

05-423-CD  
Clearfield Equipment vs PA Veneer

Clearfield Equip. Co v. Pennsylvania Veneer  
2005-423-CD

1 CENT TO APO

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

CLEARFIELD EQUIPMENT COMPANY,	:	
Plaintiff	:	
	:	No. 2005
	:	
vs.	:	
	:	
PENNSYLVANIA VENEER CORPORATION,	:	
Defendant	:	

**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 other rights important to you.

**YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE OR CANNOT AFFORD A LAWYER, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.**

Clearfield County Court Administrator  
Clearfield County Courthouse  
Clearfield, PA 16830  
(814) 765-2641

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

CLEARFIELD EQUIPMENT COMPANY, :  
Plaintiff :  
 : No. 2005-  
 :  
vs. :  
 :  
PENNSYLVANIA VENEER CORPORATION, :  
Defendant :

**COMPLAINT**

COMES NCW, CLEARFIELD EQUIPMENT COMPANY, INC. by its attorney,  
Peter F. Smith, who states the following:

1. **CLEARFIELD EQUIPMENT COMPANY, INC.** (hereinafter CEC) is the Plaintiff. It is a Pennsylvania business corporation with mailing address at P.O. Box 948, Clearfield, Pennsylvania 16830.

2. The Defendant is **PENNSYLVANIA VENEER CORPORATION** with mailing address P.O. Box 362, DuBois, Pennsylvania 15801. It is believed to be a Pennsylvania business corporation. CEC has subsequently sent notices to Pennsylvania Veneer Corporation at 30 West Park Avenue, DuBois, Pennsylvania 15801.

3. By commercial lease dated January 30, 2004 CEC leased to Pennsylvania Veneer Corporation a portion of a commercial building which CEC owns known as 1224 Old Town Road, Clearfield, Pennsylvania 16830. A true and correct copy of said lease is attached hereto and incorporated herein by reference as Plaintiff's Exhibit 1.

4. The lease is for an initial term of 5 years commencing on February 1, 2004. See paragraph 2 of the lease.

5. Pennsylvania Veneer Corporation is to pay CEC monthly rent in the amount of \$2,000 in advance on the first day of each month. See paragraph 3 of the lease.

6. Pennsylvania Veneer Corporation is also responsible for paying 1/2 the Real Estate Taxes, School Taxes and other assessments on the property. See paragraph 6 of the lease.

7. Pennsylvania Veneer Corporation has breached its lease with CEC because it has failed to pay rent since December of 2004.

8. Pennsylvania Veneer Corporation has also breached the lease by failing to pay its share of 2004 Real Estate Taxes in the amount of \$2,294.05. A true and correct copy of CEC's 2004 Real Estate tax bill is attached hereto and incorporated herein by reference as Plaintiff's Exhibit 2.

9. As a result of Pennsylvania Veneer Corporation's breaches CEC has and will sustain the following damages:

A.	Delinquent rent for Jan, Feb, Mar. of 2005 @ \$2,000/mo.	\$ 6,000.00
B.	Future rent from Apr. 2005 thru Jan. 2009 46 Mo. @ \$2,000/mo.	\$ 92,000.00
C.	One-half of Real Estate taxes for 2004	\$ 2,294.05
D.	One-half School taxes for 2005 thru 2009 estimated on the basis of 2004 taxes 4 yrs @ \$2,294.05	\$ 9,176.20
E.	One-half Real Estate taxes for 2005 thru 2008 estimated based on the 2005 invoice for real estate taxes attached as Plaintiff's Exhibit 3. 4 yrs @ \$1,126.65	<u>\$ 4,506.60</u> <b>\$113,976.85</b>

10. The millage on tax rate for the Real Estate Taxes from 2006 onward and for School Taxes from 2005 onward have not been

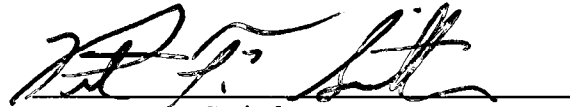
set. The amounts used in subparagraphs 9.D. and 9.E. are based on current taxes. The figures represented estimate of future taxes.

11. Demand has been made upon Pennsylvania Veneer Corporation to fulfill its obligations under the lease but it has refused to do so.

WHEREFORE, Plaintiff prays this Honorable Court to enter judgment in its favor and against the Defendant in the amount of \$113,976.85 together with interest at the statutory rate and costs.

Respectfully submitted,

Dated: 3/18/05

  
Peter F. Smith  
Attorney for Plaintiff

**VERIFICATION**

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

Dated: 3/16/05

Allan M Brown  
Allan M. Brown, Secretary of  
Clearfield Equipment Company, Inc.

## **COMMERCIAL LEASE**

MADE this 30<sup>TH</sup> day of January, 2004, by and between **CLEARFIELD EQUIPMENT COMPANY, INC.**, a Pennsylvania Business Corporation, with mailing address of P.O. Box 948, Clearfield, Pennsylvania, 16830 (hereinafter "LESSOR")

A

N

D

**PENNSYLVANIA VENEER CORPORATION**, of P.O. Box 36, DuBois, Pennsylvania 15801; (hereinafter "LESSEE").

**WHEREAS**, LESSOR owns a commercial building and parking lot known as 1224 Old Town Road, Clearfield, Clearfield County, Pennsylvania;

**WHEREAS**, LANDLORD'S commercial building has space available for a lease which TENANT desires to rent from LANDLORD.

### **NOW WITNESSETH:**

The parties, their representatives, successors and assigns, intending to be legally bound hereby, in consideration of their mutual promises stated below, enter this Lease according to the following terms:

1. **PREMISES:** LANDLORD leases to TENANT, and TENANT leases the repair shop area from LANDLORD, designated parking spaces and access to leased premises, as designated, being part of the real estate known as 1224 Old Town Road, Clearfield, Clearfield County, Pennsylvania. The larger property is identified by Clearfield County Tax Map No. 123-K08-235-5. LANDLORD took title by deed at Clearfield County Record Volume 748, Page 208. The portion of the premises subject to this lease, including Lessee's parking spaces and access to



the premises, is also depicted on the floor plan sketch which is attached hereto and incorporated herein by reference. The parties stipulate that the floor plan is not drawn to scale. TENANT has option to use property of 1222 S. Second Street for overflow parking which is also owned by LANDLORD.

2. **TERM:** This lease shall be for a term of five (5) years commencing on February 1, 2004. TENANT shall have the option to renew this lease for an additional five (5) years at \$2,300.00 per month upon such terms and conditions as the parties may agree.

3. **RENT:** TENANT shall pay LANDLORD rent in the amount of Two Thousand (\$2,000.00) Dollars per month. Rent shall be paid to LANDLORD at its address above in advance and without demand on or before the first (1) day of each month.

4. **SECURITY DEPOSIT:** TENANT shall also pay a security deposit to LANDLORD of one month's rent of Two Thousand (\$2,000.00) and no/100 Dollars. Said deposit shall be held by LANDLORD for the faithful performance by TENANT of all terms, covenants and conditions of this lease by TENANT to be kept and performed during the term hereof. Said deposit shall be returned to TENANT, without interest, at the conclusion of this lease less any amounts owed by TENANT to LANDLORD.

5. **UTILITIES:** TENANT will pay for all utilities and any necessary deposits to be made with utility companies. LANDLORD, however, will pay to have separate utility, water and sewage services installed to the premises subject to this lease.

6. **TAXES:** TENANT shall pay its prorata share of annual real estate, school taxes and other assessments, if any against its portion of the property. TENANT is leasing approximately 10,000 square feet of a 19,500 square foot building. Therefore, it shall pay fifty (50%) percent of

the amount of each tax or other assessment, if any.

LANDLORD shall notify TENANT within five (5) business days upon LANDLORD'S receipt of tax bill or notice of assessment. LANDLORD'S notice shall include a complete copy of the bill, assessment or any other documentation. LANDLORD shall calculate TENANT'S prorata share, and TENANT shall within 30-days of notice deliver to LANDLORD a check made payable to LANDLORD for its prorata share of said tax or assessments.

FAILURE to promptly and completely comply with these provisions shall constitute a breach under this agreement. LANDLORD shall have the right to pay TENANT'S share of said taxes or assessments in the event of TENANT'S breach and to later claim TENANT'S share of taxes or assessments as part of LANDLORD'S damages.

7. ***QUIET POSSESSION:*** TENANT, upon paying the rent and performing their other obligations hereunder, may peaceably and quietly have, hold and enjoy the leased PREMISES in accordance with the provisions hereof.

8. ***MAINTENANCE and CARETAKING:*** TENANT is responsible for painting and maintaining the interior of the Premises. LANDLORD promises TENANT that it will maintain the roof, foundation and exterior walls of the PREMISES in a wind-tight and watertight condition. TENANT shall be responsible for the structural integrity of the foregoing elements and all other repairs and maintenance to them, including maintenance of furnace and air conditioning.

TENANT shall also be responsible for the removal of snow, ice, leaves and other debris around the exterior of the premises and shall maintain the parking area. TENANT shall maintain the sidewalk and entrance.

TENANT promises to keep the PREMISES in a clean, neat, safe and fit condition at all times. TENANT'S obligations hereunder shall include compliance with all applicable local, state and federal regulations, ordinances and laws.

9. **SIGNS:** TENANT may place signage and/or awnings on the exterior of the building at their expense in such locations as LANDLORD may reasonably designate. Signage is subject to compliance with applicable laws and regulations and LANDLORD'S prior approval of content and appearance which shall not be unreasonably withheld. TENANT shall at all times maintain their signage in good repair and with an attractive appearance. At termination of this lease and all extensions thereof, signage and/or awnings will remain the property of TENANT.

10. **INSURANCE:** TENANT promises that they will carry comprehensive casualty and general liability insurance upon the PREMISES with a reputable insurance carrier with a minimum coverage of \$1,000,000.00 per loss. This insurance policy shall name the LANDLORDS, Robert E. Brown and Allan M. Brown as a co-insured, "as their interest may appear". This policy shall obligate the carrier to provide LANDLORD with thirty (30) days' written notice prior to any cancellation, amendment or termination of the policy. TENANT will provide certification issued by the carrier to LANDLORD that TENANT is so insured at execution of this lease.

11. **HAZARDOUS SUBSTANCES & ENVIRONMENTAL LAWS:** As used in this paragraph, (1) Environmental Law means without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.) and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste,

pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substance defined as "hazardous material", "toxic substances", "hazardous waste", or "hazardous substance" under any Environmental Law.

TENANT represents, warrants and agrees that:

- a) Except as previously disclosed and acknowledged in writing to LANDLORD, no Hazardous Substance will be located or stored or released on or in the leased premises. This restriction does not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.
- b) Except as previously disclosed and acknowledged in writing to LANDLORD, TENANT will remain in full compliance with any applicable Environmental Law.
- c) TENANT shall immediately notify LANDLORD if a release or threatened release of a Hazardous Substance occurs on, under or about the leased premises or there is a violation of any Environmental Law concerning the leased premises. In such an event, TENANT shall take all necessary remedial action in accordance with any Environmental Law.
- d) TENANT shall immediately notify LANDLORD in writing as soon as TENANT has reason to believe there is any pending or threatened investigation, claim or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

12. **INSPECTION:** LANDLORD or its agents may inspect the PREMISES at a designated time and date upon twenty-four hours prior written notice to the TENANT. In the event of emergency, LANDLORD, or its agents, may enter at anytime with or without notice by any reasonable means.

13. **NOTICES:** All notices necessary or proper for either LANDLORD or TENANTS to give to the other shall be sent, and shall be deemed given when sent, by First Class Mail, Postage Prepaid or hand delivered to their respective addresses first stated above.

14. **DAMAGES and DEFAULT:** If TENANT breaches any provision of this lease and fails to correct the same within thirty (30) days after written notice from LANDLORD, then LANDLORD may institute suit for possession of the PREMISES, monetary damages or both. LANDLORD shall be entitled to collect all unpaid rent, and other expenses incurred pursuant to this lease. LANDLORD may also collect the total rent which would have been due absent TENANT'S breach during the remainder of the term of this lease without reduction to present value or other discounts.

LANDLORD may also collect damages for all repairs which it has made and paid for or which need to be made to the PREMISES after the TENANT is removed or quits.

The TENANT authorizes any attorney at law to appear for it before the Prothonotary of any Court of record of the Commonwealth of Pennsylvania, or any state in the United States at anytime after the TENANT'S default in the payment of rent or in the performance of her other obligations hereunder, and Confess Judgment against her by an appropriate action in favor of LANDLORD, or its assignees, for the amount of unpaid rent, and any other damages, and possession of the premises, together with costs of suit and reasonable attorney's fees actually incurred, and release all errors and waive all right of appeal.

Interest shall accrue on all unpaid rent, taxes and other amounts due under this lease or damages suffered by LANDLORD through the fault of TENANT at the rate of 18% per annum. This contract rate of interest shall continue to accrue after entry of judgment.

**WARNING--BY SIGNING THIS PAPER, YOU GIVE UP THE RIGHT TO NOTICE AND COURT TRIAL. IF YOU DO NOT PAY ON DEMAND, A COURT JUDGMENT MAY BE TAKEN AGAINST YOU WITHOUT YOUR PRIOR KNOWLEDGE, AND THE POWERS OF THE COURT CAN BE USED TO COLLECT FROM YOU REGARDLESS OF ANY CLAIMS YOU MAY HAVE AGAINST THE CREDITOR, LANDLORD.**

15. **INDEMNIFICATION:** TENANT agrees to indemnify and hold LANDLORD, its successors and assigns, harmless against all suits, claims, counterclaims, fines and damages (including but not limited to death and personal injury) whatsoever arising on the PREMISES for the act, error or omission of TENANT, her, agents, guests, invitees or employees.

16. **GENERAL PROVISIONS:**

- A) This Agreement shall be governed by the laws of Pennsylvania. Jurisdiction and venue shall rest in the Court of Common Pleas of Clearfield County, Pennsylvania, for all suits and claims.
- B) This Lease shall bind and inure to the benefit of LANDLORD and TENANT, their respective successors and assigns.
- C) This agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. This agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this agreement to be drafted. All terms and words used in this agreement, regardless of the number or gender, in which they are used, shall be deemed to include any other number and any other gender as the context may require.
- D) In construing this Agreement, "TENANT" and "LANDLORD" shall mean, wherever applicable, an individual, partnership, L.L.C. or corporation, as the case may be;
- E) This Agreement (and Exhibits, if any), represents the Sole agreement of the parties and supercedes all prior agreements, communications, representations and negotiations, whether oral or written.
- F) This Agreement can only be modified or amended by the prior written consent of all parties hereto.
- G) Failure by the LANDLORD to take any action, assert any right or declare any breach of this lease shall not constitute a waiver of any rights of LANDLORD.
- H) In the event of litigation, mediation or arbitration of a dispute between the parties, the prevailing party shall recover, as part of its damages, attorneys fees, expert witness fees and other costs reasonably and actually incurred by the prevailing party in conjunction with the litigation, mediation or arbitration.

17. **COUNTERPARTS:** This Agreement shall be executed in two (2) counterparts, either one of which shall serve as an original for all intents and purposes. One counterpart shall be given to each party.

18. **PURPOSE:** The parties stipulate that this is a commercial lease.

19. **ASSIGNMENT AND SUBLETTING:** TENANT may assign this lease but only after obtaining the prior written consent of LANDLORD.

20. **PERMITS AND APPROVAL:** TENANT shall be responsible for obtaining all occupancy permits, inspections or other licensing necessary or convenient to conduct its contemplated operations from the PREMISES.

IN WITNESS WHEREOF, the LANDLORD and TENANT executed this Lease on the date aforesaid and for the purposes herein contained.

LANDLORD  
Clearfield Equipment Company, Inc.

TENANT  
Pennsylvania Veneer Corporation

By: Robert E. Brown  
Robert E. Brown

By: Stanley Geary

By: Allan M. Brown  
Allan M. Brown

William A. Shaw  
Prothonotary/Clerk of Courts

MAR 28 2005

FILED

PETER F. SMITH  
ATTORNEY  
30 SOUTH SECOND STREET  
P.O. BOX 130  
CLEARFIELD, PA. 16830

COMMERCIAL PRINTING CO., CLEARFIELD, PA.

Laid over margin



IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 100349  
NO: 05-423-CD  
SERVICE # 1 OF 3  
COMPLAINT

PLAINTIFF: CLEARFIELD EQUIPMENT COMPANY  
vs.  
DEFENDANT: PENNSYLVANIA VENEER CORPORATION

SHERIFF RETURN

NOW, April 15, 2005 AT 11:20 AM SERVED THE WITHIN COMPLAINT ON PENNSYLVANIA VENEER CORPORATION DEFENDANT AT 30 WEST PARK AVE., DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA, BY HANDING TO SUSAN TOWN, RECEPTIONIST/SECRETARY A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT AND MADE KNOWN THE CONTENTS THEREOF.

SERVED BY: COUDRIET / DEHAVEN

FILED  
013126SH  
APR 29 2005

William A. Shaw  
Prothonotary/Clerk of Courts

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA**

DOCKET # 100349  
NO: 05-423-CD  
SERVICE # 2 OF 3  
COMPLAINT

PLAINTIFF: CLEARFIELD EQUIPMENT COMPANY  
vs.  
DEFENDANT: PENNSYLVANIA VENEER CORPORATION

**SHERIFF RETURN**

---

NOW, April 22, 2005 AT 11:00 AM SERVED THE WITHIN COMPLAINT ON STANLEY GEORGER, JR. fo  
Pennsylvania Veneer Corporation DEFENDANT AT 1521 TREASURE LAKE, DUBOIS, CLEARFIELD COUNTY,  
PENNSYLVANIA, BY HANDING TO STANLEY GEORGER JR., DEFENDANT A TRUE AND ATTESTED COPY OF  
THE ORIGINAL COMPLAINT AND MADE KNOWN THE CONTENTS THEREOF.

SERVED BY: DEHAVEN /

**IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA**

DOCKET # 100349  
NO: 05-423-CD  
SERVICE # 3 OF 3  
COMPLAINT

PLAINTIFF: CLEARFIELD EQUIPMENT COMPANY  
vs.  
DEFENDANT: PENNSYLVANIA VENEER CORPORATION

**SHERIFF RETURN**

---

NOW, April 15, 2005 AT 10:55 AM SERVED THE WITHIN COMPLAINT ON ROBERT S. BROTZKI for Pennsylvania Veneer Corporation DEFENDANT AT SANTA LUCIA ROAD, DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA, BY HANDING TO MARIA BROTZKI, WIFE A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT AND MADE KNOWN THE CONTENTS THEREOF.

