

06-858-CD

County Nat'l Bank vs John Davis et al

County National et al vs John Davis et al
2006-858-CD

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

COUNTY NATIONAL BANK, : No. 2006- 858-CD
Plaintiff

vs.

JOHN M. DAVIS and :
LAURIE L. DAVIS, :
Defendants

Type of Case:
FORECLOSURE

Type of Pleading:
COMPLAINT

Filed on Behalf of:
PLAINTIFF

Attorney for this party:
Peter F. Smith, Esquire
Supreme Court ID #34291
P.O. Box 130
30 South Second Street
Clearfield, PA 16830
(814) 765-5595

FILED Pff pd. \$5.00
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ICC Atty Smith
William A. Shaw
Prothonotary/Clerk of Courts

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

COUNTY NATIONAL BANK,	:	
Plaintiff	:	No. 2006-
	:	
vs.	:	
	:	
JOHN M. DAVIS and	:	
LAURIE L. DAVIS,	:	
Defendants	:	
	:	
	:	
	:	
	:	

NOTICE TO DEFEND

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

COURT ADMINISTRATOR
Clearfield County Courthouse
Market and Second Streets
Clearfield, PA 16830
(814) 765-2641

AMERICANS WITH DISABILITIES ACT OF 1990

The Court of Common Pleas of Clearfield County is required by law to comply with the Americans with Disabilities Act of 1990. For information about accessible facilities and reasonable accommodations available to disabled individuals having business before the Court, please contact our office. All arrangements must be made at least 72 hours prior to any hearing or business before the Court. You must attend the scheduled conference or hearing.

Clearfield County Court Administrator
Clearfield County Courthouse
Market and Second Streets
Clearfield, PA 16830
(814) 765-2641

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

COUNTY NATIONAL BANK,	:	
Plaintiff	:	No. 2006-
vs.	:	
JOHN M. DAVIS and	:	
LAURIE L. DAVIS,	:	
Defendants	:	
	:	
	:	
	:	

COMPLAINT TO FORECLOSE MORTGAGE

COMES NOW, COUNTY NATIONAL BANK, by its attorney, Peter F. Smith, who pursuant to Pa.R.C.P. 1147, pleads:

1. The Plaintiff is **COUNTY NATIONAL BANK**, a national banking institution, with principal office at One South Second Street, Clearfield, PA 16830 (hereinafter "CNB").
2. The name of the first Defendant is **JOHN M. DAVIS**, whose last known address is 314 S. Fourth Street, Clearfield, Clearfield County, Pennsylvania 16830.
3. The name of the second Defendant is **LAURIE L. DAVIS**, whose last known address is 110 Linda Road, New Smyrna Beach, Florida 32168.
4. The parcel of real estate subject to this action has an address of 601 Nichols Street, Clearfield, PA 16830 and is also identified as Clearfield County Tax Map Number 4.3-K8-206-62. It consists of a 45' x 120' lot a two-story frame house and is more particularly described as follows:

ALL that certain lot or piece of ground situate in the Third Ward of the Borough of Clearfield, County of Clearfield and State of Pennsylvania, bounded and described as follows:

BEGINNING at a post corner of Nichols and West Fifth Streets (formerly Schryver Street); thence North along said West Fifth Street (formerly Schryver Street) one hundred

fifty (150) feet to an alley; thence West along the line of said alley forty-five (45) feet to the line of Lot No. 20; thence South along the line of the same one hundred fifty (150) feet; thence East forty-five (45) feet to the place of beginning and being known as Lot No. 19 in the plan of Schryver's Addition to the Borough of Clearfield.

BEING the same premises conveyed to John M. Davis and Laurie L. Davis by deed dated April 11, 1991 and recorded in Clearfield County Record Volume 1394 Page 445.

5. Laurie L. Davis subsequently conveyed her interest in the subject premises to the first Defendant John M. Davis by deed dated January 3, 2006 and recorded January 4, 2006 at Clearfield County Instrument Number 200600113. Mrs. Davis is named as a Defendant because she has not been released from the mortgage and bond upon which this suit is instituted.

6. Defendants mortgaged the property described above to County National Bank, Plaintiff, by instrument dated October 7, 2004, for a principal debt of \$27,466.66, together with interest. Said mortgage was recorded at Clearfield County Instrument Number 200416618. A true and correct copy of said mortgage is attached hereto and incorporated herein by reference as Exhibit A.

