

04-1252-CD  
CSB BANK VS  
BRIAN O. CARNES, et al

CSB Bank vs Brian Carns et al  
2004-1252-CD

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

CSB BANK,

Plaintiff :

No. 04- 1252 -CD

vs.

BRIAN O. CARNES and  
CANACE E. CARNES,  
Defendants

Type of Case: Civil Action

Type of Pleading: Complaint  
in Mortgage Foreclosure

Filed on behalf of: Plaintiff

Counsel of Record for this Party:  
Andrew P. Gates

Supreme Court No.: 36604

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

FILED *acc shff*  
*019:44(BD)*  
AUG 16 2004 *Att'y pd 85.00*

William A. Shaw  
Prothonotary/Clerk of Courts

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

CSB BANK, Plaintiff : No. 04 - - CD  
: :  
-vs- : IN MORTGAGE FORECLOSURE  
: :  
BRIAN O. CARNS and CANACE E. :  
CARNS, Defendants : :

NOTICE TO DEFEND

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

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.

IF YOU CANNOT AFFORD TO HIRE A LAWYER, THIS OFFICE MAY BE ABLE TO PROVIDE YOU WITH INFORMATION ABOUT AGENCIES THAT MAY OFFER LEGAL SERVICES TO ELIGIBLE PERSONS AT A REDUCED FEE OR NO FEE.

DAVID S. MEHOLICK, COURT ADMINISTRATOR  
Clearfield County Court House  
Clearfield, PA 16830  
(814) 765-2641, Ext. 1303

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA  
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CSB BANK, Plaintiff : No. 04 - - CD  
-vs- : IN MORTGAGE FORECLOSURE  
BRIAN O. CARNS and CANACE E. :  
CARNS, Defendants :  
:

C O M P L A I N T

NOW COMES, the Plaintiff by its attorneys, Gates & Seaman, and brings this action in Mortgage Foreclosure against the Defendants as follows:

1. The Plaintiff is CSB BANK, a state banking institution and corporation organized and existing under the laws of the Commonwealth of Pennsylvania and having its principal office and place of business at 434 State Street, P. O. Box 29, Curwensville, Clearfield County, Pennsylvania, 16833.

2. Defendants, BRIAN O. CARNS and CANACE E. CARNS, husband and wife, are adult individuals who presently reside in Knox Township, Clearfield County, Pennsylvania, with a mailing address of R. R. #1, Box 144, New Millport, Pennsylvania 16861-9434.

3. The Plaintiff, CSB BANK, brings this action to foreclose a Mortgage dated May 5, 1997 between Defendants, BRIAN O. CARNS and CANACE E. CARNS, Mortgagors, and CSB BANK, Mortgagee, which Mortgage covers residential real estate

situate in the Village of Carnwath, Knox Township, Clearfield County, Pennsylvania and which Mortgage is recorded in the Office of the Recorder of Deeds of Clearfield County, Pennsylvania in Deeds and Records Book 1840, Page 335.

4. The land and improvements subject to the mortgage are situate in the Village of Carnwath, Knox Township, Clearfield County, Pennsylvania and are more fully described in Exhibit "A" which is attached hereto and made a part hereof.

5. On October 22, 2003, Plaintiff properly prepared a Notice of Intention to Foreclose Mortgage under Section 403 of Act #6 of 1974 (41 P.S. §403) and on October 23, 2003 mailed the same to Defendant, BRIAN O. CARNS, by Certified Mail, return receipt requested, Certified No. 7022 2410 0003 6372 2018 in the Postal System of the United States of America and the same was thereafter received by said Defendant on October 24, 2003 as evidenced by the signature on the receipt card by Defendant, CANACE E. CARNS. A true and correct copy of the aforesaid notice and U. S. Postal Service form 3811 signed by Defendant, CANACE E. CARNS, is attached hereto and made a part hereof as Exhibit "B".

6. On October 22, 2003, Plaintiff properly prepared a Notice of Intention to Foreclose Mortgage under Section 403 of Act #6 of 1974 (41 P.S. §403) and on October 23, 2003 mailed the same to Defendant, CANACE E. CARNS, by Certified Mail,

return receipt requested, Certified No. 7002 2410 0003 6372 2001 in the Postal System of the United States of America and the same was thereafter received by said Defendant on October 24, 2003, as evidenced by her signed receipt card. A true and correct copy of the aforesaid notice and U. S. Postal Service Form 3811 signed by Defendant, CANACE E. CARNS, is attached hereto and made a part hereof as Exhibit "C".