SERVED BY: COUDIET / DEHAVEN

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 100349  
NO: 05-423-CD  
SERVICES 3  
COMPLAINT

PLAINTIFF: CLEARFIELD EQUIPMENT COMPANY  
vs.  
DEFENDANT: PENNSYLVANIA VENEER CORPORATION

SHERIFF RETURN

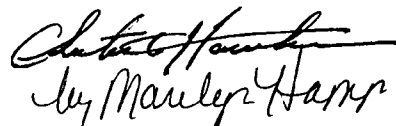
RETURN COSTS

Description	Paid By	CHECK #	AMOUNT
SURCHARGE	CLFD. EQUIP.	40429	30.00
SHERIFF HAWKINS	CLFD. EQUIP.	40429	91.93
SHERIFF HAWKINS	Peter Smith, atty	8604	21.93

Sworn to Before Me This

\_\_\_\_\_ Day of \_\_\_\_\_ 2005

So Answers,



Chester A. Hawkins  
Sheriff

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

CLEARFIELD EQUIPMENT COMPANY,  
Plaintiff

vs.

PENNSYLVANIA VENEER CORPORATION,  
Defendant

No. 2005-423-CD

Type of Case:  
**CIVIL**

Type of Pleading:  
**PRAECIPE TO ENTER DEFAULT  
JUDGMENT**

Filed on Behalf of:  
**PLAINTIFF**

Attorney for this party:  
**Peter F. Smith, Esquire**  
Supreme Court No. 34291  
30 South Second Street  
P.O. Box 130  
Clearfield, PA 16830  
(814) 765-5595

**FILED**

0 2:25 p.m. GK Notice to Def  
JUN 21 2005 Notice to Def's Atty  
Statement to Atty  
William A. Shaw  
Prothonotary Atty paid 20.00  
Smita  
(GK)

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

CLEARFIELD EQUIPMENT COMPANY,	:	
Plaintiff	:	No. 2005-423-CD
	:	
vs.	:	
	:	
	:	
PENNSYLVANIA VENEER CORPORATION,	:	
Defendant	:	

**PRAECIPE FOR ENTRY OF DEFAULT JUDGMENT**

To: William A. Shaw, Prothonotary

Dear Sir:

1. I certify that on June 1, 2005, I sent by First Class Mail, postage prepaid, the notice required by Pa.R.C.P. 237.1 of our intent to enter a default judgment against the Defendant. Attached hereto and incorporated herein is a true and correct copy of said Notice.

2. This Notice was sent to the Defendant's attorney at the following address:

Pennsylvania Veneer Corporation  
C/O Robert M. Hanak  
498 Jeffers Street  
P.O. Box 487  
DuBois, PA 15801

3. More than ten days have elapsed since the mailing of said Notice, but Defendant is still in default of an Answer or other responsive pleading.

4. Please enter judgment in favor of the Plaintiff and against the Defendant in the amount of **\$113,976.85** plus interest and costs of suit.

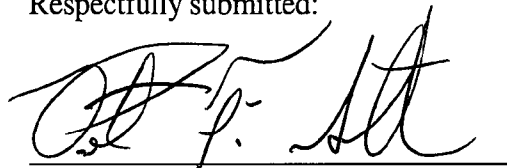
A.	Delinquent rent for Jan, Feb, Mar. of 2005	
	@ \$2,000/mo.	\$ 6,000.00

B.	Future rent from Apr. 2005 thru Jan. 2009 46 Mo. @ \$2,000/mo.	\$ 92,000.00
C.	One-half of Real Estate taxes for 2004	\$ 2,294.05
D.	One-half School taxes for 2005 thru 2009 estimated on the basis of 2004 taxes 4 yrs @ \$2,294.05	\$ 9,176.20
E.	One-half Real Estate taxes for 2005 thru 2008 estimated based on the 2005 invoice for real estate taxes attached as Plaintiff's Exhibit 3. 4 yrs @ \$1,126.65	<u>\$ 4,506.60</u>
	<b>PRELIMINARY TOTAL</b>	<b>\$113,976.85</b>

Date:

6/21/05

Respectfully submitted:



Peter F. Smith, Esquire  
Attorney for Plaintiff  
P. O. Box 130, 30 South Second Street  
Clearfield, PA 16830  
(814) 765-5595

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

CLEARFIELD EQUIPMENT COMPANY,  
Plaintiff

No. 2005-423-CD

vs.

PENNSYLVANIA VENEER CORPORATION,  
Defendant

TO: **Pennsylvania Veneer Corp.**  
**C/o ROBERT M. HANAK**  
**498 Jeffers Street**  
**P.O. Box 487**  
**DuBois, PA 15801**


***IMPORTANT NOTICE***

YOU ARE IN DEFAULT BECAUSE YOU HAVE FAILED TO TAKE ACTION REQUIRED OF YOU IN THIS CASE. UNLESS YOU ACT WITHIN TEN DAYS FROM THE DATE OF THIS NOTICE, A JUDGMENT MAY BE ENTERED AGAINST YOU WITHOUT A HEARING, AND YOU MAY LOSE YOUR PROPERTY OR OTHER IMPORTANT RIGHTS. YOU SHOULD TAKE THIS TO A 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.

**THIS TEN (10) DAY PERIOD SHALL EXPIRE ON JUNE 13, 2005.**

Clearfield County Court Administrator  
Clearfield County Courthouse  
Clearfield, PA 16830  
(814) 765-2641

Date: June 1, 2005

  
Peter F. Smith, Esquire  
Attorney for Plaintiffs

cc: Clearfield Equipment Company



COPY

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY ,  
PENNSYLVANIA  
STATEMENT OF JUDGMENT

Clearfield Equipment Company, Inc  
Plaintiff(s)

No.: 2005-00423-CD

Real Debt: \$113,976.85

Atty's Comm: \$

Vs.

Costs: \$

Int. From: \$

Pennsylvania Veneer Corporation  
Defendant(s)

Entry: \$20.00

Instrument: Default Judgment

Date of Entry: June 21, 2005

Expires: June 21, 2010

Certified from the record this 21st day of June, 2005

\_\_\_\_\_  
William A. Shaw, Prothonotary

\*\*\*\*\*

SIGN BELOW FOR SATISFACTION

Received on \_\_\_\_\_, \_\_\_\_\_, of defendant full satisfaction of this Judgment,  
Debt, Interest and Costs and Prothonotary is authorized to enter Satisfaction on the same.

\_\_\_\_\_  
Plaintiff/Attorney

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

COPY

CLEARFIELD EQUIPMENT COMPANY,  
Plaintiff

No. 2005-423-CD

vs.

PENNSYLVANIA VENEER CORPORATION,  
Defendant

Notice is given that a judgment has been entered of record in Clearfield County against PENNSYLVANIA VENEER CORPORATION and in favor of the Plaintiff in the amount of \$113,976.85 plus interest and costs.

Prothonotary

By William L. Shaffer, Deputy 6-21-2005

Rule of Civil Procedure No. 236

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

CLEARFIELD EQUIPMENT COMPANY,  
Plaintiff

No. 2005-423-CD

vs.

PENNSYLVANIA VENEER CORPORATION,  
Defendant

FILED *McC*  
01/20/05  
JUN 21 2005 @

William A. Shaw  
Prothonotary Clerk of Courts

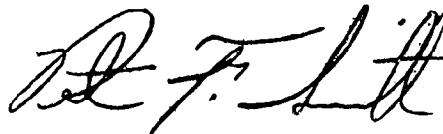
***CERTIFICATE OF ADDRESS***

I, Peter F. Smith, attorney for Clearfield Equipment Company, certify that to the best of my information, knowledge and belief, the correct name and address of the Plaintiff and the last known address of the Defendant are:

Plaintiff: Clearfield Equipment Company  
P.O. Box 948  
Clearfield, PA 16830

Defendant: Pennsylvania Veneer Corporation  
C/O Robert M. Hanak, Esquire  
498 Jeffers Street  
P. O. Box 487  
DuBois, PA 1580

Pennsylvania Veneer Corporation  
P. O. Box 362  
30 West Park Avenue  
DuBois, PA 15801



Date: June 21, 2005

---

Peter F. Smith, Esquire  
Attorney for Plaintiff  
P. O. Box 130, 30 South Second Street  
Clearfield, PA 16830  
(814) 765-5595

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

CLEARFIELD EQUIPMENT COMPANY,  
Plaintiff

vs.

PENNSYLVANIA VENEER CORPORATION,  
Defendant

No. 2005-423-CD

**FILED**  
JUL 28 2005

William A. Shaw  
Prothonotary/Clerk of Courts

*60*  
*ICC 76*  
*Writ package*  
*to Sheriff*  
*Aug 2005*

**PRAECIPE FOR WRIT EXECUTION**

To: Clearfield County Prothonotary

Dear Sir:

Kindly issue a Writ of Execution in the above-captioned matter,

1. Directed to the Sheriff of Clearfield County; and
2. Against **Pennsylvania Veneer Corporation**, Defendant.
3. Index this Writ against Pennsylvania Veneer Corporation and the following property:

All the equipment, inventory, furnishings, supplies and other items of tangible personal property belonging to the Defendant and located at 1224 Old Town Road, Clearfield, Clearfield County, Pennsylvania.

4. Amounts due:

A.	Delinquent rent for Jan, Feb, Mar. of 2005 @ \$2,000/mo.	\$ 6,000.00
B.	Future rent from Apr. 2005 thru Jan. 2009 46 Mo. @ \$2,000/mo.	\$ 92,000.00
C.	One-half of Real Estate taxes for 2004	\$ 2,294.05
D.	One-half School taxes for 2005 thru 2009 estimated on the basis of 2004 taxes 4 yrs @ \$2,294.05	\$ 9,176.20

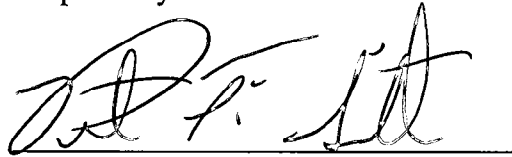
E. One-half Real Estate taxes for 2005 thru  
2008 estimated based on the 2005 invoice  
for real estate taxes attached as Plaintiff's  
Exhibit 3. 4 yrs @ \$1,126.65 \$ 4,506.60

PRELIMINARY TOTAL \$113,976.85

FINAL TOTAL \$

**Prothonotary costs** 125.00

Respectfully submitted:

A handwritten signature in black ink, appearing to read 'P. F. Smith', written over a horizontal line.

Peter F. Smith, Esquire  
Attorney for Plaintiff  
P. O. Box 130, 30 South Second Street  
Clearfield, PA 16830  
(814) 765-5595

Date:

7/22/05

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

CLEARFIELD EQUIPMENT COMPANY,	:	
Plaintiff	:	No. 2005-423-CD
	:	
vs.	:	
	:	
	:	
PENNSYLVANIA VENEER CORPORATION,	:	
Defendant	:	

**WRIT OF EXECUTION  
NOTICE**

This paper is a Writ of Execution. It has been issued because there is a judgment against you. It may cause your property to be held or taken to pay the judgment. You may also have legal rights to prevent your property from being taken. A lawyer can advise you more specifically of these rights. If you wish to exercise your rights, you must act promptly.

The law provides that certain property cannot be taken. Such property is said to be exempt. There is a debtor's exemption of \$300.00. There are other exemptions which may be applicable to you. Attached is a summary of some of the major exemptions. You may have other exemptions or other rights.

If you have an exemption, you should do the following promptly: (1) Fill out the attached claim form and demand for a prompt hearing; and, (2) Deliver the form or mail it to the Sheriff's Office at the address noted.

You should come to Court ready to explain your exemption. If you do not come to Court to prove your exemptions, you may lose some of your property.

**YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE 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  
Corner of Second and Market Streets  
Clearfield, PA 16830  
(814) 765-2641

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

CLEARFIELD EQUIPMENT COMPANY,	:	
Plaintiff	:	No. 2005-423-CD
	:	
vs.	:	
	:	
	:	
PENNSYLVANIA VENEER CORPORATION,	:	
Defendant	:	

**WRIT OF EXECUTION**

Commonwealth of Pennsylvania/County of Clearfield  
To the Sheriff of Clearfield County

To satisfy the judgment, interest, costs and attorney's commission against the Defendant above:

1. You are directed to levy upon the property owned by the Defendant as follows and sell its interest therein:

All the equipment, inventory, furnishings, supplies and other items of tangible personal property belonging to the Defendant and located at 1224 Old Town Road, Clearfield, Clearfield County, Pennsylvania.

2. Amounts due:

A.	Delinquent rent for Jan, Feb, Mar. of 2005 @ \$2,000/mo.	\$ 6,000.00
B.	Future rent from Apr. 2005 thru Jan. 2009 46 Mo. @ \$2,000/mo.	\$ 92,000.00
C.	One-half of Real Estate taxes for 2004	\$ 2,294.05
D.	One-half School taxes for 2005 thru 2009 estimated on the basis of 2004 taxes 4 yrs @ \$2,294.05	\$ 9,176.20

E. One-half Real Estate taxes for 2005 thru  
2008 estimated based on the 2005 invoice  
for real estate taxes attached as Plaintiff's  
Exhibit 3. 4 yrs @ \$1,126.65

\$ 4,506.60

PRELIMINARY TOTAL

\$113,976.85

FINAL TOTAL

\$

Prothonotary costs 125.00

\_\_\_\_\_  
Prothonotary

By: \_\_\_\_\_ 7/28/05  
Deputy



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

CLEARFIELD EQUIPMENT COMPANY,	:	
Plaintiff	:	No. 2005-423-CD
	:	
vs.	:	
	:	
	:	
PENNSYLVANIA VENEER CORPORATION,	:	
Defendant	:	

CLAIM FOR EXEMPTION

To the Sheriff:

I, the above named Defendant, claim exemption of property from levy or attachment:

(1) From personal property in possession which had been levied upon,

(a) I desire that the \$300.00 statutory exemption be

\_\_\_\_ (i) Set aside in kind (specify property to be set aside in kind):

\_\_\_\_\_

\_\_\_\_ (ii) paid in cash following the sale of the property levied upon; or

(b) I claim the following exemption (specify property and basis of exemption):

\_\_\_\_\_

(2) From property which is in the possession of a third party, I claim the following exemptions:

(a) the \$300.00 statutory exemption: \_\_\_\_ in cash \_\_\_\_ in kind (specify property):

\_\_\_\_\_

(b) Social Security benefits on deposit in the amount of \$\_\_\_\_\_.

(c) Other (specify amount and basis of exemption):

\_\_\_\_\_

I request a prompt court hearing to determine the exemption. Notice of hearing should be given to me at:

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number

I verify that the statements made in this Claim for Exemption are true and correct. I understand that false statements herein are subject to the penalties of 18 Pa.C.S. Section 4904 relating to unsworn falsifications to authorities.

Date: \_\_\_\_\_

\_\_\_\_\_  
Defendant

**THIS CLAIM TO BE FILED WITH  
THE OFFICE OF THE SHERIFF OF CLEARFIELD COUNTY**

Clearfield County Sheriff  
Clearfield County Courthouse  
Corner of Second and Market Streets  
Clearfield, PA 16830

## **MAJOR EXEMPTIONS UNDER PENNSYLVANIA AND FEDERAL LAW**

1. \$300.00 statutory exemption
2. Bibles, school books, sewing machines, uniforms, and equipment
3. Most wages and unemployment compensation
4. Social security benefits
5. Certain retirement funds and accounts
6. Certain veteran and armed forces benefits
7. Certain insurance proceeds
8. Such other exemptions as may be provided by law

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

CLEARFIELD EQUIPMENT  
COMPANY, INC,  
Plaintiff

-vs-

PENNSYLVANIA VENEER  
CORPORATION,  
Defendant

:  
: No. 05 - 423 - CD  
:  
: Type of Case: Civil  
:  
: Type of Pleading: PETITION TO  
: RELEASE PROPERTY FROM LEVY  
: PURSUANT TO Pa.R.C.P. No. 3119(1)  
: AND/OR TO STAY EXECUTION SALE OR  
: SET ASIDE THE WRIT AND LEVY  
: PURSUANT TO Pa.R.C.P. No. 3121  
:  
: Filed on behalf of:  
: Petitioner, CSB BANK  
:  
:  
: Counsel of Record for this Party:  
: Andrew F. Gates, Esquire  
:  
: Supreme Court No.: 36604  
:  
: GATES & SEAMAN  
: Attorneys at law  
: Two North Front Street  
: P. O. Box 846  
: Clearfield, Pennsylvania 16830  
: (814) 765-1766  
:

**FILED**  
04:45 PM  
FEB 10 2006  
2cc  
Atty Gates  
William A. Shaw  
Prothonotary/Clerk of Courts  
CR

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

CLEARFIELD EQUIPMENT COMPANY, INC. :  
Plaintiff :  
vs. : No. 05 - 423 - CD  
PENNSYLVANIA VENEER CORPORATION, :  
Defendant :  
CSB BANK, Petitioner :  
-vs- : No.  
CLEARFIELD EQUIPMENT COMPANY, INC., :  
Respondent :

TO: RESPONDENT, CLEARFIELD EQUIPMENT COMPANY, INC.  
c/o Peter F. Smith, Esquire  
30 South Second Street  
P. O. Box 130  
Clearfield, PA 16830

**NOTICE**

A PETITION HAS BEEN FILED AGAINST YOU IN COURT. IF YOU WISH TO DEFEND AGAINST THE MATTERS SET FORTH IN THE FOLLOWING PETITION, YOU MUST ENTER A WRITTEN APPEARANCE PERSONALLY OR BY ATTORNEY AND FILE AN ANSWER IN WRITING WITH THE PROTHONOTARY SETTING FORTH YOUR DEFENSES OR OBJECTIONS TO THE MATTER SET FORTH AGAINST YOU AND SERVE A COPY ON THE ATTORNEY OR PERSON FILING THE PETITION.

YOU ARE WARNED THAT IF YOU FAIL TO DO SO THE CASE MAY PROCEED WITHOUT YOU AND AN ORDER MAY BE ENTERED AGAINST YOU BY THE COURT WITHOUT FURTHER NOTICE FOR THE RELIEF REQUESTED BY THE PETITIONER. YOU MAY LOSE 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.

DAVID S. MEHOLICK, COURT ADMINISTRATOR  
CLEARFIELD COUNTY COURTHOUSE  
Second and Market Streets  
Clearfield, PA 16830  
(814) 765-2641, Extension 1303

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

CLEARFIELD EQUIPMENT COMPANY, INC. :  
Plaintiff :  
vs. : No. 05 - 423 - CD  
PENNSYLVANIA VENEER CORPORATION, :  
Defendant :  
CSB BANK, Petitioner :  
-vs- : No.  
CLEARFIELD EQUIPMENT COMPANY, INC., :  
Respondent :

**PETITION TO RELEASE PROPERTY FROM LEVY PURSUANT**  
**TO Pa.R.C.P. No. 3119(1)**  
**AND/OR TO STAY EXECUTION SALE OR SET ASIDE THE**  
**WRIT AND LEVY PURSUANT TO Pa.R.C.P. No. 3121**

NOW COMES, Petitioner, CSB BANK, by its attorneys, Gates & Seaman, and petitions this Honorable Court pursuant to Pa.R.C.P. No. 3119(1) and Pa.R.C.P. No. 3121(b) and/or (d) to either Release the hereafter described personal property from levy of the scheduled Sheriff's Sale and/or stay the hereafter described Sheriff's Sale of personal property and/or set aside said Writ, service and levy, and in support represents the following:

1. Pennsylvania Veneer Corporation, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, is the Defendant in the above-captioned matter.

