. HAWKINS, HIGH SHERIFF of  
CLEARFIELD COUNTY, State of Pennsylvania, do hereby deputize the SHERIFF OF  
ALLEGHENY COUNTY, Pennsylvania to execute this writ. This  
Deputation being made at the request and risk of the Plaintiff this 21st Day of  
MAY 2003

Respectfully,

  
CHESTER A. HAWKINS,  
SHERIFF OF CLEARFIELD COUNTY

COPY

Jay C. Scheinfeld, Esquire  
Atty. I.D. 23880  
8234 West Chester Pike  
Upper Darby, PA 19082  
(610) 853-0300

Attorney for Plaintiff

BANK ONE, NA  
N54 W13600 Woodale Drive  
Menomonee Falls, WI 53051  
Plaintiff

: COURT OF COMMON PLEAS  
: OF CLEARFIELD COUNTY  
: PENNSYLVANIA

vs.

: NO. 03-724-CD

GLENN P. SCHILLO, ADMINISTRATOR OF  
THE ESTATE OF JOHN M. RUGH,  
DECEASED  
311 Ridge Point Circle  
Bridgeville, PA 15017  
Defendants

: CIVIL ACTION - LAW

#### NOTICE TO DEFEND

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

**You should take this paper to your lawyer at once. If you do not have a lawyer or cannot afford one, go to or telephone the office set forth below to find out where you can get legal help.**

Pennsylvania Lawyer Referral Service  
Pennsylvania Bar Association  
P.O. Box 186  
Harrisburg, PA 17108  
(800) 692-7375

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

MAY 12 2003

Attest.

*William L. Shaw*  
Prothonotary/  
Clerk of Courts

## AVISO

Le han demandado a usted en la corte. Si usted quiere defenderse de estas demandas expuestas en las paginas siguientes, usted tien veinte (20) dias de plazo al partir de la fecha de la demanda y la notificacion. Hace falta asentar una comparencia escrita o en persona o con un abogado y entregar a la corte en forma escrita sus defensas o sus objeciones a las demandas en contra de su persona. Sea avisado que si usted no se defiende, la corte tomara medidas y puede continuar la demanda en contra suya sin previo aviso o notificacion. Ademias, la corte puede decidir a favor del demandante y requiere que usted cumpla con todas las provisiones de esta demanda. Usted puede perer dinero o sus propiedades u otros derechos importantes para usted.

**Lleva esta demanda a un abogado inmediatamente. Si no tiene abogado o si no tiene el dinero suficiente de pagar tal servicio. Vaya en persona o llame por telefono a la oficina cuya direccion se encuentra escrita abajo para averiguar donde se puede conseguir asistencia legal.**

Pennsylvania Lawyer Referral Service  
Pennsylvania Bar Association  
P.O. Box 186  
Harrisburg, PA 17108  
(800) 692-7375

**PURSUANT TO THE FAIR DEBT COLLECTION PRACTICES ACT YOU ARE ADVISED THAT THIS LAW FIRM IS DEEMED TO BE A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE.**

**IF YOU HAVE FILED BANKRUPTCY AND RECEIVED A DISCHARGE, THIS IS NOT AN ATTEMPT TO COLLECT A DEBT. IT IS AN ACTION TO ENFORCE A LIEN ON REAL ESTATE.**

Jay C. Scheinfeld, Esquire  
Atty. I.D. 23880  
8234 West Chester Pike  
Upper Darby, PA 19082  
(610) 853-0300

Attorney for Plaintiff

BANK ONE, NA  
N54 W13600 Woodale Drive  
Mail Station WI1-4031  
Menomonee Falls, WI 53051  
Plaintiff

: COURT OF COMMON PLEAS  
OF CLEARFIELD COUNTY  
: PENNSYLVANIA

: NO.

vs.

GLENN P. SCHILLO, ADMINISTRATOR OF  
THE ESTATE OF JOHN M. RUGH,  
DECEASED  
311 Ridge Point Circle  
Bridgeville, PA 15017  
Defendant

: CIVIL ACTION - LAW

**COMPLAINT IN MORTGAGE FORECLOSURE**

1. Plaintiff is

BANK ONE, NA  
N54 W13600 Woodale Drive  
Mail Station WI1-4031  
Menomonee Falls, WI 53051

2. The name(s) and last known address(es) of the Defendant(s) are

GLENN P. SCHILLO, ADMINISTRATOR OF THE ESTATE OF JOHN M. RUGH,  
DECEASED  
311 Ridge Point Circle  
Bridgeville, PA 15017

3. John M. Rugh died on June 22, 2001, and on December 10, 2002, Letters of Administration were issued to Glenn P. Schillo appointing him administrator.
4. John M. Rugh (Decedent) was the mortgagor(s) and last record owner(s) of the property hereinafter described.
5. On July 31, 2000 decedent made, executed and delivered a mortgage upon the premises hereinafter described to Bank One, NA which mortgage is recorded in the Office of the Recorder of Clearfield County, in Mortgage Book No. 2000, Page 11331. A true and correct copy of the mortgage is attached as Exhibit "A."
6. The mortgage secures defendant(s) certain note dated July 31, 2000 in the amount of \$93,000, payable to plaintiff in monthly installments with simple interest at the rate of 10.750 percent per annum. A true and correct copy of the note is attached as Exhibit "A."