7. The within cause of action in Mortgage Foreclosure is being instituted more than thirty (30) days following service of Plaintiff's Notice of Intention to Foreclose Mortgage under Section 403 of Act #6 of 1974 (41 P.S. §403).

8. On October 22, 2003, Plaintiff properly prepared a Notice under Section 403(c) of the Homeowner's Emergency Mortgage Assistance Act of 1983 (35 P.S. §1680.401(c) et seq) and on October 23, 2003 mailed the same to Defendant, BRIAN O. CARNS, by first class mail post-prepaid at the following address:

Brian O. Carns  
R. R. #1, Box 144  
New Millport, Pennsylvania 16861

A true and correct copy of the aforesaid notice is attached hereto as a portion of Exhibit "B". A true and correct copy of the Certificate of Mailing (Postal Service Form 3817) is attached hereto and made a part hereof as Exhibit "D".

9. On October 22, 2003, Plaintiff properly prepared a Notice under Section 403(c) of the Homeowner's Emergency Mortgage Assistance Act of 1983 (35 P.S. §1680.401(c) et seq) and on October 23, 2003 mailed the same to Defendant, CANACE E. CARNS, by first class mail post-prepaid at the following address:

Canace E. Carns  
R. R. #1, Box 144  
New Millport, Pennsylvania 16861

A true and correct copy of the aforesaid notice is attached hereto as a part of Exhibit "C". A true and correct copy of the Certificate of Mailing (Postal Service Form 3817) is attached hereto and made a part hereof as Exhibit "E".

10. The within cause of action in Mortgage Foreclosure was instituted more than thirty (30) days following receipt by said Defendants of Plaintiff's aforementioned Notice thereby satisfying the Notice requirements of the Homeowner's Emergency Mortgage Assistance Act of 1983 (35 P.S. §1680.401(c) et seq).

11. The Mortgage is in serious default because the Defendants have failed to make monthly payments on the dates they were due and at the present time are more than seven (7) months in arrears.

12. Defendants are also in default under Paragraph 4 of the Mortgage since they failed to pay all 2003 real estate

taxes due on the demised premises and the same are now in delinquent status.

13. Despite Plaintiff making the payment demands as set forth in Paragraphs 5, 6, 8 and 9 hereof, Defendants have failed to bring the payments current and to pay said delinquent real estate taxes.

14. The following amounts are due on the aforementioned Mortgage:

(a) Outstanding principal balance	\$12,685.69
(b) Accrued interest through August 11, 2004	\$ 612.00
(c) Late fees due as of August 11, 2004	\$ 16.48
(d) Reasonable attorneys' fees	<u>\$ 1,000.00</u>
TOTAL	\$14,314.17

\*\*Plus per diem interest from August 11, 2004 of \$3.0189 per day

15. Photocopies of the Mortgage and Note are attached hereto and made a part hereof as Exhibits "F" and "G".

WHEREFORE, the Plaintiff demands judgment against the Defendants in the sum of \$14,314.17, plus costs of suit and per diem interest of \$3.0189 per day accruing on the loan from August 11, 2004.

GATES & SEAMAN

By \_\_\_\_\_

  
Andrew P. Gates, Esquire  
Attorney for Plaintiff,  
CSB Bank

ALL that certain lot or piece of ground situate in the Village of Carmwath,  
Township of Knox, County of Clearfield and Commonwealth of Pennsylvania,  
bounded and described as follows:

BEGINNING at a point in the north side of Buchannon Street one hundred (100) feet from an iron pin in north side of said Buchannon Street and southwest corner of Lot No. 1; thence in a northerly direction by line of Lot No. 2 North forty-three (43) degrees fifteen (15) minutes West one hundred fifty (150) feet to a point; thence in a northeasterly direction fifty (50) feet to a point; thence in a southerly direction South forty-three (43) degrees fifteen (15) minutes East to a point in line of Buchannon Street; thence along Buchannon Street South forty-six (46) degrees forty-five (45) minutes West fifty (50) feet to point and place of beginning. Being Lot No. 3 in Plot of the Village of Carmwath.