2. Pursuant to a Writ of Execution issued on Praecipe of Plaintiff, Clearfield Equipment Company, Inc., the Clearfield County Sheriff has levied upon virtually all of the Defendant's inventory, equipment, machinery and office furnishings presently situate at said Defendant's last place of business located at 1224 Old Town Road,

Clearfield, Pennsylvania 16830 with the Sheriff's Sale being scheduled for Friday, March 10, 2006 at 10:00 a.m. Attached hereto and made a part hereof as Exhibit "A" is the Sheriff's Notice of Sale including a listing of the personal property proposed to be sold.

**COUNT I**  
**(Petition to Release Property From Levy**  
**Pursuant to Pa.R.C.P. No. 3119(1)**

3. Petitioner hereby incorporates by reference Paragraphs 1 and 2 hereof as though set forth at length.

4. The property levied upon which is identified on Exhibit "A" is subject to a prior Commercial Security Agreement between Petitioner, CSB Bank, and Defendant, Pennsylvania Veneer Corporation, dated June 11, 2004, with many of the items of equipment and machinery being specifically described in the said Commercial Security Agreement.

5. Likewise, most other items of personal property described on Exhibit "A" either consist of inventory, other equipment or accessions, additions, replacements, attachments and/or accessories to specifically described pledged collateral, all of which constitute "collateral" as said term is defined in the Commercial Security Agreement of June 11, 2004.

6. Petitioner, CSB Bank's, security interest in the above listed collateral has been continually perfected by virtue of the UCC-1 Financing Statements filed in both the Clearfield County Prothonotary's Office and with the Pennsylvania Department of State. Attached hereto and made a part hereof, collectively, as Exhibit "B" are copies of the Commercial Security Agreement, dated June 11, 2004, executed by the President of Pennsylvania Veneer Corporation, Stanley

C. Georgek, Jr. and the various UCC-1 filings made in both the Pennsylvania Department of State and the Clearfield County Prothonotary's Office.

7. The aforementioned Commercial Security Agreement, dated June 11, 2004, and UCC-1 filings secured the repayment of a Promissory Note between Petitioner, CSB Bank (Lender), and Defendant, Pennsylvania Veneer Corporation (Borrower) also dated June 11, 2004, in the principal amount of \$438,831.93. Attached hereto and made a part hereof as Exhibit "C" is a photocopy of the Promissory Note between CSB Bank (Lender) and Pennsylvania Veneer Corporation (Borrower), dated June 11, 2004, which was executed on behalf of Defendant, Pennsylvania Veneer Corporation, by its Corporate President, Stanley C. Georgek, Jr.

8. The aforementioned June 11, 2004 loan transaction memorialized by the Promissory Note and Commercial Security Agreement of even date was the refinance of an existing secured loan between Petitioner, CSB Bank, and Defendant, Pennsylvania Veneer Corporation which loan documents are presently in storage but will be available for inspection at the time of Hearing/Argument on this Petition.

9. At present, Defendant, Pennsylvania Veneer Corporation, is in default, under both the terms of the aforementioned Promissory Note and Commercial Security Agreement of June 11, 2004, for its failure to make payments, when due, and, as of February 3, 2006, the sum of \$404,952.68 remains due and owing under said Promissory Note, dated June 11, 2004. A copy of Petitioner's computer print-out showing the status of said loan as of February 3, 2006 is attached hereto and made a part hereof as Exhibit "D".



10. By virtue of its prior perfected security interest in the personal property, scheduled to be sold by the Clearfield County Sheriff, on March 10, 2006, your Petitioner is entitled to have all of the personal property listed on Exhibit "A" released from the Sheriff's levy.

11. Your Petitioner, CSB Bank, has estimated the value of the property presently scheduled for Sheriff's Sale to be the sum of \$266,082.00, less any additional depreciation from June 7, 2004, and this is based on the balance sheet value of the machinery, equipment and furniture of Pennsylvania Veneer Corporation as of June 7, 2004. A copy of the Detailed Balance Sheet of Pennsylvania Veneer Corporation provided to CSB Bank by said Defendant is attached hereto and made a part hereof as Exhibit "E".

12. Although the Judgment, interest and probable costs in this action total \$113,976.85, said sum includes \$92,000.00 for rent the Plaintiff has not yet earned and approximately \$10,000.00 for real estate taxes not yet due and payable. A copy of Plaintiff's Praecipe for Judgment showing said itemization is attached hereto and made a part hereof as Exhibit "F".

WHEREFORE, Petitioner, CSB Bank, requests that a Rule be granted upon Plaintiff, Clearfield Equipment Company, Inc., to show cause why all of the property levied upon which is scheduled to be exposed to Sheriff's Sale on March 10, 2006 should not be released from the Sheriff's levy upon Petitioner, CSB Bank, filing a bond in an amount not to exceed \$266,082.00.

**COUNT II**  
**PETITION TO STAY EXECUTION SALE, OR**  
**SET ASIDE WRIT AND LEVY, PURSUANT TO**  
**Pa.R.C.P. No. 3121(b) AND/OR (d)**

13. Petitioner, CSB Bank, incorporates herein by reference Paragraphs 1 through 12 hereof as though said averments have been set forth at length herein.

14. By virtue of Petitioner, CSB Bank's, perfected security interest, the provisions of Article 9 of the Uniform Commercial Code and Pa.R.C.P. No. 3121, the Writ of Execution and Levy upon the above described personal property should be set aside and discharged, or said Sheriff's Sale of March 10, 2006 stayed.

15. The amount remaining due and owing by Defendant, Pennsylvania Veneer Corporation, to CSB Bank under the Promissory Note of June 11, 2004, (\$404,952.68) far exceeds the estimated value of the personal property sought to be released and discharged from the Sheriff's Levy (\$266,082.00).

WHEREFORE, Petitioner, CSB Bank, requests that a Rule be issued upon Plaintiff to show cause why the execution and sale scheduled upon the Writ of Execution issued herein should not either be stayed or set aside and the aforesaid property released and discharged from the levy.

GATES & SEAMAN



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

Date: February 9, 2006

# Sheriff's Sale

By virtue of A WRIT \_\_\_\_\_ OF EXECUTION \_\_\_\_\_  
issued out of the Court of Common Pleas of Clearfield County,  
Pennsylvania and to me directed, there will be exposed to Public  
Sale, at the PLACE OF BUSINESS 1224 OLD TOWN ROAD, CLEARFIELD, PA 16830  
located in the \_\_\_\_\_ TOWNSHIP \_\_\_\_\_ of \_\_\_\_\_ LAWRENCE  
on FRIDAY the 10th day of \_\_\_\_\_ MARCH  
A.D. 19 2006, at 10:00 o'clock, A . M. on the  
following property:

SEE ATTACHED LISTING!!

Seized, taken in execution and to be sold as the property of

PENNSYLVANIA VENEER CORPORATION

CHESTER A. HAWKINS

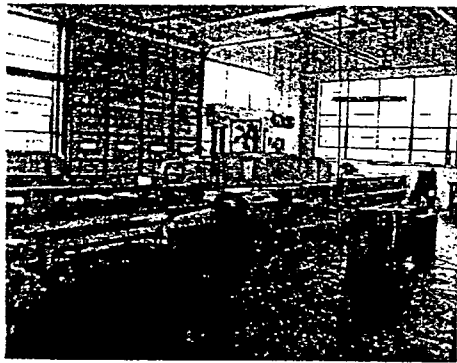
, Sheriff

Sheriff's Office, Clearfield, Pa., January 31, 2006

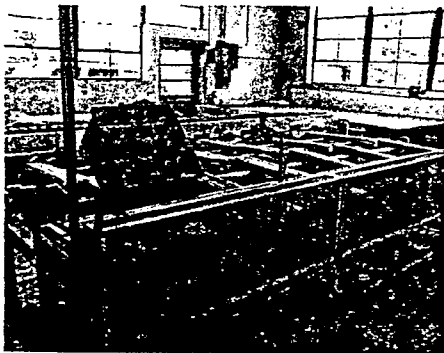
NOTICE: All claims to the property must be filed with the sheriff before sale and all claims to the proceeds before distribution; a sheriff's schedule of distribution will be on file in his office, five (5) days after sale; and distribution will be made in accordance with the schedule unless exceptions are filed within ten (10) days thereafter.

EXHIBIT "A" - 9 pages

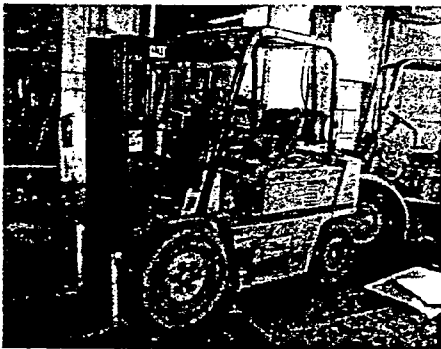
Post  
1-31-06



1-FEZER Type' FM-30  
Lengthwise Slicer



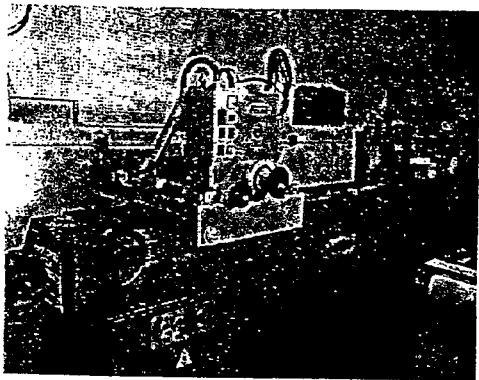
1-Predimach  
Merry Go Round  
Model MGR-FM-30  
SRL # 1546-2-12-98-15262J



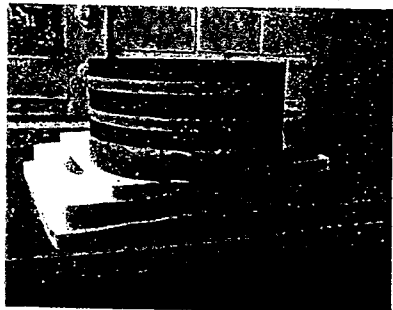
1-Caterpillar Fork Lift  
Model V-50D  
Serial # 3EC07292  
Type LP  
Machine Cap. 5000 LB



1-Hyster Fork Lift  
Challenger H80C  
Serial # C005D 18906Y



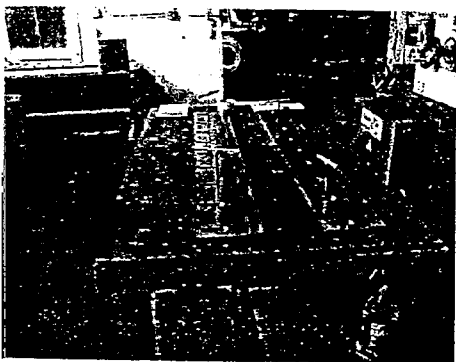
1-FEZER "AF" Knife Grinder  
Model AF220 PFE



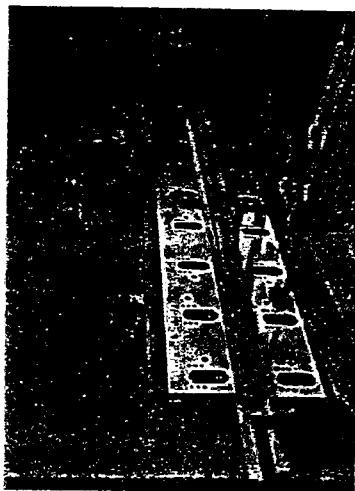
1-Grinding Wheel



3-Diamond Hone & Stones in Blue Case  
1- Brown Hand Grinding Stone

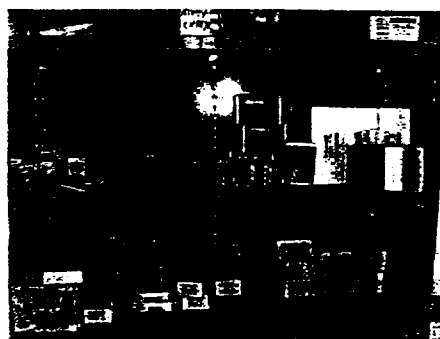
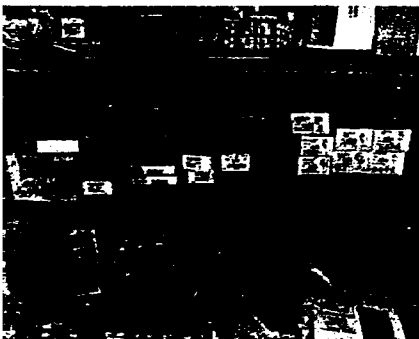
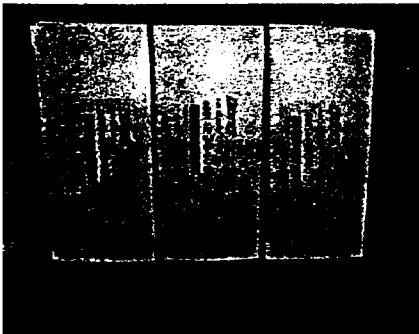


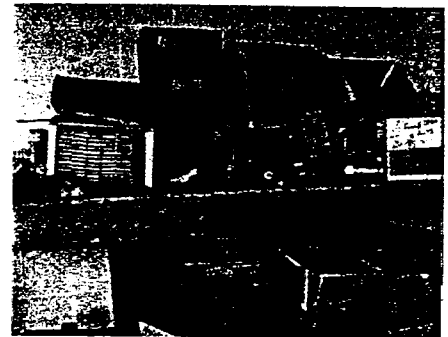
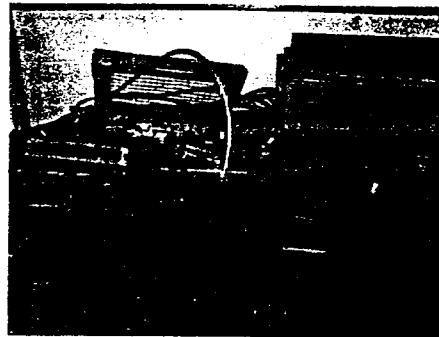
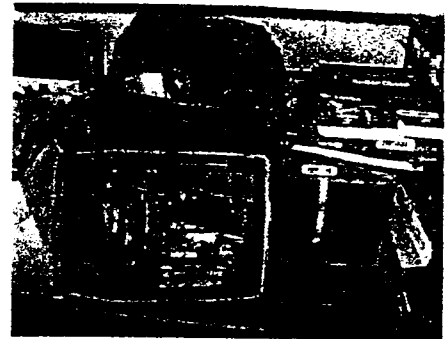
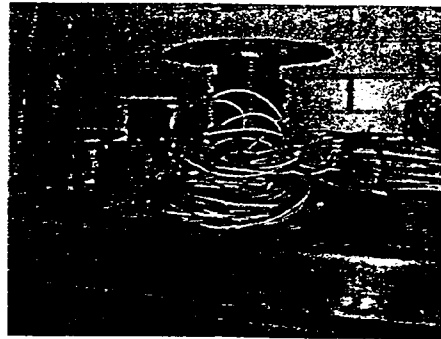
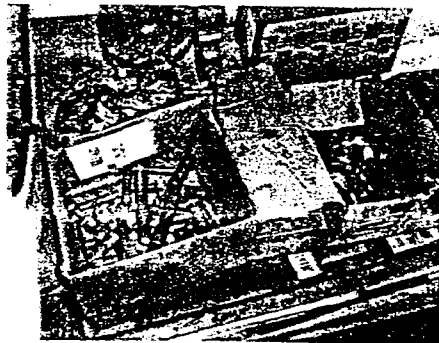
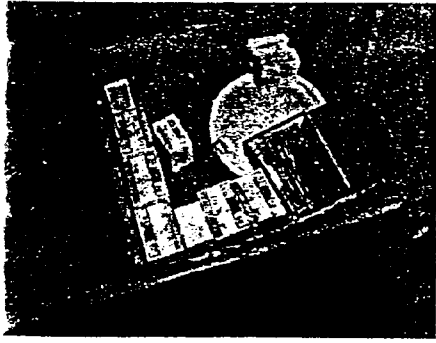
4-Blades with handles and covers

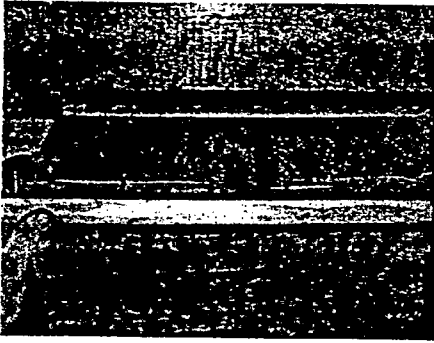


The following items are shelf parts for the various machines throughout the plant:

3 - 9JE Sleeves, 2 - Humphrey Air regulators, 1 - E3JM R4M4T JS Photo Electric Switch (Slicer), 2 - Omron F3A2 R3M4T Photo Electric Switches (Slicer), 5 - Used Omron E3A2-DS70M4T (Slicer), 1- BannerQ85Vr3LP-T-9MGR Eye, 1- Red Roller Drive Assembly, #6155 Valve Assembly (Air Compressor), 1- XC1ZP2205 (Slicer), 2 - Rolamento VCR-206 Guide Bearings (Slicer), 1 - Parker 1/8 Piggyback Air Regulator 14E01B13FC, 1 - Parkes Air Dryer A1592BA1582, 1 - XCKM106 Deadman (Dryer), 1 - Seaman's Time Relay (Dryer), 2 - Banner dryer photo eyes Q45VR2F, 2 - Banner Dryer Eyes BAT26SM600, 1- Telemecanique XCKM102(grinder), 1- Telemecanique (Grinder), 1- Accurate Tech Proscale(Slicer), 2 - Siemens control relays 3TH302-0AK6, 2 - Siemens Circuit Breakers 3VU13001MK00, 1 - Siemens Circuit Breaker 3VU13001MG00, 1 - Siemens Circuit Breaker 3VU13001MJ00, 1 - Siemens Circuit Breaker 3VU13001MN00, 1 - Gray CGW Hand Grinding Stone, 20 - Rubber round pieces (In Bag), 3 - Honeywell intermittent pilot modules, 1 - rebuild kit RD289 Part # 4300, 1 - Box - Throttle rod clip assorted, 1 - pack silicon carbide sandpaper, 1 - pack assorted grits sandpaper, 4 - springs(In bag), 2 - Thickness gauges, 1 - Mitutoyo 241OF-10 Dial Indicator, Assorted Copper fittings, Cast iron pipe nipples, Assorted lengths of wire on spools, 3 - boxes assorted nails and bolts, 1 - box assorted nuts and hex lag screws, 1 - black runner-rug, assorted used gear parts and rollers, assorted bushings and brass bearings, 6 - boxes of roller chain, 4 - grinding stones, assorted metal clips and dryer parts, 5 - strap hinges, 1 - oil filter wrench, 3 - drive-belts B60150B1570, small roll of pneumatic tubing, 1 - windblock rubber trowel, 1 - ice scraper, 1 - approximate 40" metal bar, 1 - large metal wrench with pipe, 1 - Gray metal shelving unit.

