

2004-1860-CD
CLAREFIELD BANK AND TRUST

VS

MICHAEL A. MUNCHAK AL

Clfd Bank & Trust vs Michael Munchak et al
2004-1860-CD

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

CLEARFIELD BANK AND TRUST
COMPANY,

Plaintiff

vs.

MICHAEL A. MUNCHAK and
LISA D. MUNCHAK

Defendants

No. 04-1860-CD

Type of Pleading: COMPLAINT

Filed on Behalf of: Plaintiff

Counsel of Record for this Party:
ALAN F. KIRK, ESQUIRE
Supreme Court # 36893

1375 Martin Street, Suite 204
State College, PA 16803
(814) 234.2048

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.

Court Administrator
Clearfield County Courthouse
Clearfield, PA 16830
(814) 765.2641

FILED
01/30/04
NOV 23 2004
Any pd-85.00
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William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF
CLEARFIELD COUNTY, PENNSYLVANIA
CIVIL DIVISION

CLEARFIELD BANK AND TRUST COMPANY,	:	No.
	:	
Plaintiff	:	
	:	Type of Pleading: COMPLAINT
vs.	:	
	:	
	:	Filed on Behalf of: Plaintiff
MICHAEL A. MUNCHAK and	:	
LISA D. MUNCHAK	:	
	:	
Defendants	:	
	:	Counsel of Record for this Party:
	:	ALAN F. KIRK, ESQUIRE
	:	Supreme Court # 36893
	:	
	:	1375 Martin Street, Suite 204
	:	State College, PA 16803
	:	(814) 234.2048

COMPLAINT

NOW COMES, the Plaintiff, Clearfield Bank & Trust Company, by its attorney,
Alan F. Kirk, Esq., and files the within Complaint whereof the following is a statement:

1. The Plaintiff is CLEARFIELD BANK & TRUST COMPANY, a
corporation, with a principal place of business of 11 North Second Street, P.O. Box 171
Clearfield, Pennsylvania 16830.
2. The Defendants are MICHAEL M. MUNCHAK and LISA D. MUNCHAK,
with a property and mailing address of RR1, Box 345A, Grampian, Pennsylvania 16838.

3. The Plaintiff brings this action to foreclose on a Mortgage by and between the Plaintiff and the Defendants dated March 27, 1998, in the principal amount of **\$76,800.00** a copy of the said Mortgage is attached hereto and made a part hereof, marked as Exhibit "A" and is recorded at Clearfield County Volume 1918, Page 304.

4. The said Mortgage is and contains a lien against that certain tract of land situate in Bloom Township, Clearfield County, Pennsylvania, a legal description is more fully described in the attached Exhibit "B".

5. Pursuant to the terms of the said Mortgage, the Plaintiff advanced to the Defendants the sum of \$ 76,800.00 as set forth in Promissory Note dated March 27, 1998. A true and correct copy of the said Note is attached hereto marked Exhibit "C".

6. The Defendants defaulted under the terms of the said loan by failing to make the monthly payments and subsequent monthly installments due since.

7. The Plaintiff has given the Defendants written Notice of Intention to Foreclose on the said Mortgage as well as the written Notice of Homeowners Emergency Assistance Act of 1983, both dated February 26, 2004, a true and correct copy of the same is attached hereto and made a part hereof and marked as Exhibit "D".

8. That to the best of the knowledge, information and belief of the Plaintiff, the Defendants have not availed himself under the pertinent provisions of the Homeowners' Emergency Assistance Act.

9. That to the best of the knowledge, information and belief of the Plaintiff, the Defendants are not on active duty with the armed forces of the United States.

10. The amounts due and owing under the terms of the said Mortgage are as follows:

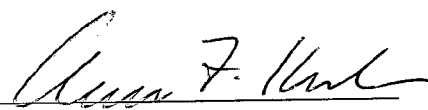
(a)	Principal Balance	\$ 50,703.78
(b)	Interest per diem of 11.80772 from 3/16/04 to 11/05/04	\$ 3,469.94
(c)	Late Charges	\$ 515.20
(d)	Satisfaction Fee	\$ 28.50
(e)	Attorney Collection Fee	<u>\$ 5,070.38</u>

FINAL TOTAL **\$59,787.80**

WHEREFORE, Plaintiff prays this Honorable Court to enter judgment in favor of the Plaintiff and against the Defendant in the amount of **\$59,787.80** plus interest at **8.50%** plus costs of suit and sale and foreclosure of the mortgaged premises.