7. The mortgage covers the real estate known as Lot No. 499, Section No. 15, "Bimini" Treasure Lake Subdivision, Sandy Township, Clearfield County PA and described more fully in the mortgage, which premises upon information and belief, continues to be owned by decedent's estate.
8. The mortgage is in default because monthly payments of principal and interest upon said mortgage due July 4, 2001 and each month thereafter are due and unpaid, and by the terms of said mortgage, upon failure of mortgagor to make such payments after a date specified by written notice sent to Mortgagor, the entire principal balance and all interest due thereon are collectible forthwith. A copy of such default notice is attached as Exhibit "B."
9. The following amounts are due on the mortgage:

Principal Balance	\$91,844.00
Interest	\$18,015.17
7/4/01 through 4/30/03 (Per Diem \$27.0498)	
Attorney's Fees	\$4,592.20
Late Charges	\$75.00
Title Search	\$155.00
<b>TOTAL</b>	<b>\$114,681.37</b>

10. The attorney's fees set forth above are in conformity with the Mortgage documents and Pennsylvania Law, and will be collected in the event of a third party purchaser at Sheriff's Sale. If the Mortgage is reinstated prior to the Sale, reasonable attorney's fees will be charged.
11. This action does not come under Act 6 of 1974 because the original mortgage amount exceeds \$50,000.00.
12. The Combined Notice has been sent to the Defendant(s) by regular and certified mail as required by 35 P.S. § 1680.403c on the date(s) set forth in the true and correct copy of such notice(s) attached hereto as Exhibit "B."
13. The Temporary Stay as provided by the Homeowner's Emergency Mortgage Assistance Program, Act 91 of 1983, has terminated because either:
- (i) Defendant(s) have failed to meet with the Plaintiff or an authorized Credit Counseling Agency in accordance with Plaintiff's written Notice to Defendants, a true and correct copy of which is attached hereto as Exhibit "B," or
  - (ii) Defendant(s) application for assistance has been rejected by the Pennsylvania Housing Finance Agency.


WHEREFORE, PLAINTIFF demands an in rem Judgment against the Defendant(s) in the sum of \$114,681.37, together with interest from April 30, 2003 at the rate of \$27.0498 per diem to the date of Judgment, and other costs and charges collectible under the mortgage and for the foreclosure and sale of the mortgaged property.



JAY C. SCHEINFELD, ESQUIRE  
Attorney for Plaintiff

## VERIFICATION

The undersigned does hereby verify subject to the penalties of 18 PA.C.S. § 4904 relating to unsworn falsifications to authorities, that he/~~she~~ is Assistant Vice President, \_\_\_\_\_, of Bank One, N.A. plaintiff herein, that he/she is duly authorized (TITLE) to make this verification, and that the facts set forth in the foregoing Complaint are true and correct to the best of his/her knowledge, information and belief.

  
(Signature)

**SCOTT WILLIAMS**  
**Assistant Vice President**



**EXHIBIT "A"**

1870072631

BANK ONE, NA  
P.O. BOX 710097  
COLUMBUS, OH 43271-0097

JOHN M RUGH  
RD2 SECTION 15 LOT 499  
DUBOIS, PA 15801

Account # 1870072631  
Loan Number  
Date July 31, 2000  
Maturity Date Aug. 25, 2015  
Loan Amount \$93,000.00  
Renewal Of

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

BORROWER'S NAME AND ADDRESS  
"I" includes each Borrower above, jointly and severally.

TERMS FOLLOWING A ☐ APPLY ONLY IF CHECKED

Secondary Mortgage Loan

This agreement is subject to the provisions of the Secondary Mortgage Loan Act.

For value received, I promise to pay to you at your address listed above the PRINCIPAL sum of NINETY THREE THOUSAND and NO/100  
\* \* \* \* \* Dollars \$ 93,000.00

☒ Single Advance: I will receive all of this principal sum on August 4, 2000. 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 \_\_\_\_\_  
I will receive the amount of \$ \_\_\_\_\_ and future principal advances are contemplated.  
You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).  
Conditions: The conditions for future advances are \_\_\_\_\_

INTEREST: I agree to pay interest on the outstanding principal balance from August 4, 2000 at the rate of 10.750 % per year until MATURITY

☐ Variable Rate: Notice to borrower: This document contains provisions for a variable interest rate. This rate may then change as stated below.

Change Dates: Each date on which the interest rate may change is called a Change Date. The interest rate may change \_\_\_\_\_ and on every \_\_\_\_\_ thereafter.

The Index: Beginning with the first Change Date, the interest rate will be based on the following Index: \_\_\_\_\_

The most recent Index value available as of the date ☐ 45 days ☐ \_\_\_\_\_ before each Change Date is called the "Current Index."

Calculation of Change: Before each Change Date, the Lender will calculate the interest rate, which will be \_\_\_\_\_ the Current Index. The result of this calculation will be rounded \_\_\_\_\_.

The new interest rate will become effective on each Change Date. Subject to any limitations below, this will be the new interest rate until the next Change Date.

Limitations: The interest rate will never be greater than \_\_\_\_\_ % or less than \_\_\_\_\_ %.

☐ The interest rate will never change on any single Change Date by more than \_\_\_\_\_ %.

Effect of Variable Rate: A change in the interest rate will have the effect of changing the amount of the scheduled payments:

ACCUAL METHOD: Interest will be calculated on a actual/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: I agree to pay a late charge on the portion of any payment made more than 10 days after it is due equal to 5.000% of the late payment

☐ ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which ☐ are ☐ are not included in the principal amount above: \_\_\_\_\_

PAYMENTS: I agree to pay this note as follows:

180 payments of \$1,049.23 each on the 25th of each month beginning on September 25, 2000

SECURITY: This note is secured by (describe separate document by type (e.g., mortgage) and date):

MORTGAGE TO SECURE DEBT DATED JULY 31, 2000 SECURING THE PRINCIPAL AMOUNT OF \$93,000.00

ADDITIONAL TERMS:

PURPOSE: The purpose of this loan is consumer: REFINANCE

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

Signature for Lender

John M. Rugh  
JOHN M RUGH

# ADDITIONAL TERMS OF THE NOTE

The headings at the beginning of each section are for convenience only and are not to be used in interpreting the text of the section.

"I," "me" or "my" means each Borrower who signs this note and other person or legal entity (including guarantors, endorsers, and sureties) to pay this note (together referred to as "us"). "You" or "your" means the lender and its successors and assigns.

**STATE LAW** - This note and any agreement securing this note will be governed by the laws of the state of Pennsylvania. The fact that any part of this note cannot be enforced will not affect the rest of this note. Any change to this note or any agreement securing this note must be in writing and signed by you and the lender.

**Payments** - Each payment I make on this note will first reduce the amount I owe the lender in the following order: a) to accrued interest, b) to the unpaid principal balance, and c) to any fees or charges that are due. No late charge will be assessed on any payment when the only delinquency is due to late fees assessed on earlier payments and the payment is otherwise a full payment. The actual amount of my payment will depend on the interest rates (if variable) and my payment record. Payment due under this loan does not equal or exceed the amount of due, you may, at your option, increase the amount of the payment due at any time to an amount that will pay off this loan in equal payments the remaining term of this loan.