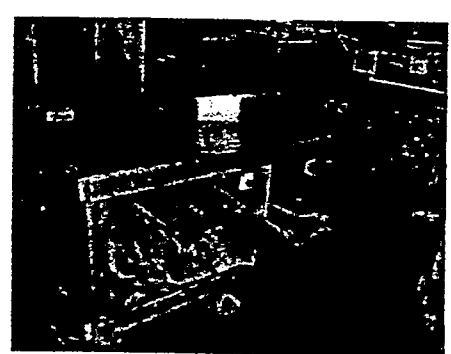
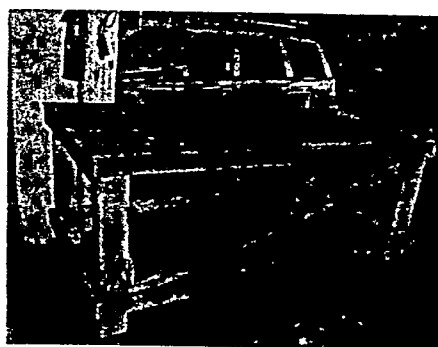
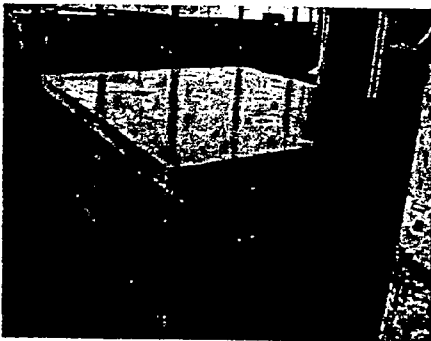
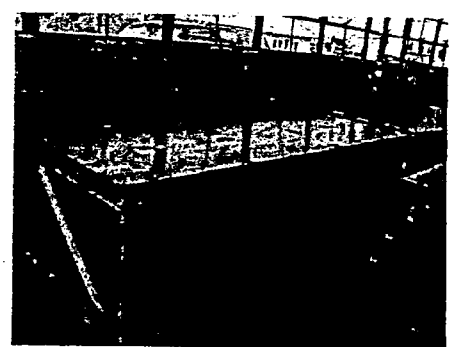
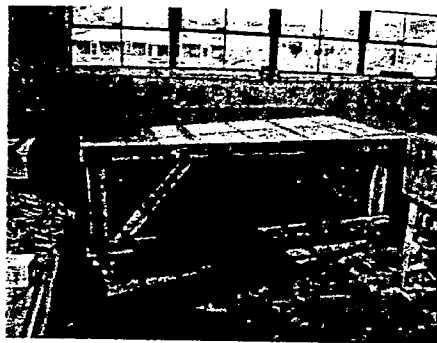
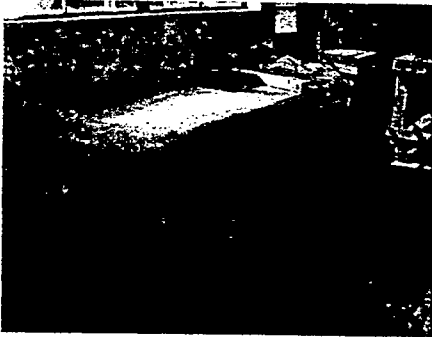
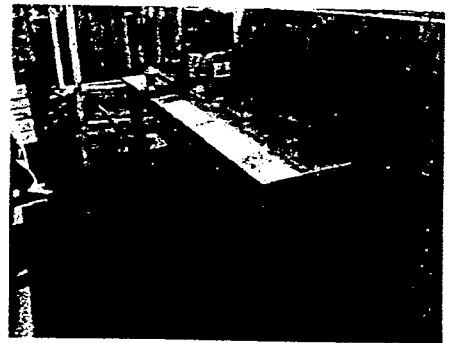
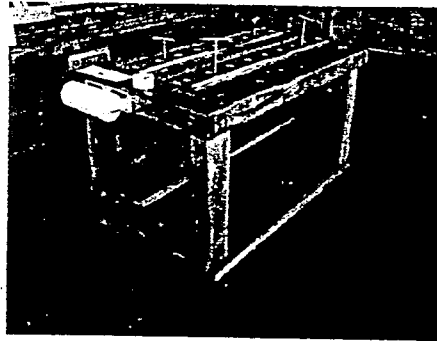




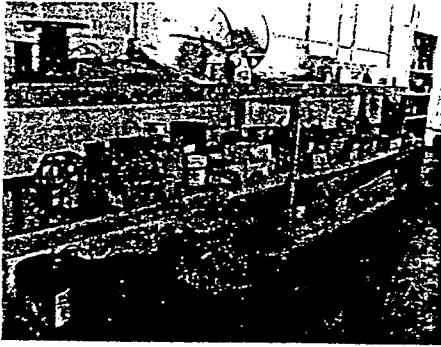


1 – Spare Slicer Motor

The Following wooden tables and wooden shelves:

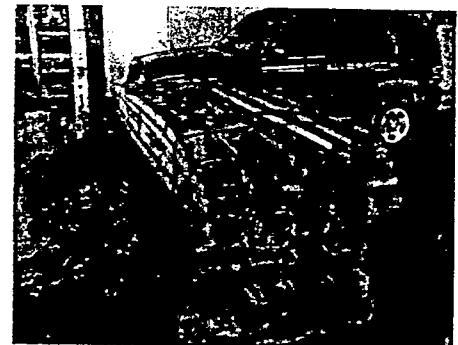
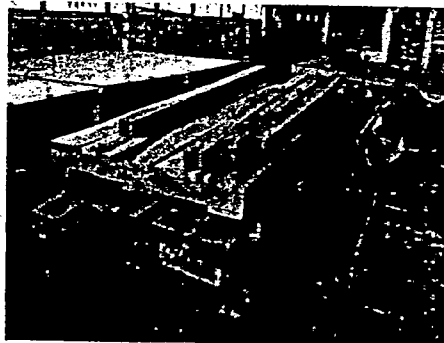
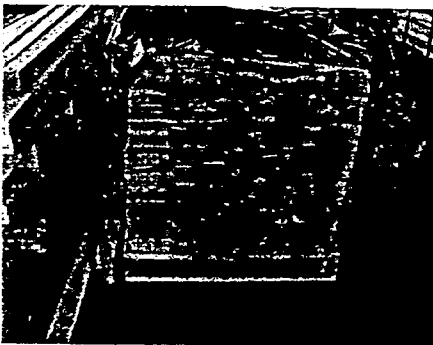


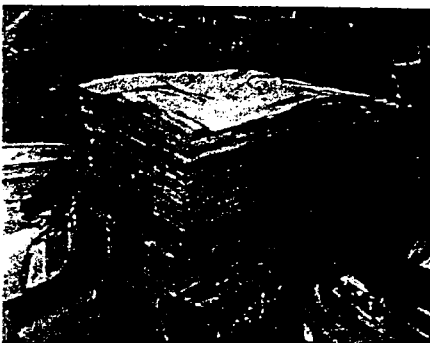
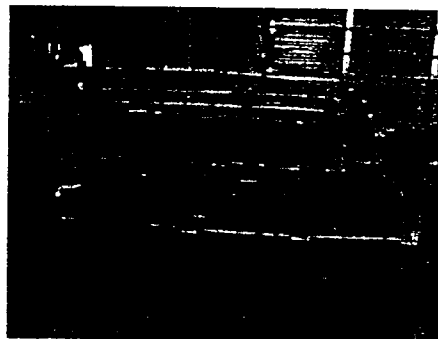
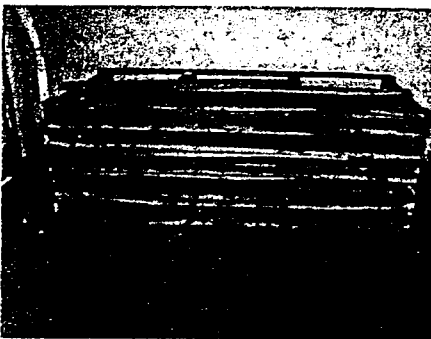
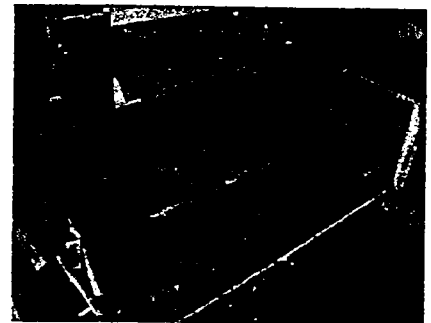
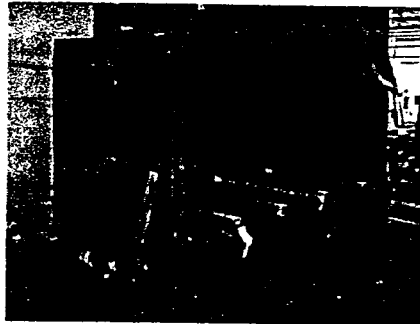
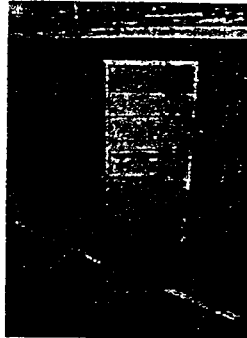
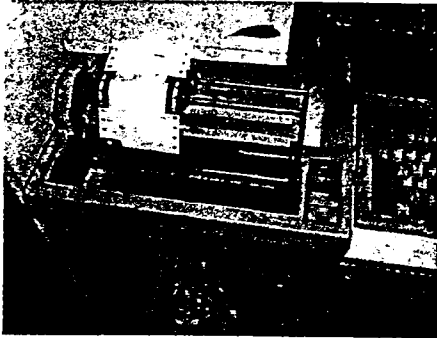
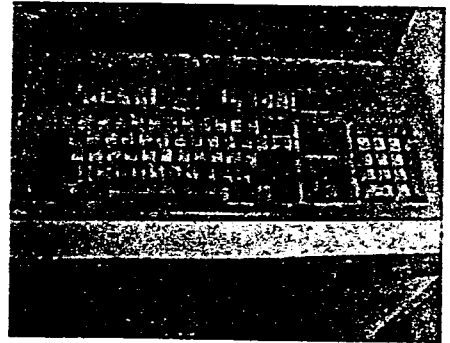
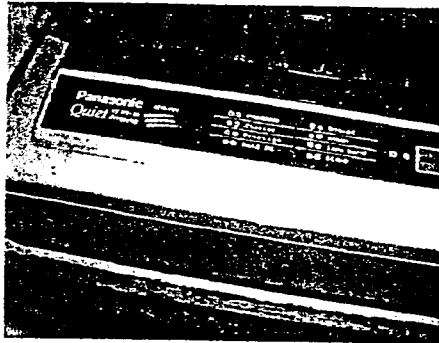
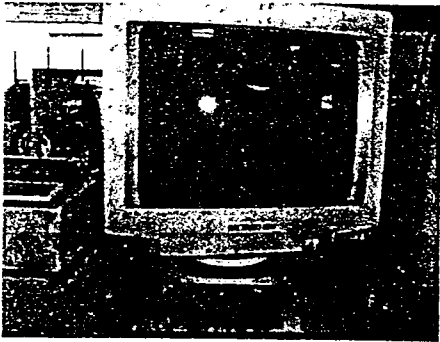


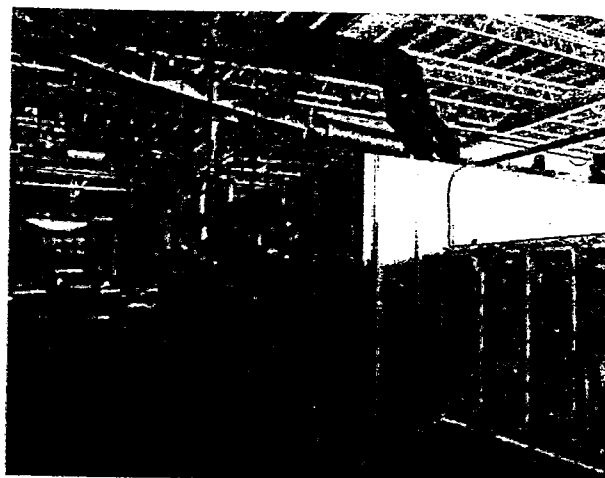
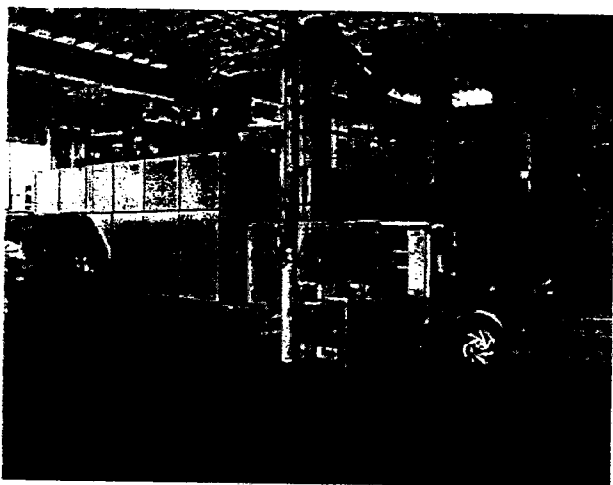


### The following miscellaneous items:

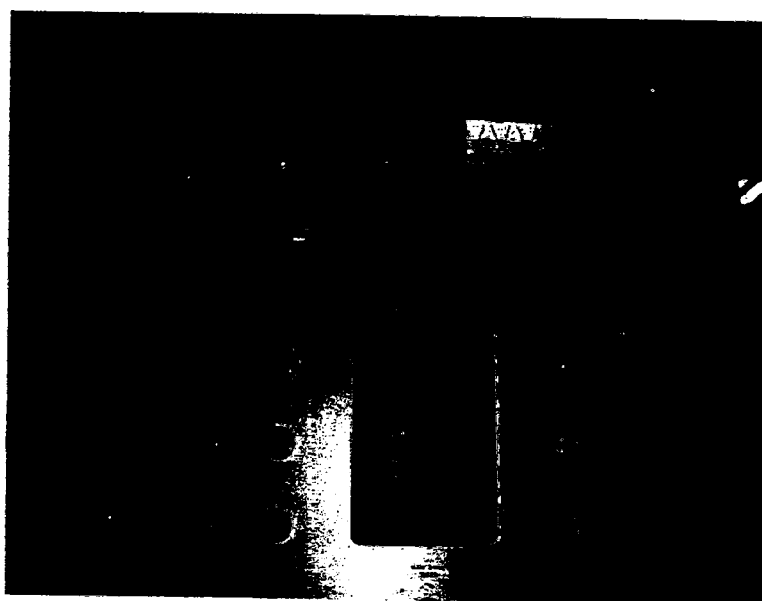
1-1/2 bags quikcrete, 1 - 4 foot angle iron with bolts, 1 - tow chain with metal ring, 1 - bucket Kutwell 40 Oil by Exxon, 1 - wooden pallet with wood pieces, 10 - boxes of extra large gloves, 1 - Aiwa NSX-3500 3 CD player, 1 - metal folding chair, 2 - pallets of veneer pieces, 2 - pallets of rough lumber, 1 - wooden desk, 1 - black Samsung phone, 1 - metal/wooden desk with chair, 1 - Packard Bell monitor, 1 - Panasonic KX2130 printer, 1 - Alps MBR101 Keyboard, 1 - Epson label-printer, 1 - Computer tower, 1 - Surge protector, 1 - silver CD stereo player, 1 - Wooden box, 1 - large wooden draped box with water pan in bottom, 1 - large pallet of veneer pieces, 10 - pallets of assorted veneer pieces, 1 - long wooden box, 1 - wooden hat and coat rack.



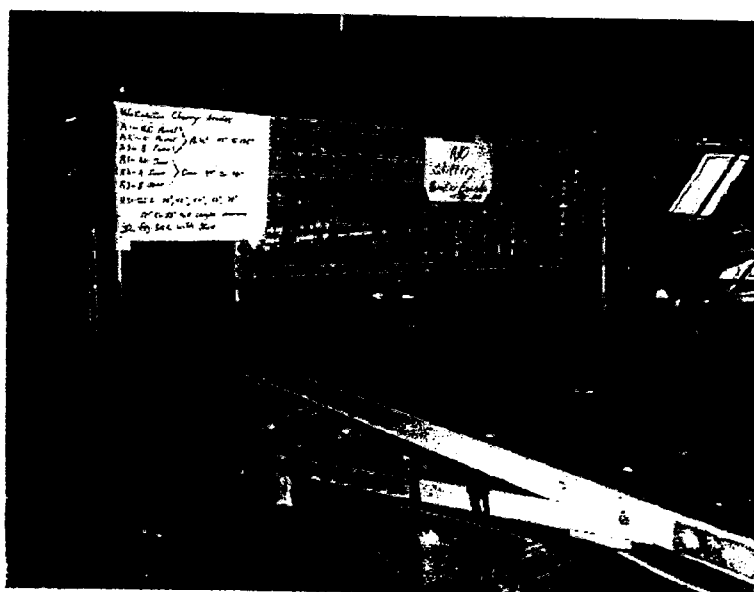




1-FEZER Veneer Dryer  
Type "SE"



1 - FEZER MODE MG80  
CUTTER (Sheer)



# COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$438,831.93	06-11-2004	06-11-2010	143985		118791	***	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Grantor:** Pennsylvania Veneer Corporation  
P.O. Box 362  
DuBois, PA 15801

**Lender:** CSB BANK  
Curwensville Office  
434 State Street  
P.O. Box 29  
Curwensville, PA 16833

THIS COMMERCIAL SECURITY AGREEMENT dated June 11, 2004, is made and executed between Pennsylvania Veneer Corporation ("Grantor") and CSB BANK ("Lender").

**GRANT OF SECURITY INTEREST.** For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

**COLLATERAL DESCRIPTION.** The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All inventory, accounts and equipment, together with the following specifically described property: Fezer Lumber Slicing System; Fezer FM-30 Lumber Slicer, Predimach Merry-go-round Conveyor, Fezer AF-220 Knife Grinder, Fezer 3SE-3.6-1P + 24 Veneer Dryer, Propane Gas Burner, Stainless Steel Screen, Top Screen Heavier, Cooling Section, and Fezer MG-800 Crosscut Veneer Clipper; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds)

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

Despite any other provision of this Agreement, Lender is not granted, and will not have, a nonpurchase money security interest in household goods, to the extent such a security interest would be prohibited by applicable law. In addition, if because of the type of any Property, Lender is required to give a notice of the right to cancel under Truth in Lending for the indebtedness, then Lender will not have a security interest in such Collateral unless and until such a notice is given.