Respectfully submitted,

Date: November 5, 2004



Alan F. Kirk, Esquire
Attorney for Plaintiff

VERIFICATION

I, WILLIAM A. SHINER, Senior Vice President and Secretary of CLEARFIELD BANK & TRUST COMPANY, verify that the statements made in the foregoing Complaint are true and correct to the best of my knowledge, information and belief. I understand that false statements herein are made subject to the penalties of 18 PA. C.S.A. §4904 relating to unsworn falsification to authorities.

CLEARFIELD BANK & TRUST COMPANY

By: William A. Shiner
William A. Shiner, Senior Vice President
and Secretary

Date:

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

VOL 1918 PAGE 304



Karen L. Starck
Karen L. Starck
Recorder of Deeds

CLEARFIELD COUNTY
ENTERED OF RECORD
TIME 11:27A 3-27-98
BY *Karen L. Starck*
FEES 19.50
Karen L. Starck, Recorder

[Space Above This Line For Recording Data]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on March 27, 1998 ^{MDM} ^{MAM}. The mortgagor is MICHAEL A. MUNCHAK and LISA D. MUNCHAK ("Borrower"). This Security Instrument is given to CLEARFIELD BANK & TRUST CO., which is organized and existing under the laws of Pennsylvania, and whose address is Clearfield, Pennsylvania 16830 ("Lender"). Borrower owes Lender the principal sum of Seventy-Six Thousand Eight Hundred Dollars (U.S. \$ 76,800.00). 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 March 27, 2013 ^{MAM}. 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 Bloom Township, Clearfield County, Pennsylvania:

Description set forth on Exhibit "A" hereto attached.

which has the address of R R 1, Box 345A ^[Street] Grampian ^[City]
Pennsylvania 16838 ^[Zip Code] ("Property Address");

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

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



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

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

Environmental Hazards.

Borrower agrees that Borrower:

1. Shall not generate, transfer, store, dispose of, or permit or suffer to be generated, transferred, stored or disposed of hazardous or toxic waste in, upon, or under the Property except in strict accordance with federal and Pennsylvania laws, rules, regulations and permits; and,
2. Shall reimburse the Lender on demand, for all costs expended by the Lender or which the Lender is required to pay to any governmental agency or otherwise for environmental audits, studies, inspections, cleanup, removal, or transportation with respect to or from the Property of hazardous or toxic wastes;
3. Borrower provides Lender access to the property at all times to perform its due diligence;
4. Shall not discharge or release or permit or suffer to be discharged or released hazardous or toxic substances in, upon, or under any land or soil which is included in the Property in such a way that such substances become discharged or released upon any such land or soil;
5. Shall comply with all orders or decrees now or hereafter issued by any federal, state or local governmental agency concerning the generation, transfer, storage or disposal of hazardous or toxic substances or the discharge or release of the same in, on, under or from the Property or requiring the cleanup or elimination of hazardous or toxic substances in, upon, under, or from the Property;
6. Shall promptly reimburse any federal or state governmental agency which has expended funds or incurred costs or expenses for environmental audit, study or inspection of the Property or for cleanup, removal or elimination of hazardous or toxic substances in, upon or under the Property;
7. Where permits are issued or required by any federal or state agency related to or with respect to the Property, the Borrower shall submit annual reports to the Lender showing compliance with such permits; and,
8. Shall report or submit to the Lender promptly: (a) any request received by the Borrower for information, inquiry, investigation, notice or violation, administrative order, penalty assessment, suit, or directive from any federal, state or local agency concerning the Property and toxic or hazardous substances, environmental pollution, health risk or safety risk at the Property, and (b) notice of any suit brought by any person or entity alleging any environmental damage or threat, nuisance, non-compliance or health or safety risk related to the Property.
9. Any violation authorizes Lender to cancel any commitment to advance funds under any note secured by this mortgage, to accelerate any amounts outstanding on this note, or any other note, or allow for foreclosure to be instituted immediately.

ALL that certain piece or parcel of land situate, lying and being in the Township of Bloom, Clearfield County, Pennsylvania, bounded and described as follows, to wit:

BEGINNING at an iron pin which is located North 44° 09' 33" East a distance of 130 feet from the centerline of SR 3011 and the Westerly line of the larger premises of which this is a part; thence along the centerline of SR 3011, North 44° 09' 33" East a distance of 193 feet to an iron pin; thence in a Southeasterly direction through lands of which this is a part, a distance of 163 feet to an iron pin; thence in a Southerly direction through lands of which this is a part, a distance of 221 feet to an iron pin; thence in a Southwesterly direction through lands of which this is a part, a distance of 57 feet to an iron pin; thence in a Northwesterly direction through lands of which this is a part, a distance of 356 feet to an iron pin and place of beginning.