**Prepayment** - I may prepay this loan in whole or in part at any time. If I prepay in full, I must still make each later payment in the original amount as it becomes due under this note is paid in full.

**Interest** - Interest accrues on the principal remaining unpaid from time to time. If "Variable Rate" is checked on page 1, I will pay interest at the rate in effect from time to time. The interest rate(s) and other charges on this note will never exceed the highest rate or charge allowed by law for this loan. If specified on page 1 ceases to exist, I agree that you may substitute a new rate for the original.

**Index** - If you and I have agreed that the interest rate on this note will be variable will be related to an index, then the index you select will function only as a factor in setting the rate on this note. You do not guaranty, by selecting any index, the interest rate on this note will have a particular relationship to the interest you charge on any other loans or any type or class of loans with your other customers.

**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. For calculation, the accrual method will determine the number of days in a month. If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

**Advance Loans** - If this is a single advance loan you and I expect that I will only make one advance of principal. However, you may add other amounts to the loan if you make any payments described in the PAYMENTS BY LENDER section.

**Multiple Advance Loans** - If this is a multiple advance loan, you and I expect you will make more than one advance of principal, subject to the conditions of separate agreements.

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

**Maturity Interest** - Interest will accrue on the principal balance of this loan unpaid after final maturity at the rate specified on page 1. For purposes of this section, final maturity occurs:

On the date of the last scheduled payment of principal; or

On the date you accelerate the due date of this loan (demand immediate payment).

**Estate or Residence Security** - If this loan is secured by real estate or other property that is personal property, the existence of a default and your remedies such as a default will be determined by applicable law, by the terms of any security 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 this note.

**Assignment** - This note and any document securing it cannot be assumed by anyone other than the lender or its successors without your written agreement. If I try to transfer any part of the property securing this note, I will be in default on this loan. You may sue me under any due on sale clause in the security agreement, which is incorporated by reference.

**Limitations** - Subject to any limitations in the "REAL ESTATE OR RESIDENCE SECURITY" paragraph above, I will be in default on this loan and any agreement securing this loan if any one or more of the following occurs:

- I fail to make a payment in full when due;
- I die, am declared incompetent, or become insolvent;
- I fail to keep any promise I have made in connection with this loan;
- I fail to pay, or keep any other promise on, any other loan or agreement I have with you;
- I make any written statement or provide any financial information that is untrue or inaccurate at the time it is provided;
- Any creditor of mine attempts to collect any debt I owe through court proceedings, set-off or self-help repossession;
- The property securing this loan is damaged, destroyed or stolen;
- I fail to provide any additional security that you may require;

Any legal entity (such as a partnership or corporation) that has agreed to pay this note merges, dissolves, reorganizes, ends its business or existence, or a partner or majority stockholder dies or is declared incompetent; or

Anything else happens that causes you to believe that you will have difficulty collecting the amount I owe you.

If any of us are in default on this note or any security agreement, you may exercise your remedies against any or all of us.

**Limitations** - Subject to any limitations in the "REAL ESTATE OR RESIDENCE SECURITY" paragraph above, and after giving any appropriate notice, if I am in default on this loan or any agreement securing this loan, you may:

- Make unpaid principal, earned interest and all other agreed charges I owe you under this loan immediately due;
- Use the right of set-off as explained below;
- Demand more security or new parties obligated to pay this loan (or both) in return for not using any other remedy;
- Make a claim for any and all insurance benefits or refunds that may be available on my default;
- Use any remedy you have under state or federal law; and
- Use any remedy given to you in any agreement securing this loan.

By choosing any one or more of these remedies you do not give up your right to use another remedy later. By deciding not to use any remedy should I be in default, you do not give up your right to consider the event a default if it happens again.

**COSTS OF COLLECTION AND ATTORNEYS' FEES** - I agree to pay you all reasonable costs you incur to collect this debt or realize on any security. This includes, unless prohibited by law, reasonable attorneys' fees. This provision also shall apply if I file a petition or any other claim for relief under any bankruptcy rule or law of the United States, or if such petition or other claim for relief is filed against me by another.

**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:

- (a) Any deposit account balance I have with you;
- (b) Any money owed to me on an item presented to you or in your possession for collection or exchange; and
- (c) 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 arise only in a representative capacity. 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.

**OTHER SECURITY** - Any present or future agreement securing any other debt I owe you also will secure the payment of this loan. Property securing another debt will not secure this loan if such property is my principal dwelling and you fail to provide any required notice of right of rescission. Also, property securing another debt will not secure this loan to the extent such property is in household goods.

**OBLIGATIONS INDEPENDENT** - I understand that my obligation to pay this loan is independent of the obligation of any other person who has also agreed to pay it. You may, without notice, release me or any of us, give up any right you may have against any of us, extend new credit to any of us, or renew or change this note one or more times and for any term, and I will still be obligated to pay this loan. You may, without notice, fail to perfect your security interest in, impair, or release any security and I will still be obligated to pay this loan.

**WAIVER** - I waive (to the extent permitted by law) demand, presentment, protest, notice of dishonor and notice of protest.

**PRIVACY** - I agree that from time to time you may receive credit information about me from others, including other lenders and credit reporting agencies. I agree that you may furnish on a regular basis credit and experience information regarding my loan to others seeking such information. To the extent permitted by law, I agree that you will not be liable for any claim arising from the use of information provided to you by others or for providing such information to others.

**FINANCIAL STATEMENTS** - I will give you any financial statements or information that you feel is necessary. All financial statements and information I give you will be correct and complete.

**PURCHASE MONEY LOAN** - If this is a Purchase Money Loan, you may include the name of the seller on the check or draft for this loan.

## NOTICE TO COSIGNER

You (the cosigner) are being asked to guaranty this debt. Think carefully before you do. If the borrower doesn't pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the borrower does not pay. You also may have to pay late fees or collection costs, which increase this amount.