**CROSS-COLLATERALIZATION.** In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL.** With respect to the Collateral, Grantor represents and promises to Lender that:

**Perfection of Security Interest.** Grantor agrees to execute financing statements and to take whatever other actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper if not delivered to Lender for possession by Lender.

**Notices to Lender.** Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management of the Corporation Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

**No Violation.** The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

**Enforceability of Collateral.** To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform

Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

**Location of the Collateral.** Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

**Removal of the Collateral.** Except in the ordinary course of Grantor's business, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

**Transactions Involving Collateral.** Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

**Title.** Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

**Repairs and Maintenance.** Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

**Inspection of Collateral.** Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

**Taxes, Assessments and Liens.** Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the Indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

**Compliance with Governmental Requirements.** Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

**Hazardous Substances.** Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify shall survive the payment of the Indebtedness and the satisfaction of this Agreement.

**Maintenance of Casualty Insurance.** Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

**Application of Insurance Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Collateral. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the Indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the Indebtedness.

**Insurance Reserves.** Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium

**COMMERCIAL SECURITY AGREEMENT**  
**(Continued)**

Loan No: 143985

Page 3

due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

**Insurance Reports.** Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

**Financing Statements.** Grantor authorizes Lender to file a UCC-1 financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute financing statements and documents of title in Grantor's name and to execute all documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. If Grantor changes Grantor's name or address, or the name or address of any person granting a security interest under this Agreement changes, Grantor will promptly notify the Lender of such change.

**GRANTOR'S RIGHT TO POSSESSION.** Until default, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Grantor fails to make any payment when due under the Indebtedness.

**Other Defaults.** Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

**Default in Favor of Third Parties.** Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or Grantor's or any Grantor's ability to repay the Indebtedness or perform their respective obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Defective Collateralization.** This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Insolvency.** The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to Guarantor or any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

**Adverse Change.** A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Cure Provisions.** If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Grantor, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**RIGHTS AND REMEDIES ON DEFAULT.** If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the Pennsylvania Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the

following rights and remedies:

**Accelerate Indebtedness.** Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

**Assemble Collateral.** Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

**Sell the Collateral.** Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

**Appoint Receiver.** Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the Rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

**Collect Revenues, Apply Accounts.** Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

**Obtain Deficiency.** If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

**Other Rights and Remedies.** Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

**Election of Remedies.** Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

**Amendments.** This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Attorneys' Fees; Expenses.** Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Notices.** Unless otherwise provided by applicable law, any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided by applicable law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

**Additional Authorizations.** Grantor hereby authorizes Lender, with full power of substitution, to execute in Grantor's name any documents



**COMMERCIAL SECURITY AGREEMENT  
(Continued)**

Loan No: 143985

Page 5

necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties and, without further authorization from Grantor, to file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral. It is understood and agreed that any exercise of this authorization by Lender shall be on behalf of Lender and not on behalf of Grantor. Lender is not an agent or fiduciary of Grantor. However, in exercising the authorization granted hereby, Lender shall exercise reasonable caution and prudence and Lender shall keep full and accurate record of all actions, receipts and disbursements.

**Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

**Successor Interests.** The terms of this Agreement shall be binding upon Grantor, and upon Grantor's heirs, personal representatives, successors, and assigns, and shall be enforceable by Lender and its successors and assigns.

**Survival of Representations and Warranties.** All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

**Time Is of the Essence.** Time is of the essence in the performance of this Agreement.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Agreement.** The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

**Borrower.** The word "Borrower" means Pennsylvania Veneer Corporation and includes all co-signers and co-makers signing the Note.

**Collateral.** The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

**Default.** The word "Default" means the Default set forth in this Agreement in the section titled "Default".

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

**Grantor.** The word "Grantor" means Pennsylvania Veneer Corporation.

**Guarantor.** The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

**Guaranty.** The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Indebtedness.** The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. The liens and security interests created pursuant to this Agreement covering the Indebtedness which may be created in the future shall relate back to the date of this Agreement. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Agreement.

**Lender.** The word "Lender" means CSB BANK, its successors and assigns.

**Note.** The word "Note" means the Note executed by Pennsylvania Veneer Corporation in the principal amount of \$438,831.93 dated June 11, 2004, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

**Property.** The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED JUNE 11, 2004.**

**THIS AGREEMENT IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS AGREEMENT IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.**



COMMERCIAL SECURITY AGREEMENT  
(Continued)

Loan No: 143985

Page 6

GRANTOR:

PENNSYLVANIA VENEER CORPORATION

By: Stanley C. Georgek, Jr. (Seal)  
Stanley C. Georgek, Jr., President of Pennsylvania  
Veneer Corporation

LENDER:

CSB BANK

x Carol J. Corrick  
Authorized Signer

PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU  
UNIFORM COMMERCIAL CODE  
P.O. BOX 8721  
HARRISBURG, PA 17105-8721

600140

CSB BANK  
434 STATE ST  
PO BOX 29  
CURWENSVILLE PA 16833-0029

DEBTOR :

PENNSYLVANIA VENEER CORPORATION  
PO BOX 282  
REYNOLDSVILLE PA 15851-0

SECURED PARTY :

CS BANK  
434 STATE ST  
PO BOX 29  
CURWENSVILLE PA 16833-29

IDENTIFICATION CODE : None

EFFECTIVE DATE : Feb 13 2004 10:38AM

ORIGINAL FINANCING STATEMENT NUMBER : 29941787

AMENDMENT NUMBER : 20040165708

AMENDMENT TYPE : UCC3 Continuation

For additional information, please visit our "Searchable Database"  
at: [WWW.DOS.STATE.PA.US/CORPS](http://WWW.DOS.STATE.PA.US/CORPS)

# UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CSB BANK  
434 STATE ST  
PO BOX 29  
CURWENSVILLE PA 16833-0029

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #

29941787 FEBRUARY 24, 1999

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.

☐ DELETE name: Give record name to be deleted in item 6a or 6b.

☐ ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

PENNSYLVANIA VENEER CORPORATION

OR 6b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

7c. MAILING ADDRESS

PO BOX 282

CITY

REYNOLDSVILLE

STATE

POSTAL CODE

COUNTRY

PA 15851

7d. SEE INSTRUCTIONS

ADD'L INFO RE ORGANIZATION DEBTOR

7e. TYPE OF ORGANIZATION

7f. JURISDICTION OF ORGANIZATION

7g. ORGANIZATIONAL ID #, if any

☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ restated collateral description, or describe collateral ☐ assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

CSB BANK

OR 9b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

10. OPTIONAL FILER REFERENCE DATA

PENNSYLVANIA DEPARTMENT OF STATE  
CORPORATION BUREAU  
UNIFORM COMMERCIAL CODE  
P.O. BOX 8721  
HARRISBURG, PA 17105-8721

CS BANK  
434 STATE ST  
PO BOX 29  
CURWENSVILLE PA 16833-0029

DEBTOR:

PENNSYLVANIA VENEER CORPORATION  
PO BOX 282  
REYNOLDSVILLE, PA 15851

SECURED PARTY:

CS BANK  
434 STATE ST  
PO BOX 29  
CURWENSVILLE, PA 16833-0029

EFFECTIVE DATE: FEBRUARY 24, 1999 AT 09:56 AM

FINANCING STATEMENT NUMBER: 29941787

# PARTIES

DEBTOR name (Last name first if individual) and mailing address:

Pennsylvania Veneer Corporation  
P.O. Box 282  
Reynoldsville, PA 15851

DEBTOR name (Last name first if individual) and mailing address:

DEBTOR name (Last name first if individual) and mailing address:

SECURED PARTY(ies) name(s) (last name first if individual) and address for security interest information:

CSB BANK  
434 State Street, P.O. Box 29  
Curwensville, PA 16833-0029

ASSIGNEE(S) OF SECURED PARTY name(s) (last name first if individual) and address for security interest information:

## SPECIAL TYPES OF PARTIES (Check if applicable):

☐ The terms "Debtor" and "Secured Party" mean "Lessee" and "Lessor", respectively.

☐ The terms "Debtor" and "Secured Party" mean "Consignee" and "Consignor", respectively.

☐ Debtor is a Transmitting Utility

## SECURED PARTY SIGNATURE(S)

THIS STATEMENT IS FILED WITH ONLY THE SECURED PARTY'S SIGNATURE to perfect a security interest in collateral (check applicable box(es)) --

- a. ☐ ACQUIRED AFTER A CHANGE OF NAME, IDENTITY OR CORPORATE STRUCTURE of the Debtor.
- b. ☐ as to which the filing has lapsed.
- c. already subject to a security interest in ANOTHER COUNTY in Pennsylvania  
☐ when the COLLATERAL WAS MOVED to this county.  
☐ when the DEBTOR'S RESIDENCE OR PLACE OF BUSINESS WAS MOVED to this county.
- d. already subject to a security interest in ANOTHER JURISDICTION --  
☐ when the COLLATERAL WAS MOVED to Pennsylvania.  
☐ when the DEBTOR'S RESIDENCE OR PLACE OF BUSINESS WAS MOVED to Pennsylvania.
- e. ☐ which is PROCEEDS of the collateral described in block 9, in which a security interest was previously perfected (also describe proceeds in block 9, if purchased with cash proceeds and not adequately described on the original financing statement).

SECURED PARTY SIGNATURE(S):  
(required only if box(es) is checked above):

## FILING STATEMENT UNIFORM COMMERCIAL CODE FORM UCC-1

FILING NO. (stamped by filing officer):

DATE, TIME, FILING OFFICE  
(stamped by filing officer)

File # P-50357

Date Feb. 23, 1999

Docket # 16-217-05

Time 12:10 PM

## Clearfield County Prothonotary Office

This FINANCING STATEMENT is presented for filing pursuant to the Uniform Commercial Code, and is to be filed with the (check applicable box):

☐ Secretary of the Commonwealth.

☒ Prothonotary of Clearfield County

☐ real estate Records of \_\_\_\_\_ County.

NUMBER OF ADDITIONAL SHEETS (if any): 1

OPTIONAL SPECIAL IDENTIFICATION (Max. 10 characters):

## COLLATERAL

Identify collateral by item and/or type:

See Attached Exhibit to UCC Financing Statement dated February 17, 1999.

☒ (check only if desired) Products of the collateral are also covered.

IDENTIFY RELATED REAL ESTATE, if applicable. The collateral is, or includes (check appropriate box(es)) --

- a. ☐ CROPS growing or to be grown on --
- b. ☐ goods which are to become FIXTURE on --
- c. ☐ MINERALS or the like (including oil and gas) as extracted on --
- d. ☐ ACCOUNTS RESULTING FROM THE SALE OF MINERALS or the like (including oil and gas) at the wellhead or minehead on --

the following real estate:

STREET ADDRESS:

DESCRIBE AT: Book \_\_\_\_\_ of (check one) ☐ Deeds ☐ Mortgages, at Page(s) \_\_\_\_\_ for \_\_\_\_\_ County. Uniform Parcel Identifier \_\_\_\_\_

☐ Describe on Additional Sheet

NAME OF RECORD OWNER (required only if no Debtor has an interest of record):

## DEBTOR SIGNATURE(S)

Debtor Signature(s):

*Robert J. Brozki*

Robert J. Brozki, Vice President, Pennsylvania Veneer Corporation

1a

1b

RETURN RECEIPT TO:

CSB BANK  
434 State Street  
P.O. Box 29  
Curwensville, PA 16833-0029

# EXHIBIT TO UCC-1 FINANCING STATEMENT

February 17, 1999

**DEBTOR:**

Pennsylvania Veneer Corporation

**MAILING ADDRESS:**

P.O. Box 232, Reynoldsville, PA 15851

**COLLATERAL DESCRIPTION:**

All Inventory, Accounts and Equipment; together with the following specifically described property: Fezer Lumber Slicing System: Fezer FM-30 Lumber Slicer, Predimach Merry-go-Round Conveyor, Fezer AF-220 Knife Grinder, Fezer 3SE-3.6-1P + 24Veneer Dryer, Propane Gas Burner, Stainless Steel Screen, top screen heavier, Cooling Section, and Fezer MG-800 Crosscut Veneer Clipper; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds)..

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

FEB 23 1999

Attest.

*William L. Shaw*  
Prothonotary

This Exhibit is executed on the same date as the UCC-1 Financing Statement by CSB BANK and the undersigned.

Robert W. Brozki, Vice President

*Robert W. Brozki*  
Signature(s) of Debtor(s)

By:

*[Signature]*  
CSB BANK  
Signature(s) of Secured Party (ies)

## PARTIES

DEBTOR name (Last name first if individual) and mailing address:

Pennsylvania Veneer Corporation  
P.O. Box 292  
Reynoldsville, PA 15851

DEBTOR name (Last name first if individual) and mailing address:

DEBTOR name (Last name first if individual) and mailing address:

SECURED PARTY(ies) name(s) (last name first if individual) and address for security interest information:

CSB BANK  
434 State Street, P.O. Box 29  
Curwensville, PA 16833-0029

ASSIGNEE(S) OF SECURED PARTY name(s) (last name first if individual) and address for security interest information:

## SPECIAL TYPES OF PARTIES (Check if applicable):

- ☐ The terms "Debtor" and "Secured Party" mean "Lessee" and "Lessor", respectively.
- ☐ The terms "Debtor" and "Secured Party" mean "Consignee" and "Consignor", respectively.
- ☐ Debtor is a Transmitting Utility

## SECURED PARTY SIGNATURE(S)

THIS STATEMENT IS FILED WITH ONLY THE SECURED PARTY'S SIGNATURE to perfect a security interest in collateral (check applicable box(es)) -

- a. ☐ ACQUIRED AFTER A CHANGE OF NAME, IDENTITY OR CORPORATE STRUCTURE of the Debtor.
- b. ☐ as to which the filing has lapsed.
- c. already subject to a security interest in ANOTHER COUNTY in Pennsylvania
- ☐ when the COLLATERAL WAS MOVED to this county.
- ☐ when the DEBTOR'S RESIDENCE OR PLACE OF BUSINESS WAS MOVED to this county.
- d. already subject to a security interest in ANOTHER JURISDICTION -
- ☐ when the COLLATERAL WAS MOVED to Pennsylvania.
- ☐ when the DEBTOR'S RESIDENCE OR PLACE OF BUSINESS WAS MOVED to Pennsylvania.
- e. ☐ which is PROCEEDS of the collateral described in block 9, in which a security interest was previously perfected (also describe proceeds in block 9, if purchased with cash proceeds and not adequately described on the original financing statement).

SECURED PARTY SIGNATURE(S):  
(required only if box(es) is checked above):FINANCING STATEMENT  
UNIFORM COMMERCIAL CODE FORM UCC-1

FILING NO. (stamped by filing officer):

DATE, TIME, FILING OFFICE  
(stamped by filing officer)

File # P-50301

Date 01-21-99

Docket # 16-210-05

Time 2:23 p.m.

## Clearfield County Prothonotary Office

This FINANCING STATEMENT is presented for filing pursuant to the Uniform Commercial Code, and is to be filed with the (check applicable box):

- ☐ Secretary of the Commonwealth.
- ☒ Prothonotary of Clearfield County
- ☐ real estate Records of \_\_\_\_\_ County.

NUMBER OF ADDITIONAL SHEETS (if any):

OPTIONAL SPECIAL IDENTIFICATION (Max. 10 characters):

## COLLATERAL

Identify collateral by item and/or type:

All Inventory, Accounts and Equipment; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds).

- ☒ (check only if desired) Products of the collateral are also covered.

IDENTIFY RELATED REAL ESTATE, if applicable. The collateral is, or includes (check appropriate box(es)) -

- a. ☐ CROPS growing or to be grown on -
- b. ☐ goods which are to become FIXTURE on -
- c. ☐ MINERALS or the like (including oil and gas) as extracted on -
- d. ☐ ACCOUNTS RESULTING FROM THE SALE OF MINERALS or the like (including oil and gas) at the wellhead or minehead on -

the following real estate:

STREET ADDRESS:

DESCRIBE AT: Book \_\_\_\_\_ of (check one) ☐ Deeds ☐ Mortgages, at Page(s) \_\_\_\_\_ for \_\_\_\_\_ County. Uniform Parcel Identifier \_\_\_\_\_☐ Describe on Additional Sheet

NAME OF RECORD OWNER (required only if no Debtor has an interest of record):

## DEBTOR SIGNATURE(S)

Debtor Signature(s):

*Joseph A. Robison*  
Joseph A. Robison, President, Pennsylvania Veneer Corporation

1a

1b

RETURN RECEIPT TO:

CSB BANK  
434 State Street  
P.O. Box 29  
Curwensville, PA 16833-0029

**PROMISSORY NOTE**

046

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$438,831.93	06-11-2004	06-11-2010	143985		118791	***	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Pennsylvania Veneer Corporation  
P.O. Box 362  
DuBois, PA 15801

**Lender:** CSB BANK  
Curwensville Office  
434 State Street  
P.O. Box 29  
Curwensville, PA 16833

**Principal Amount:** \$438,831.93

**Date of Note:** June 11, 2004

**PROMISE TO PAY.** Pennsylvania Veneer Corporation ("Borrower") promises to pay to CSB BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Four Hundred Thirty-eight Thousand Eight Hundred Thirty-one & 93/100 Dollars (\$438,831.93), together with interest on the unpaid principal balance from June 11, 2004, until paid in full. The interest rate will not increase above 11.750%.

**PAYMENT.** Subject to any payment changes resulting from changes in the Index, Borrower will pay this loan in accordance with the following payment schedule: 36 monthly consecutive principal and interest payments in the initial amount of \$7,238.26 each, beginning July 11, 2004, with interest calculated on the unpaid principal balances at an interest rate of 5.750% per annum; 35 monthly consecutive principal and interest payments in the initial amount of \$7,265.69 each, beginning July 11, 2007, with interest calculated on the unpaid principal balances at an interest rate based on the prevailing Prime Rate as quoted in the "Money Rates" section of the Wall Street Journal (currently 4.000%), plus a margin of 2.000 percentage points, resulting in an initial interest rate of 6.000%; and one principal and interest payment of \$7,265.63 on June 11, 2010, with interest calculated on the unpaid principal balances at an interest rate based on the prevailing Prime Rate as quoted in the "Money Rates" section of the Wall Street Journal (currently 4.000%), plus a margin of 2.000 percentage points, resulting in an initial interest rate of 6.000%. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled and that the Index does not change; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the prevailing Prime Rate as quoted in the "Money Rates" section of the Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notice to Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each year, following the initial three years. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 4.000% per annum. The interest rate or rates to be applied to the unpaid principal balance of this Note will be the rate or rates set forth herein in the "Payment" section. Notwithstanding any other provision of this Note, after the first payment stream, the interest rate for each subsequent payment stream will be effective as of the last payment date of the just-ending payment stream. Notwithstanding the foregoing, the variable interest rate or rates provided for in this Note will be subject to the following minimum and maximum rates. NOTICE: Under no circumstances will the interest rate on this Note be less than 5.750% per annum or more than (except for any higher default rate shown below) the lesser of 11.750% per annum or the maximum rate allowed by applicable law. Whenever increases occur in the interest rate, Lender, at its option, may do one or more of the following: (A) increase Borrower's payments to ensure Borrower's loan will pay off by its original final maturity date, (B) increase Borrower's payments to cover accruing interest, (C) increase the number of Borrower's payments, and (D) continue Borrower's payments at the same amount and increase Borrower's final payment.