BEING the same premises which were conveyed to Michael A. Munchak, et ux. by deed of Commodore P. Rowles, et ux., dated May 12, 1992, and recorded at Clearfield, Pennsylvania, in Deeds and Records Book No. 1460, page 247.

NOTICE

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THIS INCLUSION DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This Notice is set forth pursuant to Act No. 255, approved September 10, 1965, as amended).

BIWEEKLY PAYMENT RIDER

(Fixed Rate)

THIS BIWEEKLY PAYMENT RIDER is made this ^{MAR}27th day of March, 19 98 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 (the "Note") to

CLEARFIELD BANK & TRUST CO., Clearfield, Pennsylvania 16830
(the "Lender") of the same date and covering the property described in the Security

Instrument and located at:

R R 1, Box 345A, Grampian, PA 16838

[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. BIWEEKLY PAYMENTS

The Note provides for the Borrower's biweekly loan payments, and the termination of the Borrower's right to make the biweekly payments, as follows:

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making payments every fourteen days (the "biweekly payments"), beginning on ^{MAR}April 10, 19 98. I will make the biweekly payments every fourteen days until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My biweekly or any monthly payments will be applied to interest before principal.

I will make my biweekly or any monthly payments at 11 N. Second Street, Clearfield, PA
or at a different place if required by the Note Holder.

(B) Amount of Biweekly Payments

My biweekly payment will be in the amount of U.S. \$ 378.14

(C) Manner of Payment

My biweekly payments will be made by an automatic deduction from an account I will maintain with the Note Holder, or with a different entity specified by the Note Holder. I will keep sufficient funds in the account to pay the full amount of each biweekly payment on the date it is due.

I understand that the Note Holder, or an entity acting for the Note Holder, may deduct the amount of my biweekly payment from the account to pay the Note Holder for each biweekly payment on the date it is due until I have paid all amounts owed under this Note.

4. TERM

If I make all my biweekly payments on time, and pay all other amounts owed under this Note, I will repay my loan in full on ^{MAR}January 14, 2011. If, on ^{MAR}March 27, 2013, *[insert applicable 15-, 20- or 30-year maturity date based on a monthly repayment schedule]* I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

5. *[omitted]*

6. *[omitted]*

7. 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 biweekly or 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 biweekly or monthly payment on the date it is due, I will be in default. I also will be in default if I do not maintain the account I am required to maintain under Section 3(C) above.

(C) Termination of Biweekly Payments

If I am in default for three consecutive biweekly payments, the Note Holder may terminate my right to make biweekly payments under this Note. If the Note Holder terminates my biweekly payments, I will instead pay all amounts owed under this Note by making one payment each month on the first day of the month.

The Note Holder will determine the amount of my monthly payment by calculating the amount that would be sufficient to repay all amounts owed under this Note in full on the Maturity Date in substantially equal payments. Beginning with the first day of the month after the month in which I am given notice of termination, I will pay the new amount as my monthly payment until the Maturity Date.

B. BIWEEKLY PAYMENT AMENDMENTS TO THE SECURITY INSTRUMENT

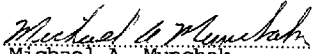
1. Until Borrower's right to make biweekly payments is terminated under the conditions stated in Section A of this Biweekly Payment Rider, the Security Instrument is amended as follows:

(a) The word "monthly" is changed to "biweekly" in the Security Instrument wherever "monthly" appears.

(b) In Uniform Covenant 2 of the Security Instrument ("Funds for Taxes and Insurance"), the words "one-twelfth" are changed to "one twenty-sixth."

2. If Lender terminates Borrower's right to make biweekly payments under the conditions stated in Section A of this Biweekly Payment Rider, the amendments to the Security Instrument contained in Section B 1 above shall then cease to be in effect, and the provisions of the Security Instrument shall instead be in effect without the amendments stated in this Biweekly Payment Rider.