7. Defendants executed a Commercial Promissory Note in favor of County National Bank together with the foregoing mortgage evidencing their personal obligation to pay the \$27,466.66 borrowed from Plaintiff, together with interest and other charges as specified therein. A true and correct copy of said note is attached hereto and incorporated herein by reference as Exhibit B.

8. Defendants executed a Commercial Security Agreement dated October 7, 2004. A true and correct copy of said Agreement is attached hereto and incorporated herein as Exhibit C.

9. Defendants also executed a Business Loan Agreement dated October 7, 2004 in the amount of \$27,466.66. A true and correct copy of said Agreement is attached hereto and incorporated herein as Exhibit D.

10. Plaintiff has not assigned this mortgage or note.

11. No judgment has been entered in any jurisdiction upon this mortgage or the underlying obligation to pay the note.

12. Defendants are entitled to no credits or set-offs.

13. On or about September 7, 2005, Defendants failed to make the full monthly payment of \$357.47, and at no time since then have all monthly payments been made which constitutes a default.

14. After crediting all amounts paid by Defendants to Plaintiff in reduction of this mortgage, there is a total past due of \$3,041.47 as of May 17, 2006.

15. Written and oral demand have been made upon the Defendants to make said payments to Plaintiff and correct their default, but they have failed to do so.

16. The exact amounts due under said mortgage and because of Defendants' default, after acceleration of the balance due pursuant to its terms as of May 17, 2006, are as follows:

a)	Balance	\$27,698.36
b)	Interest Due to 05/17/06	\$ 965.54
c)	Interest accruing after 5/17/06 at \$7.3173381 per day (to be added)	\$ _____
d)	Late charges	\$ 71.48
e)	Satisfaction Fee	\$ 30.50
f)	Other Fees	\$ 585.08
g)	Costs of Suit (to be added)	\$ _____
h)	Attorney's commission of amounts reasonably and actually incurred	\$ _____
PRELIMINARY TOTAL		\$29,350.96
Prothonotary Costs		\$ _____
FINAL TOTAL		\$

17. The Defendants have abandoned the property subject to this action. Therefore, the Defendants are not entitled to the notices required by Act No. 6 of 1974, 41 Pa.C.S.A. Sections 101 et seq. Homeowner's Emergency Mortgage Assistance Act, 1959, Dec. 3, P.L. 1688, No. 621, art. IV-C, Section 402-C, added 1983, Dec. 23, P.L. 385, No. 91, Section 2, 35 P.S. Section 1680.401c et seq.

18. On March 27, 2006, Plaintiff sent to Defendants by Certified Mail and U.S. First Class Mail, Postage Prepaid an acceleration letter at their last known addresses advising them of their default. A true and correct copy of said letter is attached hereto and incorporated herein by reference as Exhibit E.

19. A copy of the certified mail receipts postmarked by the U.S. Postal Service are attached hereto and incorporated herein by reference as Exhibit F.

20. More than thirty (30) days have elapsed since the mailing of said acceleration letter. Neither Plaintiff nor Plaintiff's counsel have received notice that the Defendants have asserted their rights under said acceleration letter.

WHEREFORE, Plaintiff demands judgment in its favor as specified in paragraph 16 above, authority to foreclose its mortgage against the real estate and such other relief as the court deems just.

Respectfully submitted,



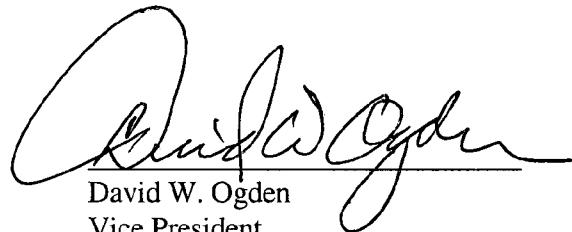
Peter F. Smith
Attorney for Plaintiff

Date: May 26, 2006

AFFIDAVIT

STATE OF PENNSYLVANIA :
: SS
COUNTY OF CLEARFIELD :

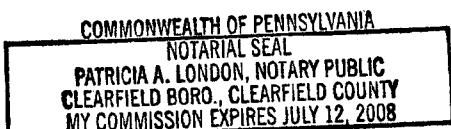
DAVID W. OGDEN, being duly sworn according to law, deposes and says that he is a Vice President for COUNTY NATIONAL BANK, and, as such, is duly authorized to make this Affidavit, and further, that the facts set forth in the foregoing Complaint are true and correct to the best of his knowledge, information and belief.