AND BEING a part of the land that was conveyed to the Grantors herein by deed dated May 27, 1977 and recorded in the Office of Recorder of Deed in and for Clearfield County in Deed Book Volume 739, Page 150.

This conveyance is made subject to all exceptions and reservations as contained in prior deeds in this chain of title.



To: Brian O. Carns  
RR 1 Box 144  
New Millport, Pa. 16861-9434

## ACT 91 NOTICE and NOTICE OF INTENTION TO FORECLOSE MORTGAGE

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

This is an official notice that the mortgage on your home situated at RR 1 Box 144, New Millport, Pa. 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 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 local area. The local bar association may be able to help you find a lawyer.

LA NOTIFICACION EN ADJUNTO 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 IMMEDIANTE LLAMANDO ESTA AGENCIA (PENNSYLVANIA HOUSING FINANCE AGENCY) SIN CARGOS EL NUMERO MENCIONADO ARRIBA. PUEDES SER ELEGIBLE PARA UN PRESTAMO POR EL PROGRAMA LLAMADO " HOMEOWNERS EMERGENCY ASSISTANCE PROGRAM" EL CUAL PUEDE SALVAR SU CASA DE LA PERDIDA DEL A REDIMIR SU HIPOTECA.

HOMEOWNER'S NAME: Brian O. & Canace E. Carns

PROPERTY ADDRESS: RR 1 Box 144, New Millport, Pa. 16833-1535

LOAN ACCOUNT NO.: 2133

ORIGINAL LENDER: CSB Bank

CURRENT LENDER/SERVICER: CSB Bank

EXHIBIT "B" - 6 pages

**MORTGAGE OBLIGATION:** Mortgage Note dated May 5, 1997 between CSB Bank (Lender/ Mortgagee) and Brian O. & Canace E. Carns(Borrowers/Mortgagors) in the principal amount of \$25,000.00, secured by Mortgage between same parties dated May 5, 1997 and recorded in Clearfield County Deeds and Record Book Vol. 1840, Page 337-339.

**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, \$1022.03**, at the rate of 9.95% per annum (\$3.5676 per day), 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:

CSB Bank  
P.O. Box 29  
Curwensville, Pa. 16833

You can cure any other default by taking the following action within THIRTY (30) DAYS of the date of this letter:

- (1) Paying all delinquent 2000 Real Estate Taxes at the Clearfield County Tax Claim Bureau, Clearfield County Courthouse Annex, East Market Street, Clearfield, Pa. 16830

**IF YOU DO NOT CURE THE DEFAULT** - If you do not cure this 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 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 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 personally for the unpaid principal balance and all other sums due under the mortgage.

**RIGHT TO CURE 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 anytime 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 mortgaged property could be held would be **approximately Four (4) 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:** CSB Bank

**Address:** P.O. Box 29, Curwensville, Pa. 16833 (434 State Street)

**Phone Number:** 814-236-2550

**Fax Number:** 814-236-7474

**Contact Person:** Craig Witherow or James Dezack

**EFFECT OF A 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 on 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 not sell or transfer your home to a buyer or transferee who will assume the mortgage debt,

**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 A 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 THE 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 MORTGAGE DOCUMENTS.**
- **TO ASSERT ANY OTHER DEFENSE YOU BELIEVE YOU MAY HAVE TO SUCH ACTION BY THE LENDER.**
- **TO SEEK PROTECTION UNDER FEDERAL BANKRUPTCY LAW.**

**CONSUMER CREDIT COUNSELING AGENCIES SERVING YOUR COUNTY**

**FOR THE COUNTY IN WHICH THE PROPERTY IS LOCATED:** List attached

By: Craig Witherow

Collection Manager

**Date of Notice:** October 22, 2003

CENTRE COUNTY

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

Lycoming-Clinton Co Comm for Community Action (STEP)  
2138 Lincoln Street  
P. O. Box 1328  
Williamsport, PA 17703  
(570) 326-0587  
FAX (570) 322-2197

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

CCCS of Northeastern PA  
201 Basis Street  
Williamsport, PA 17703  
(570) 323-6627  
FAX (570) 323-6626