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


Michael A. Munchak (Seal)
Borrower


Lisa D. Munchak (Seal)
Borrower

..... (Seal)
Borrower

..... (Seal)
Borrower

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)]

- | | | |
|--|---|--|
| <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 checked="" type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input checked="" type="checkbox"/> Other(s) [specify] Residential Mortgage Addendum | | |

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:

Dolores F. Yohe

Michael A. Munchak (Seal)
Michael A. Munchak — Borrower

Lisa D. Munchak (Seal)
Lisa D. Munchak — Borrower

[Space Below This Line For Acknowledgment]

COMMONWEALTH OF PENNSYLVANIA, Clearfield County ss:

On this, the 27th day of March, 19 97, before me, Dolores F. Yohe, the undersigned officer, personally appeared Michael A. Munchak & Lisa D. Munchak known to me (or satisfactorily proven) to be the person(s) whose name(s) 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:

NOTARIAL SEAL
Dolores F. Yohe, Notary Public
City of DuBois, Clearfield County, PA.
My Commission Expires March 7, 1999

Dolores F. Yohe
Notary Public
Title of Officer
P.O. Box 171, Clearfield, PA 16830
Anthony J. Guido
Title of Officer

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

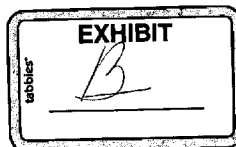
ALL that certain piece or parcel of land situate, lying and being in the Township of Bloom, Clearfield County, Pennsylvania, bounded and described as follows, to wit:

BEGINNING at an iron pin which is located North 44° 09' 33" East a distance of 130 feet from the centerline of SR 3011 and the Westerly line of the larger premises of which this is a part; thence along the centerline of SR 3011, North 44° 09' 33" East a distance of 193 feet to an iron pin; thence in a Southeasterly direction through lands of which this is a part, a distance of 163 feet to an iron pin; thence in a Southerly direction through lands of which this is a part, a distance of 221 feet to an iron pin; thence in a Southwesterly direction through lands of which this is a part, a distance of 57 feet to an iron pin; thence in a Northwesterly direction through lands of which this is a part, a distance of 356 feet to an iron pin and place of beginning.

BEING the same premises which were conveyed to Michael A. Munchak, et ux. by deed of Commodore P. Rowles, et ux., dated May 12, 1992, and recorded at Clearfield, Pennsylvania, in Deeds and Records Book No. 1460, page 247.

NOTICE

THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHT OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL OF SUCH COAL AND, IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. THIS INCLUSION DOES NOT ENLARGE, RESTRICT OR MODIFY ANY LEGAL RIGHTS OR ESTATES OTHERWISE CREATED, TRANSFERRED, EXCEPTED OR RESERVED BY THIS INSTRUMENT. (This Notice is set forth pursuant to Act No. 255, approved September 10, 1965, as amended).



NOTE
(Biweekly Payments—Fixed Rate)

079329

^{LOAN MADE}
March 27th, 19 98. DuBois PA
[City] [State]
R R 1, Box 345A, Grampian, PA 16838
[Property Address]

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$76,800.00 (this amount is called "principal"), plus interest, to the order of the Lender. The Lender is

CLEARFIELD BANK & TRUST CO., Clearfield, Pennsylvania 16830

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 8.50%.

The interest rate required by this Section 2 is the rate I will pay ~~before~~ ~~any~~ default described in Section 7(B) of this Note. 8.75% is the interest rate I will pay if the bi-weekly payments are terminated under Section 7(B).

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making payments every fourteen days (the "biweekly payments"), beginning on ^{LOAN MADE} April 10, 19 98. I will make the biweekly payments every fourteen days until I have paid all of the principal and interest and any other charges described below that I may owe under this Note. My biweekly or any monthly payments will be applied to interest before principal.

I will make my biweekly or any monthly payments at 11 N. Second Street, Clearfield, PA or at a different place if required by the Note Holder.

(B) Amount of Biweekly Payments

My biweekly payment will be in the amount of U.S. \$378.14.

(C) Manner of Payment

My biweekly payments will be made by an automatic deduction from an account I will maintain with the Note Holder, or with a different entity specified by the Note Holder. I will keep sufficient funds in the account to pay the full amount of each biweekly payment on the date it is due.

I understand that the Note Holder, or an entity acting for the Note Holder, may deduct the amount of my biweekly payment from the account to pay the Note Holder for each biweekly payment on the date it is due until I have paid all amounts owed under this Note.