**PREPAYMENT; MINIMUM INTEREST CHARGE.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of \$5.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: CSB BANK, Curwensville Office, 434 State Street, P.O. Box 29, Curwensville, PA 16833.

**LATE CHARGE.** If a payment is 16 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment or \$999.99, whichever is less.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, Lender, at its option, may, if permitted under applicable law, increase the variable interest rate on this Note by 4.000 percentage points. The interest rate will not exceed the maximum rate permitted by applicable law. If judgment is entered in connection with this Note, interest will continue to accrue on this Note after judgment at the interest rate applicable to this Note at the time judgment is entered.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver



**PROMISSORY NOTE  
(Continued)**

for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

**Change In Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Cure Provisions.** If any default, other than a default in payment or failure to satisfy Lender's requirement in the Insufficient Market Value of Securities section is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may, after giving such notices as required by applicable law, declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES.** Please notify us if we report any inaccurate information about your account(s) to a consumer reporting agency. Your written notice describing the specific inaccuracy(ies) should be sent to us at the following address: CSB BANK, Curwensville Office, 434 State Street, P.O. Box 29, Curwensville, PA 16833

**GENERAL PROVISIONS.** Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several. If any portion of this Note is for any reason determined to be unenforceable, it will not affect the enforceability of any other provisions of this Note.

**CONFESSION OF JUDGMENT.** BORROWER HEREBY IRREVOCABLY AUTHORIZES AND EMPOWERS ANY ATTORNEY OR THE PROTHONOTARY OR CLERK OF ANY COURT IN THE COMMONWEALTH OF PENNSYLVANIA, OR ELSEWHERE, TO APPEAR AT ANY TIME FOR BORROWER AFTER A DEFAULT UNDER THIS NOTE AND WITH OR WITHOUT COMPLAINT FILED, CONFESS OR ENTER JUDGMENT AGAINST BORROWER FOR THE ENTIRE PRINCIPAL BALANCE OF THIS NOTE AND ALL ACCRUED INTEREST, LATE CHARGES AND ANY AND ALL AMOUNTS EXPENDED OR ADVANCED BY LENDER RELATING TO ANY COLLATERAL SECURING THIS NOTE, TOGETHER WITH COSTS OF SUIT, AND AN ATTORNEY'S COMMISSION OF TEN PERCENT (10%) OF THE UNPAID PRINCIPAL BALANCE AND ACCRUED INTEREST FOR COLLECTION, BUT IN ANY EVENT NOT LESS THAN FIVE HUNDRED DOLLARS (\$500) ON WHICH JUDGMENT OR JUDGMENTS ONE OR MORE EXECUTIONS MAY ISSUE IMMEDIATELY; AND FOR SO DOING, THIS NOTE OR A COPY OF THIS NOTE VERIFIED BY AFFIDAVIT SHALL BE SUFFICIENT WARRANT. THE AUTHORITY GRANTED IN THIS NOTE TO CONFESS JUDGMENT AGAINST BORROWER SHALL NOT BE EXHAUSTED BY ANY EXERCISE OF THAT AUTHORITY, BUT SHALL CONTINUE FROM TIME TO TIME AND AT ALL TIMES UNTIL PAYMENT IN FULL OF ALL AMOUNTS DUE UNDER THIS NOTE. BORROWER HEREBY WAIVES ANY RIGHT BORROWER MAY HAVE TO NOTICE OR TO A HEARING IN CONNECTION WITH ANY SUCH CONFESSION OF JUDGMENT AND STATES THAT EITHER A REPRESENTATIVE OF LENDER SPECIFICALLY CALLED THIS CONFESSION OF JUDGMENT PROVISION TO BORROWER'S ATTENTION OR BORROWER HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL.

PROMISSORY NOTE  
(Continued)

Page 3

Loan No: 143985

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

THIS NOTE IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS NOTE IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

BORROWER:

PENNSYLVANIA VENEER CORPORATION

By: Stanley C. Georgek, Jr. (Seal)  
Stanley C. Georgek, Jr., President of Pennsylvania  
Veneer Corporation

Document Name: CC311

NEXT

PAGE 01 OF 31

Note: 143985 COLL SAT FEE NON-ACCRUAL PAST-DUE SEE SIGNERS  
Line: 118791  
Product: 40412

Name: S01 PENNSYLVANIA VENEER CORP  
Name:  
Name:  
Rel Home Phone Birthday

Addr: PC BOX 362  
City: DU BOIS PA 15801-0362 Tax Id: E 25-1819204

Principal Bal	Interest Bal	Net Payoff	Total Amt Due	Total Amt P/D
402,701.47	.00	404,952.68	7,238.26	7,238.26

Current Payment Due Date: 01/20/06 Class: (12) COMMERCIAL  
Current Days Past Due: 14 Title:  
Reg Payment Amount: 7,238.26 Responsibility Code: 046  
Current Rate Over: 5.7500 Note Date: 06/11/04  
One Day's Interest: 64.3203 Maturity Date: 05/20/11  
Current Late Chrg/Fee Bal: .00 Date Principal Paid to: 01/11/05  
Maximum Credit: Date Interest Paid to: 12/30/05  
Available Credit: Last Payment: 12/28/05 4,166.57  
Collateral: (0019) 1F/S-INVENT., ACCIS., EQUIP.-CARRIED FROM (Additional)

Date: 2/3/2006 Time: 3:58:44 PM

EXHIBIT "D"

Pennsylvania Veneer Corporation (PAVENEER)

Industry Classification: S-C Code: 2499

Detailed Balance Sheet - Actual and %

Prepared: 10/33, 6/9/2004

Page 1

Actual Units

MMAS Version V

6/7/04

Statement Date	12/31/2001		12/31/2002		12/31/2003		12/31/2003		6/7/2004	
Months Covered	12		12		12		12		5	
Audit Method	Tax Return		Tax Return		Co.Frap'd		Tax Return		Tax Return	
Accountant	MARSHA...		MARSHALL				grecco		grecco	
Analyst	MCNAUL		MCNAUL		MCNAUL		MCNAUL		MCNAUL	
Simt Type	Annual		Annual		Annual		Annual		Annual	
<b>CURRENT ASSETS</b>										
Cash	6,380	1.3	1	-	(23,021)	(6.2)	(23,021)	(8.8)	(8,341)	(2.1)
PETTY CASH	-	-	-	-	401	0.1	400	0.2	400	0.1
Accts/Notes Rec-Trade	11,283	2.3	269	0.1	31,552	8.5	31,552	12.0	41,335	10.5
Accts/Notes Rec-Related Co	-	-	-	-	6,197	1.7	6,197	2.4	6,197	1.6
DEPOSITS	-	-	-	-	2,084	0.6	2,084	0.8	2,084	0.5
Inventory	114,610	23.6	105,480	27.7	87,049	23.5	87,049	33.2	87,049	22.0
Operating Current Assets	8,281	1.7	8,281	2.2	-	-	-	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>140,534</b>	<b>29.0</b>	<b>114,031</b>	<b>30.0</b>	<b>104,262</b>	<b>28.1</b>	<b>104,261</b>	<b>39.7</b>	<b>128,724</b>	<b>32.6</b>
<b>NON-CURRENT ASSETS</b>										
Machinery & Equipment	541,099	111.5	541,099	142.2	524,488	141.4	541,099	206.1	541,099	136.9
Furniture & Fixtures	-	-	-	-	2,785	0.6	-	-	-	-
YARD EQUIPMENT	-	-	-	-	13,826	3.7	-	-	-	-
Gross Fixed Assets	541,099	111.5	541,099	142.2	541,099	145.9	541,099	206.1	541,099	136.9
Accumulated Deprec (-)	197,248	40.7	275,014	72.3	275,014	74.2	382,856	145.8	275,017	69.8
Total Fixed Assets - Net	343,851	70.9	266,085	69.9	266,085	71.7	158,243	60.3	266,082	67.3
Non-Op Non-Cur Assets	-	-	-	-	-	-	-	-	-	-
Intangibles - Other	1,698	0.3	1,698	0.4	1,698	0.5	1,698	0.6	1,698	0.4
Accumulated Amort (-)	862	0.2	1,192	0.3	1,192	0.3	1,898	0.6	1,192	0.3
Total Intangibles - Net	846	0.2	506	0.1	506	0.1	-	-	506	0.1
<b>TOTAL NON-CURRENT ASSETS</b>	<b>344,697</b>	<b>71.0</b>	<b>266,591</b>	<b>70.0</b>	<b>266,591</b>	<b>71.9</b>	<b>158,243</b>	<b>60.3</b>	<b>266,588</b>	<b>67.4</b>
<b>TOTAL ASSETS</b>	<b>485,231</b>	<b>100.0</b>	<b>380,622</b>	<b>100.0</b>	<b>370,853</b>	<b>100.0</b>	<b>262,504</b>	<b>100.0</b>	<b>395,312</b>	<b>100.0</b>
<b>CURRENT LIABILITIES</b>										
Overdrafts (Bank)	-	-	131,037	34.4	-	-	-	-	-	-
ST Loans Payable-Bank	100,000	20.6	100,000	26.3	-	-	99,517	37.9	99,517	25.2
ST Loans Payable-SHAREHOLDERS	-	-	-	-	-	-	-	-	-	-
CPLTD-Bank	-	-	-	-	590,398	159.2	490,882	187.0	577,881	146.2
Accounts Payable-Trade	349,477	72.0	335,144	88.1	86,156	23.8	101,342	38.8	220,897	55.9
Accounts Pay-Other	-	-	-	-	434	0.1	434	0.2	6,001	1.5
Wages/Salaries Payable	3,010	0.6	-	-	-	-	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>452,487</b>	<b>93.3</b>	<b>566,181</b>	<b>148.8</b>	<b>676,988</b>	<b>183.1</b>	<b>692,175</b>	<b>263.7</b>	<b>904,296</b>	<b>228.8</b>
<b>NON-CURRENT LIABILITIES</b>										
Long Term Debt-Bank	833,744	130.6	864,754	174.8	365,972	98.7	365,972	138.4	347,281	87.8
Due to Officers/Stockholders	372,070	76.7	397,070	104.3	557,070	150.2	557,070	212.2	557,070	140.9
<b>TOTAL NON-CURRENT LIAB</b>	<b>1,005,814</b>	<b>207.3</b>	<b>1,061,824</b>	<b>279.0</b>	<b>923,042</b>	<b>248.9</b>	<b>923,042</b>	<b>351.8</b>	<b>904,351</b>	<b>228.8</b>
<b>TOTAL LIABILITIES</b>	<b>1,458,301</b>	<b>300.5</b>	<b>1,628,005</b>	<b>427.7</b>	<b>1,600,030</b>	<b>432.0</b>	<b>1,615,217</b>	<b>615.3</b>	<b>1,308,627</b>	<b>457.5</b>
<b>NET WORTH</b>										
Capital Stock	30,000	6.2	30,000	7.9	30,000	8.1	30,000	11.4	30,000	7.6
Retained Earnings	(1,003,070)	(206.7)	(1,277,383)	(335.6)	(1,251,177)	(340.1)	(1,382,713)	(526.7)	(1,443,315)	(365.1)
<b>TOTAL NET WORTH</b>	<b>(973,070)</b>	<b>(200.5)</b>	<b>(1,247,383)</b>	<b>(327.7)</b>	<b>(1,221,177)</b>	<b>(332.0)</b>	<b>(1,352,713)</b>	<b>(515.3)</b>	<b>(1,413,315)</b>	<b>(357.5)</b>
<b>TOTAL LIAB &amp; NET WORTH</b>	<b>485,231</b>	<b>100.0</b>	<b>380,622</b>	<b>100.0</b>	<b>370,853</b>	<b>100.0</b>	<b>262,504</b>	<b>100.0</b>	<b>395,312</b>	<b>100.0</b>
<b>Working Capital</b>										
Working Capital	(311,953)	(64.3)	(452,150)	(118.8)	(574,726)	(155.0)	(587,914)	(224.0)	(775,572)	(196.2)
Tang Net Worth-Actual	(973,916)	(200.7)	(1,247,889)	(327.9)	(1,231,683)	(332.1)	(1,352,713)	(515.3)	(1,413,821)	(357.8)

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

CLEARFIELD EQUIPMENT COMPANY,  
Plaintiff

No. 2005-423-CD

vs.

PENNSYLVANIA VENEER CORPORATION,  
Defendant

**PRAECIPE FOR ENTRY OF DEFAULT JUDGMENT**

To: William A. Shaw, Prothonotary

Dear Sir:

1. I certify that on June 1, 2005, I sent by First Class Mail, postage prepaid, the notice required by Pa.R.C.P. 237.1 of our intent to enter a default judgment against the Defendant. Attached hereto and incorporated herein is a true and correct copy of said Notice.

2. This Notice was sent to the Defendant's attorney at the following address:

Pennsylvania Veneer Corporation  
C/O Robert M. Hanak  
498 Jeffers Street  
P.O. Box 487  
DuBois, PA 15801

3. More than ten days have elapsed since the mailing of said Notice, but Defendant is still in default of an Answer or other responsive pleading.

4. Please enter judgment in favor of the Plaintiff and against the Defendant in the amount of \$113,976.85 plus interest and costs of suit.

A. Delinquent rent for Jan, Feb, Mar. of 2005  
@ \$2,000/mo.

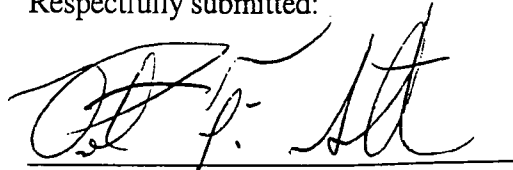
\$ 6,000.00

B.	Future rent from: Apr. 2005 thru Jan. 2009 46 Mo. @ \$2,000/mo.	\$ 92,000.00
C.	One-half of Real Estate taxes for 2004	\$ 2,294.05
D.	One-half School taxes for 2005 thru 2009 estimated on the basis of 2004 taxes 4 yrs @ \$2,294.05	\$ 9,176.20
E.	One-half Real Estate taxes for 2005 thru 2008 estimated based on the 2005 invoice for real estate taxes attached as Plaintiff's Exhibit 3. 4 yrs @ \$1,126.65	\$ 4,506.60
	PRELIMINARY TOTAL	\$113,976.85

Date:

6/21/05

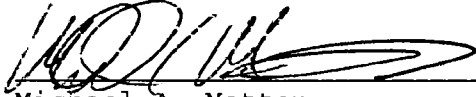
Respectfully submitted:



Peter F. Smith, Esquire  
Attorney for Plaintiff  
P. O. Box 130, 30 South Second Street  
Clearfield, PA 16830  
(814) 765-5595

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

I, MICHAEL A. MATTEN, Executive Vice President and Senior Lending Officer, CSB BANK, Plaintiff, verify that the statements made in the foregoing Petition are true and correct to the best of my knowledge, information and belief. The undersigned understands 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,  
Executive Vice President and  
Senior Lending Officer,  
CSB BANK

Date: Feb 9, 2005

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

CLEARFIELD EQUIPMENT COMPANY, INC.,	:	
Plaintiff	:	
	:	
vs.	:	No. 05 - 423 - CD
	:	
PENNSYLVANIA VENEER CORPORATION,	:	
Defendant	:	
	:	
CSB BANK, Petitioner	:	
	:	
-vs-	:	No.
	:	
CLEARFIELD EQUIPMENT COMPANY, INC.,	:	
Respondent	:	

**ORDER**

AND NOW, this \_\_\_\_\_ day of \_\_\_\_\_, 2006, upon consideration of the Petition of CSB Bank to set aside the execution issued in the above matter, and after Hearing/Argument thereon, IT IS HEREBY ORDERED that the Writ of Execution, service of levy made upon all property scheduled for Sheriff's Sale for March 10, 2006 as shown on Exhibit "A", which is attached hereto and made a part hereof, is set aside and the property is hereby released and discharged therefrom.

BY THE COURT:

\_\_\_\_\_  
Judge



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

CLEARFIELD EQUIPMENT COMPANY, INC.,	:	
Plaintiff	:	
	:	
vs.	:	No. 05 - 423 - CD
	:	
PENNSYLVANIA VENEER CORPORATION,	:	
Defendant	:	
	:	
CSB BANK, Petitioner	:	
	:	
-vs-	:	No.
	:	
CLEARFIELD EQUIPMENT COMPANY, INC.,	:	
Respondent	:	

**ORDER**

AND NOW, this \_\_\_\_ day of \_\_\_\_\_, 2006, following  
the Hearing/Argument on the Petition of CSB Bank, IT IS HEREBY  
ORDERED, ADJUDGED AND DECREED that the property itemized in Exhibit  
"A", which is attached hereto and made a part hereof, is released  
from the Sheriff's levy upon CSB Bank posting a bond in the amount of  
\$\_\_\_\_\_ with the Prothonotary.

BY THE COURT:

\_\_\_\_\_  
Judge

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

CLEARFIELD EQUIPMENT COMPANY, INC., :  
Plaintiff :  
vs. : No. 05 - 423 - CD  
PENNSYLVANIA VENEER CORPORATION, :  
Defendant :  
CSB BANK, Petitioner :  
-vs- : No.  
CLEARFIELD EQUIPMENT COMPANY, INC., :  
Respondent :

R U L E

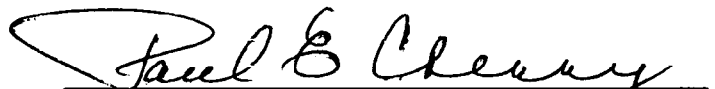
AND NOW, this 22<sup>nd</sup> day of February, 2006,  
upon consideration of the foregoing Petition of CSB Bank, seeking  
either: (a) the release of all personal property from the levy of the  
Sheriff; or (b) that the Writ of Execution issued in the above matter  
and the levy made thereon be set aside and the property in question  
released and discharged therefrom, or (c) that the Sheriff's Sale  
scheduled for March 10, 2006 be stayed.

RULE RETURNABLE FOR ARGUMENT to take place on the 3<sup>rd</sup> day  
of March, 2006, at 1:00 o'clock P. m. in Courtroom  
No. 2 of the Clearfield County Courthouse, Clearfield, PA 16830.

Respondent shall file an answer to the Petition within  
twenty (20) days of service upon the Respondent.