CLEARFIELD COUNTY

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

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

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

Indiana Co Comm Action Program  
827 Water Street, Box 187  
Indiana, PA 15701  
(412) 465-2657  
FAX (412) 465-5118

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

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

**1. Article Addressed to:**

BRIAN O CHARN  
RR 1 Box 144  
Newport, RI  
16881

**COMPLETE THIS SECTION ON DELIVERY****A. Signature**



Agent

Addressee

C. Date of Delivery

10-24-03

**B. Received by (Printed Name)**



D. Delivery address different from item 17

Yes

No

E. Enter delivery address below:

F. Signature

NEW MIL  
PO BOX 2413  
OCT 7 2003  
BUCKMAN ST.

USPS

Service Type

Certified Mail

Express Mail

Return Receipt for Merchandise

Registered

Insured Mail

C.O.D.

**2. Article Number**

7002 2410 0003 6372 2018

(Transfer from service label)

**PS Form 3811, August 2001**

Domestic Return Receipt

2ACPR1-03-P-4081



To: Canace E.. Carns  
RR 1 Box 144  
New Millport, Pa. 16861-9434

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**FOR THE COUNTY IN WHICH THE PROPERTY IS LOCATED:** List attached

By: Craig Witherow

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Collection Manager

**Date of Notice:** October 22, 2003

CENTRE COUNTY

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FAX (814) 944-5747

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CCCS of Northeastern PA  
201 Basis Street  
Williamsport, PA 17703  
(570) 323-6627  
FAX (570) 323-6626

CLEARFIELD COUNTY

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

CCCS of Western PA  
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Altoona, PA 16602  
(814) 944-8100  
FAX (814) 944-5747

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

Indiana Co Comm Action Program  
827 Water Street, Box 187  
Indiana, PA 15701  
(412) 465-2657  
FAX (412) 465-5118

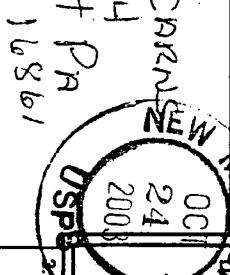
CCCS of Western PA  
219-A College Park Plaza  
Johnstown, PA 15904  
(814) 539-6335

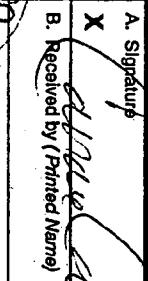
**SENDER: COMPLETE THIS SECTION****COMPLETE THIS SECTION ON DELIVERY**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece or on the front if space permits.

**1. Article Addressed to:**

CHARICE S. CARMEN  
RR 1 BOX 144  
New Milford PA



A. Signature	<input checked="" type="checkbox"/> Agent
	<input checked="" type="checkbox"/> Addressee
B. Received by (Printed Name)	C. Date of Delivery 10. Oct. 2003

Yes  
 No

Yes  
 No

**2. Service Type**

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

**4. Restricted Delivery? (Extra Fee)**

Yes

**2. Article Number**

7002 2410 0003 6372 2001  
(Transfer from service label)

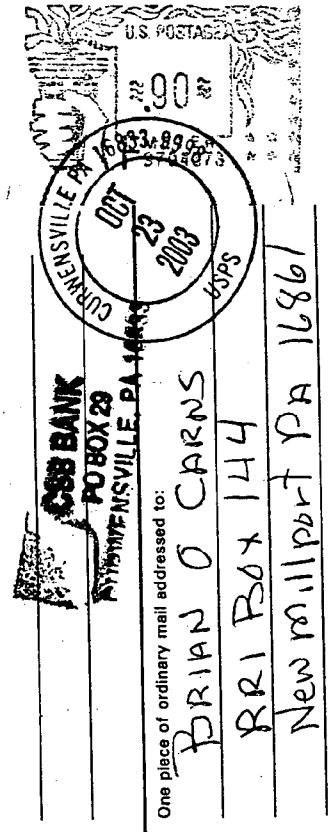
**PS Form 3811, August 2001**

Domestic Return Receipt

2ACPR1-03-P4081

U.S. POSTAL SERVICE **CERTIFICATE OF MAILING**  
MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT  
PROVIDE FOR INSURANCE—POSTMASTER