4. TERM

If I make all my biweekly payments on time, and pay all other amounts owed under this Note, I will repay my loan in full on ^{LOAN MADE} January 14, 2010. If, on ^{LOAN MADE} March 27, 2013, [insert applicable 15-, 20- or 30-year maturity date based on a monthly repayment schedule] I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

5. 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 biweekly or any monthly payment unless the Note Holder agrees in writing to those changes.

6. 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 that 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.

7. 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 biweekly or 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 biweekly or monthly payment on the date it is due, I will be in default. I also will be in default if I do not maintain the account I am required to maintain under Section 3(C) above.

(C) Termination of Biweekly Payments

If I am in default for three consecutive biweekly payments, the Note Holder may terminate my right to make biweekly payments under this Note. If the Note Holder terminates my biweekly payments, I will instead pay all amounts owed under this Note by making one payment each month.

The Note Holder will determine the amount of my monthly payment by calculating the amount that would be sufficient to repay all amounts owed under this Note in full on the Maturity Date in substantially equal payments. Beginning with the first day of the month after the month in which I am given notice of termination, I will pay the new amount as my monthly payment until the Maturity Date.

(D) Notice of Default

If I am in default, the Note Holder may send me a written notice telling me that if I do not cure the default by a certain date, the Note Holder may require me to pay immediately the full amount of principal that 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.

(E) 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.

(F) 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.

8. 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.

9. 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.

10. 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.

11. UNIFORM SECURED NOTE

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the projections 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 that might result if I do not keep the promises that 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.

Michael A. Munchak
Michael A. Munchak
(Seal)
Borrower

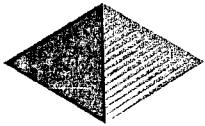
Lisa D. Munchak
Lisa D. Munchak
(Seal)
Borrower

[Sign Original Only]

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower



CLEARFIELD BANK
&
TRUST COMPANY

MAIN OFFICE 11 N. Second Street PO Box 171 Clearfield, PA 16830 T (814) 765-7551 F (814) 765-2943

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.

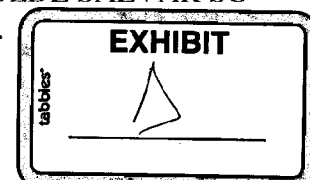
This Notice explains how the program works.

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 the 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.



COMMUNITY OFFICES

BRIDGE STREET OFFICE

Second & Bridge Streets
Clearfield, PA 16830
T (814) 765-1645
F (814) 765-2672

GOLDENROD OFFICE

1935 Daisy Street
Clearfield, PA 16830
T (814) 768-5200
F (814) 768-5206

CURWENSVILLE OFFICE

407 Walnut Street
Curwensville, PA 16833
T (814) 236-2441
F (814) 236-4650

DuBOIS OFFICE

91 Beaver Drive
DuBois, PA 15801
T (814) 371-1400
F (814) 371-2903

PHILIPSBURG OFFICE

19 Irwin Drive Extension
Philipsburg, PA 16866
T (814) 342-5750
F (814) 342-7321

HOMEOWNER'S NAME(S):

Michael A. Munchak

Lisa D. Munchak

MAILING ADDRESS:

RR 1 Box 345A

Grampian, PA 16838-9623

2079329

LOAN ACCT. NO.:

ORIGINAL LENDER:

Clearfield Bank & Trust Company

CURRENT LENDER/SERVICER:

Clearfield Bank & Trust Company

DATE:

February 26, 2004

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 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 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 THE DEFAULT --- The MORTGAGE debt held by the above lender on your property located at: RR 1 Box 345-A, Grampian PA

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:

6 Bi-Weekly Payments @ \$378.14 = \$2,268.84

Other Charges (explain/itemize): Late Charges of \$323.48

TOTAL AMOUNT PAST DUE: \$2,592.32

B. YOU HAVE FAILED TO TAKE THE FOLLOWING ACTION:

N/A

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 \$ 2,592.32, 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:**

Clearfield Bank and Trust Company
11 N. 2nd. Street, P.O. Box 171
Clearfield, PA 16830

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

N/A

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 the 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. 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 balance and all other sums due under the mortgage.

RIGHT TO CURE THE DEFAULT PRIOR TO SHERIFF'S SALE --- If your 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 mortgaged property could be held would be **approximately** 4 months from the date of this Notice. A notice 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:	CLEARFIELD BANK AND TRUST COMPANY
Address:	11 N. 2ND STREET, P.O. BOX 171
	CLEARFIELD, PA 16830
Phone Number:	(814) 765-7551 OR 1-888-765-7551
Fax Number:	(814) 765-2943
Contact Person:	LORI A. KURTZ

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 **XX** may not 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.