ALL PROCEEDINGS, including the Sheriff Sale scheduled for  
March 10, 2006, are stayed meanwhile.

BY THE COURT:

  
Judge

FILED

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William A. Shaw

Prothonotary/Clerk of Courts

2 CERT TO ATT

GATE 6K

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

CLEARFIELD EQUIPMENT	:	
COMPANY, INC,	:	No. 05 - 423 - CD
Plaintiff	:	
	:	Type of Case: Civil
	:	
	:	Type of Pleading: Affidavit
-vs-	:	of Service
	:	
	:	Filed on behalf of:
	:	Petitioner, CSB BANK
PENNSYLVANIA VENEER	:	
CORPORATION,	:	
Defendant	:	
	:	Counsel of Record for this
	:	Party:
	:	Andrew P. Gates, Esquire
	:	
CSB BANK, Petitioner	:	Supreme Court No.: 36604
	:	
-vs-	:	
	:	GATES & SEAMAN
CLEARFIELD EQUIPMENT COMPANY,	:	Attorneys at law
INC., Respondent	:	Two North Front Street
	:	P. O. Box 846
	:	Clearfield, Pennsylvania 16830
	:	(814) 765-1766
	:	

FILED

01/10:34  
FEB 24 2006

William A. Shaw  
Prothonotary/Clerk of Courts

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

CLEARFIELD EQUIPMENT COMPANY, INC. :  
Plaintiff :  
vs. : No. 05 - 423 - CD  
PENNSYLVANIA VENEER CORPORATION, :  
Defendant :  
CSB BANK, Petitioner :  
-VS- : No.  
CLEARFIELD EQUIPMENT COMPANY, INC., :  
Respondent :

**AFFIDAVIT OF SERVICE**

I hereby certify that service was made by mailing a certified copy of the Petitioner's PETITION TO RELEASE PROPERTY FROM LEVY PURSUANT TO Pa. R.C.P. NO. 3119(1) AND/OR TO STAY EXECUTION SALE OR SET ASIDE THE WRIT AND LEVY PURSUANT TO Pa. R.C.P. NO. 3121, and accompanying RULE, on February 22, 2006 by regular U. S. Mail, postage prepaid, to the following:

Peter F. Smith, Esquire (Attorney for Plaintiff/Respondent,  
Clearfield Equipment Company, Inc.)  
30 South Second Street, P. O. Box 30  
Clearfield, PA 16830

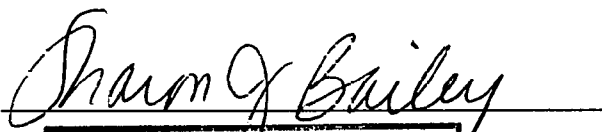
Robert M. Hanak, Esquire (Attorney for Defendant, Pennsylvania  
Veneer Corporation)  
HANAK, GUIDO & TALADAY  
498 Jeffers Street, P. O. Box 487  
DuBois, PA 15801

GATES & SEAMAN

BY: 

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

Sworn to and subscribed before  
me this 23rd day of February, 2006.



NOTARIAL SEAL  
SHARON J. BAILEY, Notary Public  
Bradford Twp., Clearfield County  
My Commission Expires June 23, 2009

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

CLEARFIELD EQUIPMENT COMPANY, INC. :  
Plaintiff :

No. 2005-423-CD

**VS.**

Type of Case:  
**CIVIL**

PENNSYLVANIA VENEER CORPORATION, :  
Defendant :

Type of Pleading  
**RESPONSE TO PETITION FOR  
RELEASE AND/OR STAY**

CSB BANK :  
Petitioner :

Filed on behalf of:  
**CLEARFIELD EQUIP. CO., INC.**

**VS.**

CLEARFIELD EQUIPMENT COMPANY, INC. :  
Respondent :

Attorney for this party:  
**Peter F. Smith, Esquire**  
Supreme Court No. 34291  
30 South Second Street  
P.O. Box 130  
Clearfield, PA 16830  
(814) 765-5595

Attorney for CSB Bank:  
**Andrew P. Gates, Esquire**  
Gates and Seaman  
Attorney I.D. No.  
Two North Front Street  
Clearfield, PA 16830  
(814) 765-1766

FILED 2cc  
01/11/06  
MAR 02 2006  
Atty Smith  
William A. Shaw  
Notary Public/Clerk of Courts

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

CLEARFIELD EQUIPMENT COMPANY, INC.	:	
Plaintiff	:	No. 2005-423-CD
	:	
vs.	:	
	:	
PENNSYLVANIA VENEER CORPORATION,	:	
Defendant	:	
	:	
CSB BANK	:	
Petitioner	:	
vs.	:	
	:	
CLEARFIELD EQUIPMENT COMPANY, INC.	:	
Respondent	:	

**CEC'S RESPONSE TO CSB BANK'S PETITION**

COMES NOW, Clearfield Equipment Company, by its Attorney Peter F. Smith, who answers the Petition filed on behalf of CSB Bank as follows:

1 - 12 Clearfield Equipment Company, Inc. (hereinafter CEC) is without actual knowledge of the loan arrangements alleged between it and the Defendant Pennsylvania Veneer Corporation, nor does CEC have a valuation of the property subject to execution. Therefore CEC denies the related averments of the Petition and demands strict proof thereof at hearing.

WHEREFORE, CEC prays that Honorable Court dismiss CSB's Petition and direct the Clearfield County Sheriff to conduct the sale on Friday, March 10, 2006 at 10:00 a.m. as originally scheduled.

**NEW MATTER**

13. CEC incorporates by reference its response to the initial paragraphs of the Petition.

14. CEC has not been paid the \$2,000.00 per month rent since December of 2004.

Therefore rent is fifteen (15) month in arrears, nor has Defendant paid its share of annual taxes on the leased real estate.

15. The Defendant's equipment continues to occupy CEC's building. This prevents CEC from retaking full possession of it, re-leasing its real estate to a third party able to pay rent and/or otherwise making full use of its real estate.

16. To the extent that CSB Bank does have a valid lien against any or all of the subject equipment, it has received the benefit of free storage for fifteen (15) months to CEC's financial detriment.

17. This is unfair and unjust to CEC.

18. CSB Bank is being unjustly enriched at the expense of CEC.

19. If this execution is stayed, CEC will suffer further financial injury because the equipment will still occupy its property without CEC being paid adequate rent or storage fees.

20. This Court is granted broad legal and equitable power to fashion an appropriate remedy by Pa.R.C.P. 3121 (b) & (c).

21. If the Court is inclined to grant CSB Bank's Petition, then CEC respectfully suggests that the Court enter an order permitting CEC to recover from CSB Bank's bond the rent, real estate and school taxes and statutory interest which have accrued since January 1, 2005 and thereafter accruing until the Defendant/CSB's property is actually removed from CEC's real estate, and the real estate is left in good, broom-clean condition.

WHEREFORE, CEC requests that this Honorable Court deny CSB Bank's Petition and direct that the Clearfield County Sheriff conduct sale of the Defendant's property as originally scheduled, or in the alternative, enter an order which permits CEC to recover from CSB Bank's bond the rent, real estate and school taxes and statutory interest which have accrued since January 1, 2005, and accruing until the subject equipment has been removed from CEC's real estate, and it has been left in good, broom-clean condition.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "P. F. Smith", written over a horizontal line.

Peter F. Smith, Attorney for  
Clearfield Equipment Company, Inc.



**VERIFICATION**

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

Dated: 3/2/06

Robert E Brown  
Robert E. Brown, President of  
Clearfield Equipment Company, Inc.

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

CLEARFIELD EQUIPMENT COMPANY, INC. :  
Plaintiff : No. 2005-423-CD  
vs. :  
PENNSYLVANIA VENEER CORPORATION, :  
Defendant :  
CSB BANK :  
Petitioner :  
vs. :  
CLEARFIELD EQUIPMENT COMPANY, INC. :  
Respondent :

**FILED** *no cc*  
*01/01/2006*  
**MAR 03 2006**  
William A. Shaw  
Prothonotary/Clerk of Courts

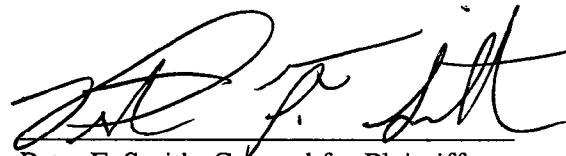
**CERTIFICATE OF SERVICE**

I, Peter F. Smith, Counsel for the Plaintiff in the above-captioned matter, being duly sworn according to law, depose and say that I served a true and correct copy of the **RESPONSE TO PETITION FOR RELEASE AND/OR STAY** on the Petitioner's Attorney Via Facsimile March 2, 2005 and by handing him an original copy at the hearing scheduled March 3, 2006.

Andrew P. Gates, Esquire  
Gates and Seaman  
Two North Front Street  
Clearfield, PA 16830

Date:

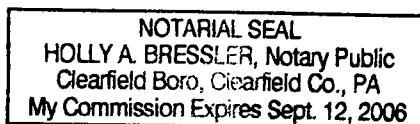
*3/2/06*



Peter F. Smith, Counsel for Plaintiff  
30 South Second Street, P.O. Box 130  
Clearfield, PA 16830  
(814) 765-5595

SWORN AND SUBSCRIBED  
before me this 2<sup>nd</sup> day of  
March, 2006.

*Holly A. Bressler*  
Notary Public



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

CLEARFIELD EQUIPMENT  
COMPANY, INC,  
Plaintiff

-vs-

PENNSYLVANIA VENEER  
CORPORATION,  
Defendant

CSB BANK, Petitioner

-vs-

CLEARFIELD EQUIPMENT COMPANY,  
INC., Respondent

:  
:  
No. 05 - 423 - CD  
:  
Type of Case: Civil  
:  
Type of Pleading: RESPONSE OF  
:  
PETITIONER, CSB BANK TO NEW MATTER  
:  
OF RESPONDENT, CLEARFIELD EQUIP-  
:  
MENT, INC.  
:  
Filed on behalf of:  
:  
Petitioner, CSB BANK  
:  
:  
Counsel of Record for this Party:  
:  
Andrew P. Gates, Esquire  
:  
:  
Supreme Court No.: 36604  
:  
:  
:  
GATES & SEAMAN  
:  
Attorneys at law  
:  
Two North Front Street  
:  
P. O. Box 846  
:  
Clearfield, Pennsylvania 16830  
:  
(814) 765-1766  
:

FILED  
01/12:47 PM 2cc  
MAR 03 2006 Amy Gates  
William A. Shaw  
Prothonotary/Clerk of Courts

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

CLEARFIELD EQUIPMENT COMPANY, INC.	:	
Plaintiff	:	
	:	
vs.	:	No. 05 - 423 - CD
	:	
PENNSYLVANIA VENEER CORPORATION,	:	
Defendant	:	
	:	
CSB BANK, Petitioner	:	
	:	
-vs-	:	No.
	:	
CLEARFIELD EQUIPMENT COMPANY, INC.,	:	
Respondent	:	

RESPONSE OF PETITIONER, CSB BANK,  
TO NEW MATTER OF RESPONDENT, CLEARFIELD EQUIPMENT, INC.

NOW COMES, CSB BANK, by its attorneys, Gates & Seaman, and responds to the New Matter of Respondent, Clearfield Equipment Company, Inc. (hereafter called "CEC"), as follows:

1. Paragraphs 14 through 21 of said Respondent's New Matter are denied in their entirety. On the contrary, CEC waived, released and disclaimed all present and future claims, interests and liens, it could assert versus the equipment, inventory and miscellaneous personal property of Defendant, Pennsylvania Veneer Corporation, subject to the Sheriff's levy, by virtue of the LANDLORD'S RELEASE, executed by proper officers of CEC, in favor of CSB Bank, as part of Defendant, Pennsylvania Veneer Corporation's loan transaction with CSB Bank of June 11, 2004. Attached hereto and made a part hereof as Exhibit "A" is a photocopy of the LANDLORD'S RELEASE executed by Robert E. Brown, President of CEC and

by Allan M. Brown, a principal of said corporation.

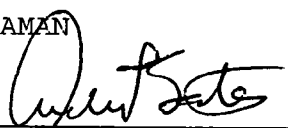
2. By way of further answer, at no time prior to CSB Bank filing its Petition in this matter did CEC ever request of CSB Bank that it take possession of and/or remove said collateral from the premises of CEC. By way of further answer, CEC has legal remedies available to it such as an action in ejectment or for affirmative injunctive relief, to compel Defendant, Pennsylvania Veneer Corporation, its lessee, to remove said collateral equipment, inventory and personal property in question from CEC's commercial rental property situate at 1224 Old Town Road, Clearfield, PA 16830. By way of further answer, Petitioner, CSB Bank, is prepared to immediately have the collateral in question removed from CEC's premises, at CSB Bank's expense.

3. By way of further answer, CSB Bank is not aware of the statutory or case law under which it could be held responsible for non payment of rent and other charges, by CEC's lessee.

WHEREFORE, Petitioner, CSB Bank, prays that this Honorable Court dismiss Respondent, CEC's New Matter, and that the Court otherwise enter an Order as prayed for by CSB Bank in its original Petition.

Respectfully submitted,

GATES & SEAMAN

  
\_\_\_\_\_  
Andrew P. Gates, Esquire  
Attorney for Petitioner, CSB Bank

# LANDLORD'S RELEASE

Principal	Loan Date	Maturity	Loan No.	Loan Acct.	Account	Office	In State
USP, 1/2006	05-01-2010	1/2006					

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Pennsylvania Veneer Corporation  
P.O. Box 382  
DuBois, PA 16801

**Lender:** CSB BANK  
Curwensville Office  
434 State Street  
P.O. Box 28  
Curwensville, PA 16833

THIS LANDLORD'S RELEASE is entered into among Pennsylvania Veneer Corporation ("Borrower"), whose address is P.O. Box 382, DuBois, PA 16801; CSB BANK ("Lender"), whose address is Curwensville Office, 434 State Street, P.O. Box 28, Curwensville, PA 16833; and Clearfield Equipment Company, Inc. ("Landlord"), whose address is P.O. Box 948, Clearfield, PA 16830. Borrower and Lender have entered into, or are about to enter into, an agreement whereby Lender has acquired or will acquire a security interest or other interest in the Collateral. Some or all of the Collateral may be affixed or otherwise become located on the Premises. To induce Lender to extend the Loan to Borrower against such security interest in the Collateral and for other valuable consideration, Landlord hereby agrees with Lender and Borrower as follows.

**COLLATERAL DESCRIPTION.** The word "Collateral" means certain of Borrower's personal property in which Lender has acquired or will acquire a security interest, including without limitation the following specific property:

All inventory, accounts and equipment, together with the following specifically described property: Fezer Lumber Slicing System; Fezer FM-30 Lumber Slicer, Predmach Merry-go-round Conveyor, Fezer AF-220 Knife Grinder, Fezer 38E-3.6-1P + 24 Veneer Dryer, Propane Gas Burner, Stainless Steel Screen, Top Screen Heavier, Cooling Section, and Fezer MG-800 Crosscut Veneer Clipper; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and other accounts proceeds).

**DISCLAIMER OF INTEREST.** Landlord hereby consents to Lender's security interest (or other interest) in the Collateral and disclaims all interests, liens and claims which Landlord now has or may hereafter acquire in the Collateral. Landlord agrees that any lien or claim it may now have or may hereafter have in the Collateral will be subject at all times to Lender's security interest (or other present or future interest) in the Collateral and will be subject to the rights granted by Landlord to Lender in this Agreement.

**ENTRY ONTO PREMISES.** Landlord and Borrower grant to Lender the right to enter upon the Premises for the purpose of removing the Collateral from the Premises or conducting sales of the Collateral on the Premises. The rights granted to Lender in this Agreement will continue until a reasonable time after Lender receives notice in writing from Landlord that Borrower no longer is in lawful possession of the Premises. If Lender enters onto the Premises and removes the Collateral, Lender agrees with Landlord not to remove any Collateral in such a way that the Premises are damaged, without either repairing any such damage or reimbursing Landlord for the cost of repair.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement. The covenants of Borrower and Landlord respecting subordination of the claim or claims of Landlord in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any claim or claims to which this Agreement shall apply. Lender need not accept this Agreement in writing or otherwise to make it effective. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. If Landlord is other than an individual, any agent or other person executing this Agreement on behalf of Landlord represents and warrants to Lender that he or she has full power and authority to execute this Agreement on Landlord's behalf. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is in writing and signed by Lender. Without notice to Landlord and without affecting the validity of this Consent, Lender may do or not do anything it deems appropriate or necessary with respect to the Loan, any obligors on the Loan, or any Collateral for the Loan; including without limitation extending, renewing, rearranging, or accelerating any of the Loan indebtedness.

**AMENDMENTS.** This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**NO WAIVER BY LENDER.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Landlord, shall constitute a waiver of any of Lender's rights or of any of Landlord's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**SEVERABILITY.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Agreement.** The word "Agreement" means this Landlord's Release, as this Landlord's Release may be amended or modified from time to time, together with all exhibits and schedules attached to this Landlord's Release from time to time.

**Borrower.** The word "Borrower" means Pennsylvania Veneer Corporation and includes all co-signers and co-makers signing the Note.

**Collateral.** The word "Collateral" means all of Borrower's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

**Landlord.** The word "Landlord" means Clearfield Equipment Company, Inc., and is used for convenience purposes only. Landlord's interest in the Premises may be that of a fee owner, lessor, sublessor or lienholder, or that of any other holder of an interest in the Premises which may be, or may become, prior to the interest of Lender.

**LANDLORD'S RELEASE  
(Continued)**

Loan No: 143985

Page 2

**Lender.** The word "Lender" means CSB BANK, its successors and assigns.

**Loan.** The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced.

**Premises.** The word "Premises" means the real property located in Clearfield County, Commonwealth of Pennsylvania, commonly known as 1224 Old Town Road, Clearfield, PA 16830.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collatera mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

BORROWER AND LANDLORD ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS LANDLORD'S RELEASE, AND BORROWER AND LANDLORD AGREE TO ITS TERMS. THIS AGREEMENT IS DATED JUNE 11, 2004.

THIS AGREEMENT IS GIVEN UNDER SEAL AND IT IS INTENDED THAT THIS AGREEMENT IS AND SHALL CONSTITUTE AND HAVE THE EFFECT OF A SEALED INSTRUMENT ACCORDING TO LAW.

**BORROWER:****PENNSYLVANIA VENEER CORPORATION**

By: Stanley C. Georgek, Jr. (Seal)  
Stanley C. Georgek, Jr., President of  
Pennsylvania Veneer Corporation

**LANDLORD:****CLEARFIELD EQUIPMENT COMPANY, INC.**

By: [Signature] (Seal)  
Authorized Signer for Clearfield  
Equipment Company, Inc.

By: [Signature] (Seal)  
Authorized Signer for Clearfield  
Equipment Company, Inc.