Received From:



PS Form 3817, Mar. 1989

**EXHIBIT "D"**

U.S. POSTAL SERVICE **CERTIFICATE OF MAILING**  
MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT  
PROVIDE FOR INSURANCE—POSTMASTER

Received From:

**CSB BANK**  
PO BOX 29

ATTENWELL, PA 16821

One piece of ordinary mail addressed to:

CHARICE E. CARNIS

RR 1 Box 144

New Millport Pa 16861



PS Form 3817, Mar. 1989

**EXHIBIT "E"**

I hereby CERTIFY that this document  
is recorded in the Recorder's Office  
Clearfield County, Pennsylvania.

1840 PAGE 335



*Karen J. Starck*

Karen L. Starck  
Recorder of Deeds

CLEARFIELD COUNTY  
ENTERED OF RECORD  
TIME: 5-9-97  
BY *M. Starck*  
FEES *15.50*  
Karen L. Starck, Recorder

[Space Above This Line For Recording Data]

## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on May 5, 1997. The mortgagor is Brian O. Carns and Canace E. Carns ("Borrower"). This Security Instrument is given to CSB Bank, which is organized and existing under the laws of Commonwealth of Pennsylvania, and whose address is PO Box 29, Curwensville, PA 16833-0029 ("Lender"). Borrower owes Lender the principal sum of Twenty-Five Thousand Dollars (U.S. \$ 25,000.00). 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 May 9, 2007. 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 Knox Township, Clearfield County, Pennsylvania:

See Addendum to Mortgage

which has the address of RD 1, Box 144, New Millport, [Street], [City]

Pennsylvania 16861 ("Property Address"); [Zip Code]

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 seized 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

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

Form 3039 (9/90) (page 1 of 4 pages)

ALL that certain lot or piece of ground situate in the Village of Carnwath, Township of Knox, County of Clearfield and Commonwealth of Pennsylvania, bounded and described as follows:

BEGINNING at a point in the north side of Buchannon Street one hundred (100) feet from an iron pin in north side of said Buchannon Street and southwest corner of Lot No. 1; thence in a northerly direction by line of Lot No. 2 North forty-three (43) degrees fifteen (15) minutes West one hundred fifty (150) feet to a point; thence in a northeasterly direction fifty (50) feet to a point; thence in a southerly direction South forty-three (43) degrees fifteen (15) minutes East to a point in line of Buchannon Street; thence along Buchannon Street South forty-six (46) degrees forty-five (45) minutes West fifty (50) feet to point and place of beginning. Being Lot No. 3 in Plot of the Village of Carnwath.

AND BEING a part of the land that was conveyed to the Grantors herein by deed dated May 27, 1977 and recorded in the Office of Recorder of Deed in and for Clearfield County in Deed Book Volume 739, Page 150.

This conveyance is made subject to all exceptions and reservations as contained in prior deeds in this chain of title.

**Security Instrument** (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 the 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 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 whom payments should be made. The notice will also contain any other information required by applicable law.

Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan. Unless an applicable law provides otherwise, 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 for the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower 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 to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case, Borrower shall pay to Lender the necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's 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 paragraph 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to amounts 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. 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 the enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) 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 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 notice.

**5. Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, if 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 right 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 prompt payment of the claim.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property 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 Lender's written notice within 10 days of a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds and 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 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 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 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 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 if the 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 if Lender provided Borrower 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 basis, 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, 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 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 requires mortgage insurance as a condition of making the loan secured by this Security Instrument, the amount of the insurance premium shall be paid by Borrower.

being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, ...  
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 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 proceeding 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 1. 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 such charge 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 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 so transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. How 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 2 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) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment in favor of Lender under this Security Instrument and the Note as if no acceleration had occurred; (c) cures any default of any other covenants or agreements; and (d) takes 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 reinstatement 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") which 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 where payments should be made. The notice will also contain any other information required by applicable law.

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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.