David W. Ogden
Vice President

SWORN TO AND SUBSCRIBED
before me this 25th
day of May, 2006.

Patricia A. London
Notary Public



CLEARFIELD COUNTY RECORDER OF DEEDS

Karen L. Starck, Recorder
Maurene Inlow - Chief Deputy
P.O. Box 361
1 North Second Street, Suite 103
Clearfield, Pennsylvania 16830

***RETURN DOCUMENT TO:**
COUNTY NATIONAL BANK

Instrument Number - 200416618
Recorded On 10/12/2004 At 10:16:08 AM
* Instrument Type - MORTGAGE
* Total Pages - 8
Invoice Number - 119006
* Mortgagor - DAVIS, JOHN M
* Mortgagee - COUNTY NATIONAL BANK
* Customer - COUNTY NATIONAL BANK

* FEES
STATE WRIT TAX \$0.50
JCS/ACCESS TO JUSTICE \$10.00
RECORDING FEES - \$19.00
RECORDER
RECORDER IMPROVEMENT \$3.00
FUND
COUNTY IMPROVEMENT FUND \$2.00
TOTAL \$34.50

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



Karen L. Starck

Karen L. Starck
Recorder of Deeds

THIS IS A CERTIFICATION PAGE

Do Not Detach

THIS PAGE IS NOW PART OF THIS LEGAL DOCUMENT

* - Information denoted by an asterisk may change during the verification process and may not be reflected on this page.

(Space Above This Line For Recording Data)

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on October 7, 2004

The mortgagor is

John M Davis and Laurie L. Davis

address is 601 Nichols St, Clearfield, PA 16830-1539

whose

("Borrower"). This Security Instrument is given to

County National Bank

, which is organized and existing under the

laws of United States of America, and whose address is

1 South Second Street, Clearfield, PA 16830-0042

("Lender").

Borrower owes Lender the principal sum of

TWENTY SEVEN THOUSAND FOUR HUNDRED SIXTY SIX DOLLARS AND SIXTY SIX CENTS Dollars (U.S. \$27,466.66). This debt is evidenced by Borrower's note, consumer loan agreement, or similar writing

dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on October 7, 2014. This Security Instrument secures to Lender: (a) the

repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of

Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower in consideration of this debt does hereby grant and convey to Lender and Lender's successors and assigns the following described property located in

County, Pennsylvania:

All that certain lot of land situate in the Borough of Clearfield, County of Clearfield, Commonwealth of Pennsylvania, being the same premises conveyed to John M. Davis and Laurie L. Davis recorded on 03/31/2004 in Clearfield Recorder of Deeds, Instrument #200404871. Map Ref: 4:3-K8-206-62

which has the address of 601 Nichols St

[Street]

Clearfield

(City)

, Pennsylvania 16830-1539 ("Property Address");

(Zip Code)

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

By initialing, I acknowledge this is page 1 of 7
of the Mortgage.

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ITEM 1111PAL1 (0012) Page 1 of 7

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

Borrower and Lender covenant and agree as follows:

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

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

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

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

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

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

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

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

By initialing, I acknowledge this is page 2 of 7
of the Mortgage.

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

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

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

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

6. Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

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

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

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

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of the Mortgage.

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

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

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

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

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

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

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

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

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

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

By initialing, I acknowledge this is page 4 of 7
of the Mortgage.

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charges related to the Collateral; or (c) take any other action to preserve and protect the Collateral or Lender's rights and remedies under this Agreement, as Lender may deem necessary or appropriate from time to time. Debtor agrees that Lender is not obligated and has no duty whatsoever to take the foregoing actions. Debtor further agrees to reimburse Lender promptly upon demand for any payment made or any expenses incurred by Lender pursuant to this authorization. Payments and expenditures made by Lender under this authorization shall constitute additional Obligations, shall be secured by this Agreement, and shall bear interest thereon from the date incurred at the maximum rate of interest, including any default rate, if one is provided, as set forth in the notes secured by this obligation.

10. INFORMATION AND REPORTING - The Debtor agrees to supply to the Lender such financial and other information concerning its affairs and the status of any of its assets as the Lender, from time to time, may reasonably request. The Debtor further agrees to permit the Lender, its employees, and agents, to have access to the Collateral for the purpose of inspecting it, together with all of the Debtor's other physical assets, if any, and to permit the Lender, from time to time, to verify Accounts as well as to inspect, copy, and to examine the books, records, and files of the Debtor.