The creditor can collect this debt from you without first trying to collect from the borrower. The creditor can use the same collection methods against you that can be used against the borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record.

This notice is not the contract that makes you liable for the debt.

Attach FTC "Preservation of Consumer Claims and Defenses" Notice if Applicable

BANK ONE, NA P.O. BOX 710097 COLUMBUS, OH 43271-0097	JOHN M RUGH RD2 SECTION 15 LOT 499 DUBOIS, PA 15801	Account #: 1870072631 Loan Number _____ Date <u>July 31, 2000</u> Mat. Date <u>August 25, 2015</u> Loan Amount \$ <u>93,000.00</u>
LENDER'S NAME AND ADDRESS	BORROWER'S NAME AND ADDRESS	

**TRUTH-IN-LENDING DISCLOSURES**  
**"I" MEANS THE BORROWER AND "YOU" MEANS THE LENDER**

<b>ANNUAL PERCENTAGE RATE</b> The cost of my credit as a yearly rate. 11.775 %	<b>FINANCE CHARGE</b> The dollar amount the credit will cost me. \$ 100,978.40	<b>AMOUNT FINANCED</b> The amount of credit provided to me or on my behalf. \$ 87,883.00	<b>TOTAL OF PAYMENTS</b> The amount I will have paid when I have made all scheduled payments. \$ 188,861.40	I have the right to receive at this time an itemization of the Amount Financed. I _____ do _____ do not want an itemization.
--	--	--	---	---

I have the right to receive at this time an itemization of the Amount Financed

**My Payment Schedule will be:**

### When Payments Are Due

[illegible]

☐ **Demand:** ☐ This loan has a demand feature. ☐ This loan is payable on demand and all disclosures are based on an assumed maturity of one year.

☐ **Variable Rate:** (check one below)

☐ My loan contains a variable rate feature. Disclosures about the variable rate feature have been provided to me earlier.

☐ The annual percentage rate may increase during the term of this transaction if \_\_\_\_\_

☐ **Variable Rate:** (check one below)

☐ The annual percentage rate may increase during the term of this transaction if

If the rate increases by \_\_\_\_\_ % in \_\_\_\_\_, the \_\_\_\_\_  
will increase to \_\_\_\_\_. The rate may not increase more often than once \_\_\_\_\_  
and may not increase more than \_\_\_\_\_ % each \_\_\_\_\_. The rate will not go above \_\_\_\_\_ %

☒ **Security:** I am giving a security interest in: ☒ brief description of other property  
☐ the goods or property being purchased. **MY REAL ESTATE LOCATED AT**  
☐ collateral securing other loans with you may also secure this loan. **ED 2 SECTION 15 LOT 499,**  
☐ my deposit accounts and other rights I may have to the payment of money from you. **DUBOIS, PA 15801**

☒ Late Charge: If a payment is late I will be charged 5.000% of the late payment after 10 days of the Prepayment: If I pay off this loan early, I ☐ may ☒ will not have to pay a penalty scheduled payment

☒ **Assumption:** Someone buying my house  
☐ may, subject to conditions, be allowed to  
☐ may ☐ will not be entitled to a refund or part of the finance charge.  
☒ cannot assume the remainder of the mortgage on

**CREDIT INSURANCE** - Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless I sign and agree to pay the additional costs.

**FLOOD INSURANCE** - Flood insurance ☐ is ☒ is not required. I may obtain flood insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$ \_\_\_\_\_ for \_\_\_\_\_ of coverage.

get the insurance from or through you I will pay \$ \_\_\_\_\_  
for \_\_\_\_\_ of coverage.

Type	Premium	Term
Credit Life		
Credit Disability		
Joint Credit Life		

Credit Disability	
-------------------	--

Joint Credit Life

I ☐ do ☐ do not want credit life insurance.

☐ do ☐ do not want credit disability insurance.

☐ do ☐ do not want joint credit life insurance.

I ☒ do ☐ do not want \_\_\_\_\_ insurance.

**NOTICE OF PROPOSED INSURANCE:** If so indicated above, credit life insurance coverage and/or credit accident and health insurance coverage will apply to this loan. The insurance company named below will write the insurance.

Subject to acceptance by the insurance company and within 30 days, a certificate of insurance will be given to the insured. If this loan is prepaid before it is due, a refund of insurance charges will be made when due.

Name of Insurer:

Amount Financed \$ 87,883.00  
(Add all items financed and subtract prepaid finance charges.)

BY SIGNING BELOW - I ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE ON THE DATE INDICATED ABOVE.

JOHN M. RUCKEN

BANK ONE, NA P.O. BOX 710097 COLUMBUS, OH 43271-0097	JOHN M RUGH RD2 SECTION 15 LOT 499 DUBOIS, PA 15801	Account #: 1870072631 Loan Number: Date: <u>July 31, 2000</u> Mat. Date: <u>August 25, 2015</u> Loan Amount \$ <u>93,000.00</u>
LENDER'S NAME AND ADDRESS	BORROWER'S NAME AND ADDRESS	

Borrower's Name and Address

**TRUTH-IN-LENDING DISCLOSURES**  
**"I" MEANS THE BORROWER AND "YOU" MEANS THE LENDER**

<b>ANNUAL PERCENTAGE RATE</b> The cost of my credit as a yearly rate.  11.775 %	<b>FINANCE CHARGE</b> The dollar amount the credit will cost me.  \$ 100,978.40	<b>AMOUNT FINANCED</b> The amount of credit provided to me or on my behalf.  \$ 87,883.00	<b>TOTAL OF PAYMENTS</b> The amount I will have paid when I have made all scheduled payments.  \$ 188,861.40	I have the right to receive at this time an itemization of the Amount Financed  I _____ do _____ do not want an itemization.
--	--	--	---	--

[illegible]

☐ Demand: ☐ This loan has a demand feature. ☐ This loan is payable on demand and all disclosures are based on an assumed maturity of one year.

☐ Variable Rate: (check one below)

☐ My loan contains a variable rate feature. Disclosures about the variable rate feature have been provided to me earlier.

☐ The annual percentage rate may increase during the term of this transaction if

Any increase will take the form of \_\_\_\_\_.