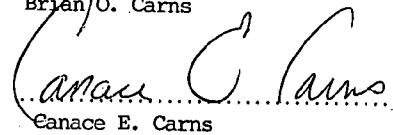
27. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument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

<input type="checkbox"/> Adjustable Rate Rider	<input type="checkbox"/> Condominium Rider	<input type="checkbox"/> 1-4 Family Rider
<input type="checkbox"/> Graduated Payment Rider	<input type="checkbox"/> Planned Unit Development Rider	<input type="checkbox"/> Biweekly Payment Rider
<input type="checkbox"/> Balloon Rider	<input type="checkbox"/> Rate Improvement Rider	<input type="checkbox"/> Second Home Rider
<input type="checkbox"/> Other(s) [specify]		

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:

 ..... Brian O. Carns ..... (Seal)  
—Borrower

 ..... Brian O. Carns ..... (Seal)  
—Borrower  
 ..... Canace E. Carns ..... (Seal)  
—Borrower

[Space Below This Line For Acknowledgment]

COMMONWEALTH OF PENNSYLVANIA, Clearfield County ss:  
On this, the 5th day of May, 1997, before me, as notary,  
the undersigned officer, personally appeared Brian O. Carns & Canace E. Carns, known to me (or satisfactorily proven) to be the person(s)  
whose name(s) are are subscribed to the within instrument and acknowledged that they  
executed the same for the purposes herein contained.

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

My Commission expires:

I hereby certify that the precise address of the within Mortgagee (Lender) is

Notary Seal	
Gloria T. Feltman, Notary Public	
Lawrence Twp., Clearfield County	
Title: Notary Public, State of Pennsylvania	
Member, Pennsylvania Association of Notaries	
P.O. Box 241, Denver, PA 17217	
Title of Officer	

Entered of Record May 7 1997 12:30 p.m. RECORDED

## NOTE

May 5 ..... 19.97 ..... Curwensville ..... PA .....  
[City] [State]  
RD 1, Box 144, New Millport, PA 16861 .....  
[Property Address]

### 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 25,000.00 ..... (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is CSB Bank, ..... P.O. Box 29, Curwensville, PA 16833-0029 ..... I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

### 2. INTEREST

Interest will be charged on unpaid principal until the full amount of principal has been paid. I will pay interest at a yearly rate of 9.95%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

### 3. PAYMENTS

#### (A) Time and Place of Payments

I will pay principal and interest by making payments every month.

I will make my monthly payments on the 9th day of each month beginning on June 9, 1997. I will make these payments every month until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My monthly payments will be applied to interest before principal. If, on May 9, 2007, 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 monthly payments at CSB Bank-Main Office ..... or at a different place if required by the Note Holder.

#### (B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ 329.69.

### 4. BORROWER'S RIGHT TO PREPAY

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so.

I may make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

### 5. LOAN CHARGES

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

### 6. BORROWER'S FAILURE TO PAY AS REQUIRED

#### (A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any monthly payment by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5% of my overdue payment of principal and interest. I will pay this late charge promptly but only once on each late payment.

#### (B) Default

If I do not pay the full amount of each monthly payment on the date it is due, I will be in default.

#### (C) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

#### (D) No Waiver By Note Holder

Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in default at a later time.

#### (E) Payment of Note Holder's Costs and Expenses

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

### 7. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

#### 8. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

#### 9. WAIVERS

I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

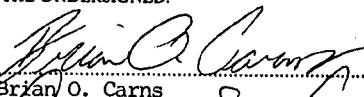
#### 10. UNIFORM SECURED NOTE

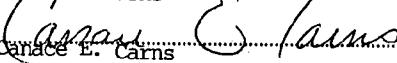
This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of those conditions are described as follows:

**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.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

  
.....(Seal)  
Brian O. Carns  
-Borrower

  
.....(Seal)  
Caron E. Carns  
-Borrower

.....(Seal)  
-Borrower

[Sign Original Only]

V E R I F I C A T I O N

I, Michael A. Matten, Senior Vice President and Senior Lending Officer, CSB Bank, verify that the statements made in the foregoing Complaint are true and correct to the best of my knowledge, information and belief. I, the undersigned, understand that false statements made herein are subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

  
Michael A. Matten  
Senior Vice President and  
Senior Lending Officer, CSB Bank

Date: 8/16, 2004

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

CSB BANK, Plaintiff

-vs-

BRIAN O. CARNIS and  
CANACE E. CARNIS, Defendants

COMPLAINT IN MORTGAGE  
FORECLOSURE

FILED

AUG 16 2004

William A. Shaw  
Prothonotary/Clerk of Courts

LAW OFFICES  
GATES & SEAMAN

2 NORTH FRONT STREET  
P.O. BOX 846  
CLEARFIELD, PA. 16830

In The Court of Common Pleas of Clearfield County, Pennsylvania

CSB BANK

VS.