**LENDER:****CSB BANK**

x [Signature]  
Authorized Officer

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

I, MICHAEL A. MATTEN, Executive Vice President and Senior Lending Officer, CSB BANK, Plaintiff, verify that the statements made in the foregoing Response to New Matter are true and correct to the best of my knowledge, information and belief. The undersigned understands 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,  
Executive Vice President and  
Senior Lending Officer,  
CSB BANK

Date: March 3, 2006



IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PA CIVIL ACTION - LAW	
No. 05-423-CD	
CLEARFIELD EQUIPMENT COMPANY, INC., Plaintiff	
vs.	
PENNSYLVANIA VENEER CORPORATION, Defendant	
CSB BANK, Petitioner vs. CLEARFIELD EQUIPMENT COMPANY, INC. Respondent	
RESPONSE OF PETITIONER, CSB BANK, TO NEW MATTER OF RESPONDENT, CLEARFIELD EQUIPMENT, INC.	
LAW OFFICES GATES & SEAMAN 2 NORTH FRONT STREET P.O. BOX 846 CLEARFIELD, PA. 16830	

THE PLAINESBORO CO., WILLIAMSPORT, PA.

William A. Shaw  
Prothonotary/Clerk of Courts

MAR 03 2005

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

CLEARFIELD EQUIPMENT COMPANY :  
VS. : NO. 05-423-CD  
PENNSYLVANIA VENEER CORPORATION :  
and CSB BANK, Petitioner :  
VS. :  
CLEARFIELD EQUIPMENT :  
COMPANY, INC. :

FILED  
013:51601  
MAR 07 2006

William A. Shaw  
Prothonotary/Clerk of Courts  
2 CC Atlys: P. Smith  
Cakes  
ICC PA Veneer Corp  
PO Box 362  
30 West Park Ave.  
DuBois, PA 15801

O R D E R

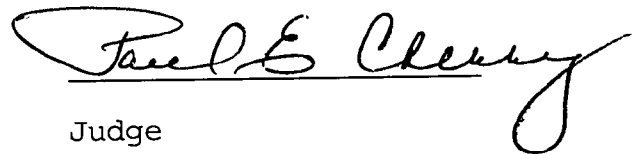
AND NOW, this 3rd day of March, 2006, upon agreement of the parties, it is hereby ORDERED as follows:

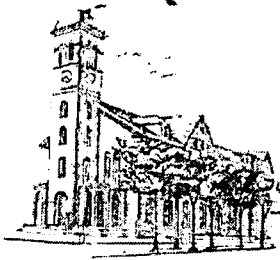
1. The sheriff sale scheduled for March 10, 2006, is hereby stayed and/or continued for a period of ninety (90) days.
2. During the 90-day stay period, CSB Bank will pay per diem rent to Clearfield Equipment Company at the rate of Seventy-five (\$75.00) Dollars per day, commencing today's date, payable monthly on or before the 1st of the month, with the first payment to be on or before April 1, 2006.
3. During this 90-day stay period, CSB Bank will either sell or remove the collateral subject to the sheriff's levy from Clearfield Equipment Company's premises situate at 1224 - 1228 Old Town Road, Clearfield, Pennsylvania.
4. The parties hereto agree that should the

collateral in question be sold during this 90-day stay period, CSB Bank has priority over the judgment lien of Clearfield Equipment Company and the bank will be entitled to all net sale proceeds up to the amount of their loan, plus costs.

5. In the event CSB Bank moves collateral out of the premises of Clearfield Equipment Company, the levy and attachment in these proceedings is hereby released and/or dismissed.

BY THE COURT,

  
Judge



## Clearfield County Office of the Prothonotary and Clerk of Courts

**William A. Shaw**  
Prothonotary/Clerk of Courts

**David S. Ammerman**  
Solicitor

**Jacki Kendrick**  
Deputy Prothonotary

**Bonnie Hudson**  
Administrative Assistant

To: All Concerned Parties

From: William A. Shaw, Prothonotary

It has come to my attention that there is some confusion on court orders over the issue of service. To attempt to clear up this question, from this date forward until further notice, this or a similar memo will be attached to each order, indicating responsibility for service on each order or rule. If you have any questions, please contact me at (814) 765-2641, ext. 1331. Thank you.

Sincerely,

William A. Shaw  
Prothonotary

DATE: 3/7/06

\_\_\_\_\_ You are responsible for serving all appropriate parties.

X The Prothonotary's office has provided service to the following parties:

X Plaintiff(s)/Attorney(s)

X Defendant(s)/Attorney(s)

\_\_\_\_\_ Other

\_\_\_\_\_ Special Instructions:

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 20209  
NO: 05-423-CD

PLAINTIFF: CLEARFIELD EQUIPMENT COMPANY  
vs.  
DEFENDANT: PENNSYLVANIA VENEER CORPORATION

Execution PERSONAL PROPERTY

SHERIFF RETURN

DATE RECEIVED WRIT: 7/28/2005

LEVY TAKEN 10/5/2005 @ 2:00 PM

POSTED 1/25/2006 @ 9:30 AM

SALE HELD

SOLD TO

SOLD FOR AMOUNT PLUS COSTS

WRIT RETURNED 11/14/2011

DATE DEED FILED

PROPERTY ADDRESS 1224 OLD TOWN ROAD CLEARFIELD , PA 16830

**FILED**  
0/2:24pm  
NOV 14 2011  
William A. Shaw  
Prothonotary/Clerk of Courts

SERVICES

SEE ATTACHED SHEET(S) OF SERVICES

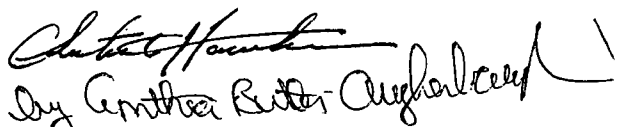
SHERIFF HAWKINS

SURCHARGE \$80.00 PAID BY PLAINTIFF

Sworn to Before Me This

\_\_\_\_\_ Day of \_\_\_\_\_ 2011

So Answers,

  
Chester A. Hawkins  
Sheriff

CLEARFIELD EQUIPMENT COMPANY

vs

PENNSYLVANIA VENEER CORPORATION

---

1 @ SERVED PENNSYLVANIA VENEER CORPORATION

LEVY ALL EQUIPMENT, INVENTORY, FURNISHINGS, SUPPLIES AND OTHER ITEMS OF TANGIBLE PERSONAL PROPERTY.

---

2 1/13/2006 @ 1:50 PM SERVED PA VENEER CORP

SERVED PA VENEER CORP., DEFENDANT, BY HANDING TO MARIA BROTZKI WIFE OF CO-OWNER ROBERT BROTZKI AT HER RESIDENCE SANTA LUCIA ROAD, DUBOIS, PA 15801

A TRUE AND ATTESTED COPY OF THE ORIGINAL WRIT OF EXECUTION, NOTICE OF SALE, AND COPY OF THE LEVY AND BY MAKING KNOW TO HIM / HER THE CONTENTS THEREOF.

---

3 11/22/200 @ 10:34 AM SERVED STANLEY GEORGER, JR.

SERVED STANLEY GEORGER, JR, DEFENDANT, AT THE CLEARFIELD COUNTY SHERIFF'S OFFICE, CLEARFIELD COUNTY COURTHOUSE, 1 NORTH SECOND STREET, SUITE 116, CLEARFIELD, PENNSYLVANIA BY HANDING TO

A TRUE AND ATTESTED COPY OF THE ORIGINAL WRIT OF EXECUTION AND COPY OF THE LEVY AND BY MAKING KNOWN TO HIM THE CONTENTS.

---

4 1/13/2006 @ 1:50 PM SERVED ROBERT BROTZKI

SERVED ROBERT BROTZKI, DEFENDANT, AT HIS RESIDENCE SANTA LUCIA ROAD, DUBOIS, PA 15801 BY HANDING TO MARIA BROTZKI, WIFE/AAR

A TRUE AND ATTESTED COPY OF THE ORIGINAL WRIT OF EXECUTION, NOTICE OF SALE, AND COPY OF THE LEVY AND BY MAKING KNOW TO HIM / HER THE CONTENTS THEREOF.

---

5 1/27/2006 @ 1:30 PM SERVED ROBERT BROTZKI

SERVED ROBERT BROTZKI, DEFENDANT, AT HIS RESIDENCE 479 SANTA LUCIA ROAD, DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO MARIE BROTZKI, WIFE/CO-OWNER

A NOTICE OF SALE AND BY MAKING KNOWN TO HER THE CONTENTS THEREOF.

---

6 1/27/2006 @ 1:30 PM SERVED PENNSYLVANIA VENEER CORPORATION

SERVED PENNSYLVANIA VENEER CORPORATION, DEFENDANT, AT 479 SANTA LUCIA ROAD, DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO MARIE BROTZKI, WIFE OF DEFENDANT/CO-OWNER

A NOTICE OF SALE AND BY MAKING KNOWN TO HER THE CONTENTS THEREOF.

---

7 @ SERVED

NOW, JANUARY 31, 2006, RECEIVED A LETTER FROM ATTORNEY PETER F. SMITH REQUESTING TO CHANGE THE DATE OF THE SHERIFF SALE FROM FEBRUARY 17, 2006 TO MARCH 10, 2006. SALE DATE WAS CHANGED TO

CLEARFIELD EQUIPMENT COMPANY

vs

PENNSYLVANIA VENEER CORPORATION

---

1/31/2300 @ 2:18 PM SERVED

POSTED PROPERTY WITH NEW SALE DATE.

---

@ SERVED

NOW, FEBRUARY 24, 2006 RECEIVED A LETTER AND PETITION TO RELEASE PROPERTY FROM SHERIFF'S LEVY AND/OR STAY THE EXECUTION SALE SCHEDULED FOR MARCH 10, 2006.

---

3/6/2006 @ 9:40 AM SERVED STANLEY GEROGE, JR.

SERVED STANLEY GEROGE, JR., DEFENDANT, AT HIS RESIDENCE 46 10TH STREET, DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO STANLEY GEORGE, JR.

A NOTICE OF SALE AND BY MAKING KNOWN TO HIM THE CONTENTS THEREOF.

---

@ SERVED

NOW, MARCH 7, 2006 RECEIVED AN ORDER OF COURT CONTINUING THE SHERIFF SALE SCHEDULED FOR MARCH 10, 2006 FOR 90 DAYS.

---

@ SERVED

NOW, APRIL 25, 2006 SPOKE WITH ATTORNEY PETER F. SMITH, WAS INFORMED TO HOLD OFF ON SETTING A SALE DATE THEY WERE WORKING ON A SETTLEMENT.

---

@ SERVED

NOW, NOVEMBER 14, 2011 RETURN WRIT AS TIME EXPIRED.

**PERSONAL PROPERTY SALE  
SCHEDULE OF DISTRIBUTION**

NAME PENNSYLVANIA VENEER CORPORATION

NO. 05-423-CD

NOW, November 14, 2011, by virtue of the Writ hereunto attached, after having given due and legal notice of time and place of sale by handbills posted on the premises setting forth the date, time and place of sale, I exposed the within described real estate of Pennsylvania Veneer Corporation to public venue or outcry at which time and place I sold the same to he/she being the highest bidder, for the sum of and made the following appropriations, viz:

**SHERIFF COSTS:**

**PLAINTIFF COSTS, DEBT AND INTEREST:**

RDR	9.00
SERVICE	9.00
MILEAGE	2.00
LEVY	20.00
MILEAGE	2.00
POSTING	9.00
HANDBILLS	
COMMISSION	0.00
POSTAGE	1.00
HANDBILLS	10.00
DISTRIBUTION	
ADVERTISING	
ADD'L SERVICE	18.00
ADD'L POSTING	
ADD'L MILEAGE	70.00
ADD'L LEVY	
BID/ SETTLEMENT AMOUNT	
RETURNS/DEPUTIZE	
COPIES	15.00
BILLING/PHONE/FAX	5.00
CONTINUED SALES	
MISCELLANEOUS	
<b>TOTAL SHERIFF COSTS</b>	<b>\$170.00</b>

DEBT-AMOUNT DUE	113,976.85
INTEREST @ %	0.00
FROM TO	
PROTH SATISFACTION	
LATE CHARGES AND FEES	
COST OF SUIT-TO BE ADDED	
FORECLOSURE FEES	
ATTORNEY COMMISSION	
REFUND OF ADVANCE	
REFUND OF SURCHARGE	80.00
SATISFACTION FEE	
ESCROW DEFICIENCY	
PROPERTY INSPECTIONS	
INTEREST	
MISCELLANEOUS	
<b>TOTAL DEBT AND INTEREST</b>	<b>\$114,351.85</b>

**COSTS:**

ADVERTISING	0.00
TAXES - COLLECTOR	
TAXES - TAX CLAIM	
DUE	
LIEN SEARCH	
ACKNOWLEDGEMENT	
SHERIFF COSTS	170.00
LEGAL JOURNAL COSTS	0.00
PROTHONOTARY	125.00
MORTGAGE SEARCH	
MUNICIPAL LIEN	

<b>TOTAL COSTS</b>	<b>\$295.00</b>
<b>TOTAL COSTS</b>	<b>\$114,351.85</b>

COMMISSION 2% ON THE FIRST \$ 100,000 AND 1/2% ON ALL OVER THAT. DISTRIBUTION WILL BE MADE IN ACCORDANCE WITH THE ABOVE SCHEDULE UNLESS EXCEPTIONS ARE FILED WITH THIS OFFICE **WITHIN TEN (10) DAYS FROM THIS DATE.**

CHESTER A. HAWKINS, Sheriff



PETER F. SMITH  
ATTORNEY  
30 SOUTH SECOND STREET  
P.O. BOX 130  
CLEARFIELD, PENNSYLVANIA 16830

(814) 765-5595  
FAX (814) 765-6662

E-mail  
pfsatty@uplink.net

January 31, 2006

**HAND DELIVER**

Attn: Cindy  
Clearfield County Sheriff Office  
Clearfield County Courthouse  
230 East Market Street  
Clearfield, PA 16830

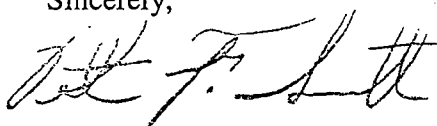
Re: Clearfield Equipment Company vs. Pennsylvania Veneer Corporation  
Clearfield Co. No. 2005-423-CD

Dear Cindy:

I have received the notice of the Sheriff Sale which is scheduled for February 17, 2006 in the above-captioned matter. Unfortunately, I am not available that day to attend the sale. Therefore, I respectfully request that the date of the sale be changed to March 10, 2006.

If you have any questions, please do not hesitate to call my office.

Sincerely,

A handwritten signature in black ink, appearing to read 'P.F. Smith', written over a horizontal line.

Peter F. Smith

PFS/hab

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

CLEARFIELD EQUIPMENT COMPANY, INC.  
Plaintiff

vs.

PENNSYLVANIA VENEER CORPORATION,  
Defendant

CSB BANK

Petitioner

vs.

CLEARFIELD EQUIPMENT COMPANY, INC.  
Respondent

No. 2005-423-CD

Type of Case:  
**CIVIL**

Type of Pleading  
**RESPONSE TO PETITION FOR  
RELEASE AND/OR STAY**

Filed on behalf of:  
**CLEARFIELD EQUIP. CO., INC.**

Attorney for this party:  
**Peter F. Smith, Esquire**  
Supreme Court No. 34291  
30 South Second Street  
P.O. Box 130  
Clearfield, PA 16830  
(814) 765-5595

Attorney for CSB Bank:  
**Andrew P. Gates, Esquire**  
Gates and Seaman  
Attorney I.D. No.  
Two North Front Street  
Clearfield, PA 16830  
(814) 765-1766

Accepted for filing  
MAR 9 2006

MAR 9 2006

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

CLEARFIELD EQUIPMENT COMPANY, INC.	:	
Plaintiff	:	No. 2005-423-CD
	:	
vs.	:	
	:	
PENNSYLVANIA VENEER CORPORATION,	:	
Defendant	:	
	:	
CSB BANK	:	
Petitioner	:	
	:	
vs.	:	
	:	
CLEARFIELD EQUIPMENT COMPANY, INC.	:	
Respondent	:	

**CEC'S RESPONSE TO CSB BANK'S PETITION**

COMES NOW, Clearfield Equipment Company, by its Attorney Peter F. Smith, who answers the Petition filed on behalf of CSB Bank as follows:

1 - 12 Clearfield Equipment Company, Inc. (hereinafter CEC) is without actual knowledge of the loan arrangements alleged between it and the Defendant Pennsylvania Veneer Corporation, nor does CEC have a valuation of the property subject to execution. Therefore CEC denies the related averments of the Petition and demands strict proof thereof at hearing.

WHEREFORE, CEC prays that Honorable Court dismiss CSB's Petition and direct the Clearfield County Sheriff to conduct the sale on Friday, March 10, 2006 at 10:00 a.m. as originally scheduled.

**NEW MATTER**

13. CEC incorporates by reference its response to the initial paragraphs of the Petition.

14. CEC has not been paid the \$2,000.00 per month rent since December of 2004.

Therefore rent is fifteen (15) month in arrears, nor has Defendant paid its share of annual taxes on the leased real estate.

15. The Defendant's equipment continues to occupy CEC's building. This prevents CEC from retaking full possession of it, re-leasing its real estate to a third party able to pay rent and/or otherwise making full use of its real estate.

16. To the extent that CSB Bank does have a valid lien against any or all of the subject equipment, it has received the benefit of free storage for fifteen (15) months to CEC's financial detriment.

17. This is unfair and unjust to CEC.

18. CSB Bank is being unjustly enriched at the expense of CEC.

19. If this execution is stayed, CEC will suffer further financial injury because the equipment will still occupy its property without CEC being paid adequate rent or storage fees.

20. This Court is granted broad legal and equitable power to fashion an appropriate remedy by Pa.R.C.P. 3121 (b) & (c).

21. If the Court is inclined to grant CSB Bank's Petition, then CEC respectfully suggests that the Court enter an order permitting CEC to recover from CSB Bank's bond the rent, real estate and school taxes and statutory interest which have accrued since January 1, 2005 and thereafter accruing until the Defendant/CSB's property is actually removed from CEC's real estate, and the real estate is left in good, broom-clean condition.

WHEREFORE, CEC requests that this Honorable Court deny CSB Bank's Petition and direct that the Clearfield County Sheriff conduct sale of the Defendant's property as originally scheduled, or in the alternative, enter an order which permits CEC to recover from CSB Bank's bond the rent, real estate and school taxes and statutory interest which have accrued since January 1, 2005, and accruing until the subject equipment has been removed from CEC's real estate, and it has been left in good, broom-clean condition.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "P. F. Smith", written over a horizontal line.

Peter F. Smith, Attorney for  
Clearfield Equipment Company, Inc.

**VERIFICATION**

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

Dated:

3/2/06

Robert E. Brown, President of  
Clearfield Equipment Company, Inc.