If the rate increases by \_\_\_\_\_ % in \_\_\_\_\_, the \_\_\_\_\_

will increase to \_\_\_\_\_. The rate may not increase more often than once \_\_\_\_\_,

and may not increase more than \_\_\_\_\_ % each \_\_\_\_\_. The rate will not go above \_\_\_\_\_ %.

**Security:** I am giving a security interest in: ☒ (brief description of other property) MY REAL ESTATE LOCATED AT  
☐ the goods or property being purchased. RD2 SECTION 15 LOT 499,  
☐ collateral securing other loans with you may also secure this loan. DUBOIS PA 15801

**Filing/Recording Fee:** \$ \_\_\_\_\_

☐ **Required Deposit:** The annual percentage rate does not take into account my required deposit.

☐ my deposit accounts and other rights I may have to the payment of money from you.

☒ Late Charge: If a payment is late I will be charged 5.000% of the late payment after 10 days of the

Prepayment: If I pay off this loan early, I ☐ may ☒ will not have to pay a penalty scheduled payment.

☒ Assumption: Someone buying my house the original terms. ☐ may ☒ will not be entitled to a refund of part of the finance charge. ☐ may, subject to conditions, be allowed to ☒ cannot assume the remainder of the mortgage on

I can see my contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

**CREDIT INSURANCE** - Credit life insurance and credit disability insurance are not required to obtain credit, and will not be provided unless I sign and agree to pay the additional costs.

Type	Premium	Term
Credit Life		
Credit Disability		
Joint Credit Life		

☐ do ☐ do not want credit life insurance.  
X  
☐ do ☐ do not want credit disability insurance.  
X  
☐ do ☐ do not want joint credit life insurance.  
X  
☐ do ☐ do not want \_\_\_\_\_ insurance.  
X

**NOTICE OF PROPOSED INSURANCE:** If so indicated above, credit life insurance coverage and/or credit accident and health insurance coverage will apply to this loan. The insurance company named below will write the insurance.

The insurance covers only the person(s) signing the request for insurance. The charge for each type of credit insurance to be purchased is as indicated above. The term of insurance will begin as of the date of this loan and will end on the original due date of this loan.

Subject to acceptance by the insurance company and within 30 days, a certificate of insurance will be given to the insured. If this loan is prepaid before it is due, a refund of insurance charges will be made when due.

Name of Insurer: \_\_\_\_\_  
Amount of Credit Insurance: \$ \_\_\_\_\_ ☐ decreasing term

**PROPERTY INSURANCE** - I may obtain property insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$\_\_\_\_\_ for \_\_\_\_\_ of coverage

**FLOOD INSURANCE** - Flood insurance ☐ is ☒ is not required. I may obtain flood insurance from anyone I want that is acceptable to you. If I get the insurance from or through you I will pay \$ \_\_\_\_\_ for \_\_\_\_\_ of coverage.

ITEMIZATION OF AMOUNT FINANCED	
Amount given to me directly	\$ _____
Amount paid on my (loan) account	\$ _____
<u>BRK/CLS/FLD/PRC/COUR</u>	<u>5,117.00</u>
AMOUNTS PAID TO OTHERS ON MY BEHALF:	
Insurance Companies	\$ _____
Public Officials	\$ <u>50.00</u>
<u>FLOOD DETERM/TRNSUN</u>	<u>6.00</u>
<u>TITLE SEARCH/PINNACL</u>	<u>100.00</u>
<u>APPRAISAL/EXPRESS FT</u>	<u>275.00</u>
<u>OWEN FED</u>	<u>61,700.03</u>
<u>CITIBANK</u>	<u>#11,927.19</u>
<u>ANBCC</u>	<u>12,347.24</u>
<u>FLEET</u>	<u>6,369.45</u>
<u>Delinquent Taxes</u>	<u>7,035.28</u>
	<u>420.05</u>
	\$ _____
	\$ _____
	\$ _____
(less) PREPAID FINANCE CHARGE(S)	\$ <u>5,117.00</u>

Name of insurer: \_\_\_\_\_ Amount Financed \$ 87,883.00  
 Amount of Credit Insurance: \$ \_\_\_\_\_ ☐ decreasing term  
 (Add all items financed and subtract prepaid finance charges.)

BY SIGNING BELOW - I ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE ON THE DATE INDICATED ABOVE.

x John M. [Signature] x \_\_\_\_\_ x \_\_\_\_\_

CERTIFIED  
COPY

[Space Above This Line For Recording Data]

## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on July 31, 2000. The mortgagor is JOHN M. RUGH.

("Borrower"). This Security Instrument is given to BANK ONE, NA.

, which is organized and existing under the laws of the United States of America, and whose address is P.O. BOX 710097, COLUMBUS, OH 43271-0097.

("Lender"). Borrower owes Lender the principal sum of NINETY THREE THOUSAND and NO/100 \* \* \* \* \* Dollars (U.S. \$ 93,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on August 25, 2015. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in CLEARFIELD County, Pennsylvania:

See exhibit 'A' attached hereto and made a part hereof.

which has the address of RD2 SECTION 15 LOT 499, DUBOIS,  
[Street] [City]  
Pennsylvania 15801 ("Property Address");  
[Zip Code]

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

Bankers Systems, Inc., St. Cloud, MN (1-800-397-2341) Form MD-1-PA 5/11/93

Form 3039 9/90 (page 1 of 6)

*JMR*

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

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

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

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

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

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

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

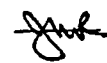
If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due,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

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

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

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

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



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

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

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

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

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

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

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

**8. Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage





insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

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

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

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

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

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

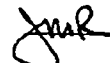
11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower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

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

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

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

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

 \_\_\_\_\_

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

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

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

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

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

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

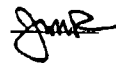
Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns,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

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

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

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

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



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

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

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

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

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

- ☐ Adjustable Rate Rider  
☐ Graduated Payment Rider  
☐ Balloon Rider  
☐ Other(s) [specify]

- ☐ Condominium Rider  
☐ Planned Unit Development Rider  
☐ Rate Improvement Rider

- ☐ 1-4 Family Rider  
☐ Biweekly Payment Rider  
☐ Second Home Rider

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

Witnesses:

*[Signature]*

X. *[Signature]* (Seal)  
JOHN M. RUGH -Borrower

..... (Seal)  
-Borrower

[Space Below This Line For Acknowledgment]

COMMONWEALTH OF PENNSYLVANIA, CLEARFIELD County ss:

On this, the 31st day of July, 2000, before me, .....,  
the undersigned officer, personally appeared JOHN M. RUGH  
..... known to me (or satisfactorily  
proven) to be the person ..... whose name ..... IS ..... subscribed to the within instrument and  
acknowledged that HE executed the same for the purposes herein contained.