CARNS, BRIAN O. & CANACE E.

COMPLAINT IN MORTGAGE FORECLOSURE

Sheriff Docket # 16116

04-1252-CD

**SHERIFF RETURNS**

NOW SEPTEMBER 2, 2004 AT 7:44 PM SERVED THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON BRIAN O. CARNS, DEFENDANT AT RESIDENCE, BUCHANAN ST., NEW MILLPORT, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO BRIAN O. CARNS A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT IN MORTGAGE FORECLOSURE AND MADE KNOWN TO HIM THE CONTENTS THEREOF.  
SERVED BY: DEHAVEN/NEVLING

NOW SEPTEMBER 10, 2004 AT 11:33 AM SERVED THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON CANACE E. CARNS, DEFENDANT AT RESIDENCE, 12060 FLECK LANE, CURWENSVILLE, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO CANACE E. CARNS A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT IN MORTGAGE FORECLOSURE AND MADE KNOWN TO HER THE CONTENTS THEREOF.  
SERVED BY: DAVIS/MORGILLO

Return Costs

Cost	Description
66.37	SHERIFF HAWKINS PAID BY: ATTY CK# 34184
20.00	SURCHARGE PAID BY: ATTY CK# 34185

Sworn to Before Me This

20<sup>th</sup> Day Of Sept 2004

WILLIAM A. SHAW  
Prothonotary  
My Commission Expires  
1st Monday in Jan. 2006  
Clearfield Co., Clearfield, PA

So Answers,

Chester A. Hawkins  
*by Manly Hamm*  
Chester A. Hawkins  
Sheriff

FILED  
01:51 PM  
SEP 20 2004

William A. Shaw  
Prothonotary/Clerk of Courts

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

CSB BANK, Plaintiff : No. 04- 1252 -CD  
vs. Plaintiff : Type of Case: Civil Action  
BRIAN O. CARNS and Plaintiff : Type of Pleading: PRAECIPE  
CANACE E. CARNS, Plaintiff : Filed on behalf of: Plaintiff  
Defendants Plaintiff : Counsel of Record for this Party:  
: Andrew P. Gates  
: Supreme Court No.: 36604  
: GATES & SEAMAN  
: Attorneys at law  
: 2 North Front Street  
: P. O. Box 846  
: Clearfield, Pennsylvania 16830  
: (814) 765-1766

FILED

FEB 09 2007

0/3/07/

William A. Shaw

Prothonotary/Clerk of Courts

no clear copy

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

CSB BANK, Plaintiff : No. 04 - 1252 - CD  
: :  
-vs- : IN MORTGAGE FORECLOSURE  
: :  
BRIAN O. CARNS and CANACE E. :  
CARNS, Defendants :  
:

**PRAECIPE**

TO: WILLIAM A. SHAW, PROTHONOTARY

Kindly mark the above-captioned matter as "settled,  
discontinued and ended".

GATES & SEAMAN

By: 

Andrew P. Gates, Esquire  
Attorney for Plaintiff,  
CSB Bank

Date: February 9, 2007

IN THE COURT OF COMMON PLEAS OF  
CLEARFIELD COUNTY, PENNSYLVANIA

CIVIL DIVISION

**CSB Bank**

Vs.

**No. 2004-01252-CD**

**Brian O. Carns**  
**Canace E. Carns**

**CERTIFICATE OF DISCONTINUATION**

Commonwealth of PA  
County of Clearfield

I, William A. Shaw, Prothonotary of the Court of Common Pleas in and for the County and Commonwealth aforesaid do hereby certify that the above case was on February 9, 2007, marked:

Settled, Discontinued and ended

Record costs in the sum of \$171.37 have been paid in full by Gates & Seaman.

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal of this Court at Clearfield, Clearfield County, Pennsylvania this 9th day of February A.D. 2007.

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William A. Shaw, Prothonotary