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

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

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

Credit Counselors of PA
401 Wood Street, Suite 906
Pittsburgh, PA 15222
(412) 338-9954 or 1 (800) 737-2933
FAX (412) 338-9963

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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. 		A. Signature X <i>Lisa Munchak</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) <i>LISA MUNCHAK</i> C. Date of Delivery <i>2-27-04</i> D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
Article Addressed to: Michael A Munchak 2R 1 Box 345A Grampian PA 16838		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label) 7003 1680 0005 6731 6487			
PS Form 3811, August 2001		Domestic Return Receipt 102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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. 		A. Signature X <i>Lisa Munchak</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) <i>LISA MUNCHAK</i> C. Date of Delivery <i>2-27-04</i> D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
1. Article Addressed to: Lisa D Munchak RR 1 Box 345A Grampian PA 16838		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
2. Article Number (Transfer from service label) 7003 1680 0005 6731 6470			
PS Form 3811, August 2001		Domestic Return Receipt 102595-02-M-1540	

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only. No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
MEL	Postage \$
	Certified Fee
	Return Receipt Fee (Endorsement Required)
	Restricted Delivery Fee (Endorsement Required)
	Total Postage & Fees \$
Sent To <i>Lisa D Munchak</i>	
Street, Apt. No., or PO Box No. <i>RR 1 Box 345A</i>	
City, State, ZIP+4 <i>Grampian PA 16838</i>	
PS Form 3800, June 2002 See Reverse for Instructions	

U.S. Postal Service™	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only. No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
MEL	Postage \$
	Certified Fee
	Return Receipt Fee (Endorsement Required)
	Restricted Delivery Fee (Endorsement Required)
	Total Postage & Fees \$
Sent To <i>Michael A Munchak</i>	
Street, Apt. No., or PO Box No. <i>RR 1 Box 345A</i>	
City, State, ZIP+4 <i>Grampian PA 16838</i>	
PS Form 3800, June 2002 See Reverse for Instructions	

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 100022
NO: 04-1860-CD
SERVICE # 1 OF 2
COMPLAINT IN MORTGAGE FORECLOSURE

PLAINTIFF: CLEARFIELD BANK AND TRUST COMPANY
vs.
DEFENDANT: MICHAEL A. MUNCHAK and LISA D. MUNCHAK

SHERIFF RETURN

NOW, December 06, 2004 AT 10:46 AM SERVED THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON MICHAEL A. MUNCHAK DEFENDANT AT RR#1 Box 6762, GRAMPAN, CLEARFIELD COUNTY, PENNSYLVANIA, BY HANDING TO LISA MUNCHAK, WIFE A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT IN MORTGAGE FORECLOSURE AND MADE KNOWN THE CONTENTS THEREOF.

SERVED BY: DAVIS / MORGILLO

FILED

JAN 20 2005
0/3145/L
William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 100022
NO: 04-1860-CD
SERVICE # 2 OF 2
COMPLAINT IN MORTGAGE FORECLOSURE

PLAINTIFF: CLEARFIELD BANK AND TRUST COMPANY
vs.
DEFENDANT: MICHAEL A. MUNCHAK and LISA D. MUNCHAK

SHERIFF RETURN

NOW, December 06, 2004 AT 10:46 AM SERVED THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON LISA D. MUNCHAK DEFENDANT AT RR#1 Box6762, GRAMPAN, CLEARFIELD COUNTY, PENNSYLVANIA, BY HANDING TO LISA D. MUNCHAK, DEFENDANT A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT IN MORTGAGE FORECLOSURE AND MADE KNOWN THE CONTENTS THEREOF.

SERVED BY: DAVIS / MORGILLO

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 100022
NO: 04-1860-CD
SERVICES 2
COMPLAINT IN MORTGAGE FORECLOSURE

PLAINTIFF: CLEARFIELD BANK AND TRUST COMPANY
vs.
DEFENDANT: MICHAEL A. MUNCHAK and LISA D. MUNCHAK

SHERIFF RETURN

RETURN COSTS

Description	Paid By	CHECK #	AMOUNT
SHERIFF HAWKINS	ALAN KIRK	279	33.37
SURCHARGE	ALAN KIRK	279	20.00

Sworn to Before Me This

_____ Day of _____ 2004

So Answers,



Chester A. Hawkins
Sheriff