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

My Commission expires: 10/30/00

Notarial Seal  
R. Rudy Filek, Jr., Notary Public  
Pittsburgh, Allegheny County  
My Commission Expires Oct. 30, 2000  
Member, Pennsylvania Association of Notaries

*[Signature]*  
Notary Public  
Title of Officer

IT IS HEREBY certified that the address of the mortgagee in the within mortgage is P.O. BOX 710097,  
COLUMBUS, OH 43271-0097

By *[Signature]*

## PAYMENT RIDER

THIS PAYMENT RIDER is made this 31st day of July, 2000 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to BANK ONE, NA, organized and existing under the laws of the United States of America (the "Lender") of the same date and covering the property described in the Security Instrument and located at: RD2 SECTION 15 LOT 499, DUBOIS, PA 15801  
(Property Address)

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

### A. SCHEDULED PAYMENTS OF PRINCIPAL AND INTEREST

The Note provides for scheduled payments of principal and interest as follows:

### 3. PAYMENTS

#### (A) Scheduled Payments

I will pay principal and interest by making payments when scheduled:

☒ I will make 180 payments of \$ 1,049.23 each on the 25th of each month beginning on September 25, 2000

☐ I will make payments as follows:

☐ In addition to the payments described above, I will pay a "balloon payment" of \$..... on ..... The Note Holder will deliver or mail to me notice prior to maturity that the balloon payment is due. This notice will state the balloon payment amount and the date that it is due.

#### (B) Maturity Date and Place of Payments

I will make these payments as scheduled until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My scheduled payments will be applied to interest before principal. If, on August 25, 2015, I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date."

I will make my scheduled payments at P.O. BOX 710097, COLUMBUS, OH 43271-0097 or at a different place if required by the Note Holder.

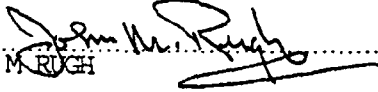
*JWR*

**B. FUNDS FOR TAXES AND INSURANCE (check one)**

- ☐ Uniform Covenant 2 of the Security Instrument is waived by the Lender.  
☐ Uniform Covenant 2 of the Security Instrument is amended to read as follows:  
1. The word "monthly" is changed to "scheduled."  
2. Paragraph 3 is amended to read as follows:

If the funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to the Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at that time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the shortage or deficiency. Borrower shall make up the shortage or deficiency at Lender's sole discretion, subject to the requirements of applicable law.

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

X  ..... (Seal)  
JOHN M. RUGH ..... Borrower

..... (Seal)  
..... Borrower

**EXHIBIT "B"**

LAW OFFICES  
JAY C. SCHEINFIELD  
ATTORNEY AT LAW

8234 WEST CHESTER PIKE  
UPPER DARBY, PA 19082

COPY

\*LL.M., TAXATION

(610)853-0300  
FAX (610)853-3458

January 11, 2002

VIA CERTIFIED AND FIRST CLASS MAIL

John M. Rugh, Deceased  
His Heirs and Next of Kin  
RD 2 Section 15 Lot 499  
Dubois, PA 15801

ACT 91 NOTICE

**TAKE ACTION TO SAVE YOUR  
HOME FROM FORECLOSURE**

This is an official notice that the mortgage on your home is in default, and the lender intends to foreclose. Specific information about the nature of the default is provided in the attached pages.

The HOMEOWNER'S MORTGAGE ASSISTANCE PROGRAM (HEMAP) may be able to help to save your home.

This Notice explains how the program works.

To see if HEMAP can help, you must MEET WITH A CONSUMER CREDIT COUNSELING AGENCY WITHIN 30 DAYS OF THE DATE OF THIS NOTICE. Take this Notice with you when you meet with the Counseling Agency.

The name, address and phone number of Consumer Credit Counseling Agencies serving your County are listed at the end of this Notice. If you have any questions, you may call the Pennsylvania Housing Finance Agency toll free at 1-800-342-2397. (Persons with impaired hearing can call (717) 780-1869.

This Notice contains important legal information. If you have any questions, representatives at the Consumer Credit Counseling Agency may be able to help explain it. You may also

want to contact an attorney in your area. The local bar association may be able to help you find a lawyer.

LA NOTIFICACION EN ADJUNTO ES DE SUMA IMPORTANCIA, PUES AFECTA SU DERECHO A CONTINUAR VIVIENDO EN SU CASA. SI NO COMPRENDE EL CONTENIDO DE ESTA NOTIFICACION OBTENGA UNA TRADUCCION INMEDITAMENTE LLAMANDO ESTA AGENCIA (PENNSYLVANIA HOUSING FINANCE AGENCY) SIN CARGOS AL NUMERO MENCIONADO ARRIBA. PUEDES SER ELEGIBLE PARA UN PRESTAMO POR EL PROGRAMA LLAMADO "HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM" EL CUAL PUEDE SALVAR SU CASA DE LA PERDIDA DEL DERECHO A REDIMIR SU HIPOTECA.

HOMEOWNER'S NAME(S): John M. Rugh  
PROPERTY ADDRESS: RD 2 Section 15 Lot 499  
Dubois, PA 15801  
LOAN ACCT. NO.: 001-00024-18700-72631  
ORIGINAL LENDER: Bank One  
CURRENT LENDER/SERVICER: Bank One

HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM

YOU MAY BE ELIGIBLE FOR FINANCIAL ASSISTANCE WHICH CAN  
SAVE YOUR HOME FROM FORECLOSURE AND HELP YOU MAKE  
FUTURE MORTGAGE PAYMENTS.

IF YOU COMPLY WITH THE PROVISIONS OF THE HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE ACT OF 1983 (THE "ACT"), YOU MAY BE ELIGIBLE FOR EMERGENCY MORTGAGE ASSISTANCE:

- IF YOUR DEFAULT HAS BEEN CAUSED BY CIRCUMSTANCES BEYOND YOUR CONTROL,
- IF YOU HAVE A REASONABLE PROSPECT OF BEING ABLE TO PAY YOUR MORTGAGE PAYMENTS, AND
- IF YOU MEET OTHER ELIGIBILITY REQUIREMENTS ESTABLISHED BY THE PENNSYLVANIA HOUSING FINANCE AGENCY.

TEMPORARY STAY OF FORECLOSURE - Under the Act, you are entitled to a temporary stay of foreclosure on your mortgage for thirty (30) days from the date of this Notice. During that time you must arrange and attend a "face-to-face" meeting with one of the consumer credit counseling agencies listed at the end of this Notice. THIS MEETING MUST OCCUR WITHIN THE NEXT (30) DAYS. IF YOU DO NOT APPLY FOR EMERGENCY MORTGAGE ASSISTANCE, YOU MUST BRING YOUR MORTGAGE UP TO DATE. THE PART OF THIS NOTICE CALLED "HOW TO CURE YOUR MORTGAGE DEFAULT", EXPLAINS HOW TO BRING YOUR MORTGAGE UP TO DATE.



CONSUMER CREDIT COUNSELING AGENCIES - If you meet with one of the consumer credit counseling agencies listed at the end of this notice, the lender may NOT take action against you for thirty (30) days after the date of this meeting. The names, addresses and telephone numbers of designated consumer credit counseling agencies for the county in which the property is located are set forth at the end of this Notice. It is only necessary to schedule one face-to-face meeting. Advise your lender immediately of your intentions.

APPLICATION FOR MORTGAGE ASSISTANCE - Your mortgage is in default for the reasons set forth later in this Notice (see following pages for specific information about the nature of your default.) If you have tried and are unable to resolve this problem with the lender, you have the right to apply for financial assistance from the Homeowner's Emergency Mortgage Assistance Program. To do so, you must fill out, sign and file a completed Homeowner's Emergency Assistance Program Application with one of the designated consumer credit counseling agencies listed at the end of this Notice. Only consumer credit counseling agencies have applications for the program and they will assist you in submitting a complete application to the Pennsylvania Housing Finance Agency. Your application MUST be filed or postmarked within thirty (30) days of your face-to-face meeting.

YOU MUST FILE YOUR APPLICATION PROMPTLY. IF YOU FAIL TO DO SO OR IF YOU DO NOT FOLLOW THE OTHER TIME PERIODS SET FORTH IN THIS LETTER, FORECLOSURE MAY PROCEED AGAINST YOUR HOME IMMEDIATELY AND YOUR APPLICATION FOR MORTGAGE ASSISTANCE WILL BE DENIED.

AGENCY ACTION - Available funds for emergency mortgage assistance are very limited. They will be disbursed by the Agency under the eligibility criteria established by the Act. The Pennsylvania Housing Finance Agency has sixty (60) days to make a decision after it receives your application. During that time, no foreclosure proceedings will be pursued against you if you have met the time requirements set forth above. You will be notified directly by the Pennsylvania Housing Finance Agency of its decision on your application.

NOTE: IF YOU ARE CURRENTLY PROTECTED BY THE FILING OF A PETITION IN BANKRUPTCY, THE FOLLOWING PART OF THIS NOTICE IS FOR INFORMATION PURPOSES ONLY AND SHOULD NOT BE CONSIDERED AS AN ATTEMPT TO COLLECT THE DEBT.

(If you have filed bankruptcy you can still apply for Emergency Mortgage Assistance.)

HOW TO CURE YOUR MORTGAGE DEFAULT (Bring it up to date).

NATURE OF DEFAULT - The MORTGAGE debt held by the above lender on your property located at:

RD 2 Section 15 Lot 499, Dubois, PA 15801

IS SERIOUSLY IN DEFAULT because:

- A. YOU HAVE NOT MADE MONTHLY MORTGAGE PAYMENTS for the following months and the following amounts are now past due:

Payment of \$1,049.23 each month for the months of July 2001 through December 2001.

Other charges (explain/itemize):

Late Fees: \$75.00

TOTAL AMOUNT PAST DUE: \$6,370.38

- B. YOU HAVE FAILED TO TAKE THE FOLLOWING ACTION (Do not use if not applicable):

Not applicable.

HOW TO CURE THE DEFAULT - You may cure the default within THIRTY (30) DAYS of the date of this notice **BY PAYING THE TOTAL AMOUNT PAST DUE TO THE LENDER, WHICH IS \$6,370.38, PLUS ANY MORTGAGE PAYMENTS AND LATE CHARGES WHICH BECOME DUE DURING THE THIRTY (30) DAY PERIOD.** Payments must be made either by cash, cashier's check, certified check or money order made payable and sent to:

Bank One  
c/o Jay C. Scheinfeld, Esquire  
8234 West Chester Pike  
Upper Darby, PA 19082

You can cure any other default by taking the following action within THIRTY (30) DAYS of the date of this letter: (Do not use if not applicable.)

Not applicable.

**IF YOU DO NOT CURE THE DEFAULT** - If you do not cure the default within THIRTY (30) DAYS of the date of this Notice, **the lender intends to exercise its rights to accelerate the mortgage debt.** This means that the entire outstanding balance of this debt will be considered due immediately and you may lose the chance to pay the mortgage in monthly installments. If full payment of the total amount past due is not made within THIRTY (30) DAYS, the lender also intends to instruct its attorneys to start legal action to **foreclose upon your mortgaged property.**

**IF THE MORTGAGE IS FORECLOSED UPON** - The mortgaged property will be sold by the Sheriff to pay off the mortgage debt. If the lender refers your case to its attorneys, but you cure the delinquency before the lender begins legal proceedings against you, you will still be required to pay the reasonable attorney's fees that were actually incurred, up to \$50.00. However, if legal proceedings are started against you, you will have to pay all reasonable attorney's fees actually incurred by the lender even if they exceed \$50.00. Any attorney's fees will be added to the amount you owe the lender, which may also include other reasonable costs. **If you cure the default within the THIRTY (30) DAY period, you will not be required to pay attorney's fees.**

**OTHER LENDER REMEDIES** - The lender may also sue you personally for the unpaid principal balance and all other sums due under the mortgage.

**RIGHT TO CURE THE DEFAULT PRIOR TO SHERIFF'S SALE** - If you have not cured the default within the THIRTY (30) DAY period and foreclosure proceedings have begun, **you still have the right to cure the default and prevent the sale at any time up to one hour before the Sheriff's Sale.** You may do so by paying the total amount then past due, plus any late or other charges then due, reasonable attorney's fees and costs connected with the foreclosure sale and any other costs connected with the Sheriff's Sale as specified in writing by the lender and by performing any other requirements under the mortgage. **Curing your default in the manner set forth in this notice will restore your mortgage to the same position as if you had never defaulted.**

**EARLIEST POSSIBLE SHERIFF'S SALE DATE** - It is estimated that the earliest date that such a Sheriff's Sale of the mortgage property could be held would be **approximately five (5) months from the date of this Notice.** A notice of the actual date of the Sheriff's Sale will be sent to you before the sale. Of course, the amount needed to cure the default will increase the longer you wait. You may find out at any time exactly what the required payment or action will be by contacting the lender.

HOW TO CONTACT THE LENDER:

Name of Lender: Bank One

Address: P.O. Box 2071  
Milwaukee, WI 53201

Phone Number: (800) 576-6730

Fax Number: (262) 502-6749

Contact Person: Brian Biernat

EFFECT OF SHERIFF'S SALE - You should realize that a Sheriff's Sale will end your ownership of the mortgaged property and your right to occupy it. If you continue to live in the property after the Sheriff's Sale, a lawsuit to remove you and your furnishings and other belongings could be started by the lender at any time.

ASSUMPTION OF MORTGAGE - You        may or X may not (CHECK ONE) sell or transfer your home to a buyer or transferee who will assume the mortgage debt, provided that all the outstanding payments, charges and attorney's fees and costs are paid prior to or at the sale and that the other requirements of the mortgage are satisfied.

YOU MAY ALSO HAVE THE RIGHT:

- TO SELL THE PROPERTY TO OBTAIN MONEY TO PAY OFF THE MORTGAGE DEBT OR TO BORROW MONEY FROM ANOTHER LENDING INSTITUTION TO PAY OFF THIS DEBT.

- TO HAVE THIS DEFAULT CURED BY ANY THIRD PARTY ACTING ON YOUR BEHALF.

- TO HAVE THE MORTGAGE RESTORED TO THE SAME POSITION AS IF NO DEFAULT HAD OCCURRED, IF YOU CURE THE DEFAULT. (HOWEVER, YOU DO NOT HAVE THIS RIGHT TO CURE YOUR DEFAULT MORE THAN THREE TIMES IN ANY CALENDAR YEAR.)

- TO ASSERT THE NONEXISTENCE OF A DEFAULT IN ANY FORECLOSURE PROCEEDING OR ANY OTHER LAWSUIT INSTITUTED UNDER THE MORTGAGE DOCUMENTS.

- TO ASSERT ANY OTHER DEFENSE YOU BELIEVE YOU MAY HAVE TO SUCH ACTION BY THE LENDER.

- TO SEEK PROTECTION UNDER THE FEDERAL BANKRUPTCY LAW.

THIS IS AN ATTEMPT TO COLLECT A DEBT, AND ANY INFORMATION OBTAINED WILL BE USED FOR THIS PURPOSE. UNLESS YOU NOTIFY THIS OFFICE WITHIN THIRTY (30) DAYS AFTER RECEIVING THIS NOTICE THAT YOU DISPUTE THE VALIDITY OF THE DEBT OR ANY PORTION THEREOF, THIS OFFICE WILL ASSUME THE DEBT IS VALID. IF YOU NOTIFY THIS OFFICE IN WRITING WITHIN THIRTY (30) DAYS OF RECEIVING THIS NOTICE, THIS OFFICE WILL OBTAIN VERIFICATION OF THE DEBT OR OBTAIN A COPY OF A JUDGMENT, IF ANY, AND MAIL YOU A COPY OF SUCH VERIFICATION OR ANY JUDGMENT. IF YOU REQUEST, THIS OFFICE WILL PROVIDE YOU WITH THE NAME AND ADDRESS OF THE ORIGINAL CREDITOR, IF DIFFERENT FROM THE CURRENT CREDITOR.

PENNSYLVANIA HOUSING FINANCE AGENCY  
HOMEOWNER'S EMERGENCY MORTGAGE ASSISTANCE PROGRAM  
CONSUMER CREDIT COUNSELING AGENCIES

CLEARFIELD COUNTY

Keystone Economic Development Corporation  
1954 Mary Grace Lane  
Johnstown, PA 15901  
(814) 535-6556  
FAX (814) 539-1688

CCCS of Western Pennsylvania, Inc.  
217 E. Plank Road  
Altoona, PA 16602  
(814) 944-8100  
FAX (814) 944-5747

CCCS of Western PA  
219-A College Park Plaza  
Johnstown, PA 15904  
(814) 539-6335

Indiana Co. Community Action Program  
827 Water Street, Box 187  
Indiana, PA 15701  
(724) 465-2657  
FAX (724) 465-5118

CCCS of Northeastern PA  
1631 S Atherton St  
Suite 100  
State College, PA 16801  
(814) 238-3668  
FAX (814) 238-3669

LAW OFFICES  
JAY C. SCHEINFIELD  
ATTORNEY AT LAW

8234 WEST CHESTER PIKE  
UPPER DARBY, PA 19082

COPY

\*LL.M., TAXATION

(610)853-0300  
FAX (610)853-3458

January 11, 2002

VIA CERTIFIED AND FIRST CLASS MAIL

John M. Rugh, Deceased  
His Heirs and Next of Kin  
1203 Riverview Drive  
Verona, PA 15147

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