11. ACCOUNTS - The following provisions shall apply to all accounts included in the Collateral and all accounts arising from the sale of inventory included in the Collateral:

As of the time any account becomes subject to the security interest (or pledge or assignment as applicable) granted hereby, Debtor shall be deemed further to have warranted as to each and all of such accounts as follows: (a) Each account and all papers and documents relating thereto are genuine and in all respects what they purport to be; (b) each account is valid and subsisting and arises out of a bona fide sale of goods sold and delivered to, or out of and for services theretofore actually rendered by Debtor to, the account debtor named in the account or other bona fide transaction; (c) the amount of the account represented as owing is the correct amount actually and unconditionally owing except for normal cash discounts and is not subject to any setoffs, credits, defenses, or countercharges; and (d) Debtor is the owner thereof free and clear of any charges, liens, security interests, adverse claims, and encumbrances of any and every nature whatsoever.

Lender shall have the right in its own name or in the name of the Debtor, whether before or after default, to require Debtor forthwith to transmit all proceeds of collection of accounts to Lender; to notify any and all account debtors to make payments of the accounts directly to Lender; to demand, collect, receive, receipt for, sue for, compound, and give acquittal for, any and all amounts due or to become due on the accounts and to endorse the name of the Debtor on all commercial paper given in payment or part payment thereof; and in Lender's discretion, to file any claim or take any other action or proceeding that Lender may deem necessary or appropriate to protect and preserve and realize upon the accounts and related Collateral. Unless and until Lender elects to collect accounts, and the privilege of Debtor to collect accounts is revoked by Lender in writing, Debtor shall continue to collect accounts, account for same to Lender, shall not commingle the proceeds of collection of accounts with any funds of the Debtor, and shall deposit such proceeds in an account with Lender. In order to assure collection of accounts in which Lender has an interest hereunder, Lender may notify the post office authorities to change the address for delivery of mail addressed to Debtor to such address as Lender may designate, open and dispose of such mail, and receive the collections of accounts included therewith. Lender shall have no duty or obligation whatsoever to collect any account or to take any other action or preserve or protect the Collateral; however, should Lender elect to collect any account or take possession of the Collateral, Debtor releases Lender from any claim or claims for loss or damage arising from any act or omission in connection therewith, and costs of collection incurred by Lender shall be an obligation secured hereby and constitute a portion of the Obligations.

Upon request by Lender, whether before or after default, Debtor shall take such action and execute and deliver such documents as Lender may reasonably request in order to identify, confirm, mark, segregate, and assign accounts and to evidence Lender's interest in same. Without limiting the foregoing, Debtor, upon request, agrees to assign accounts to Lender, identify and mark accounts as being subject to the security interest (or pledge or assignment as applicable) granted hereby, mark Debtor's books and records to reflect such assignments, and forthwith to transmit to Lender in the form as received by Debtor any and all proceeds of collection of such accounts.

Debtor will deliver to Lender, prior to the 10th day of each month, or with such other frequency as Lender may request, a written report in form and content satisfactory to Lender, showing a listing and aging of accounts and such other information as Lender may request from time to time. Debtor shall immediately notify Lender of the assertion by any account debtor of any setoff, defense, or claim regarding an account or any other matter adversely affecting an account.

Returned or repossessed goods arising from or relating to any accounts included within the Collateral shall, if requested by Lender, be held separate and apart from any other property. Debtor, on request by Lender, but not less than weekly even though no request has been made, shall report to Lender identifying information with respect to any such goods relating to accounts included in transactions under this Agreement.

12. INVENTORY - The following provisions shall apply to all inventory included in the Collateral:

Debtor will deliver to Lender prior to the 10th day of each month, or on such other frequency as Lender may request, a written report in form and content satisfactory to Lender, with respect to the preceding month or other applicable period, showing Debtor's opening inventory, inventory acquired, inventory sold, inventory returned, inventory used in Debtor's business, closing inventory, and other inventory not with the preceding categories, and such other information as Lender may request from time to time. Debtor shall immediately notify Lender of any matter adversely affecting the inventory, including, without limitation, any event causing loss or depreciation in the value of the inventory and the amount of such possible loss or depreciation.

Debtor will promptly notify Lender in writing of any addition to, change in, or discontinuance of its place(s) of business as shown in this Agreement, and the location of the office where it keeps its records. All Collateral will be located at the place(s) of business shown herein, as modified by any written notice(s) given pursuant hereto.

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Commercial Security Agreement.

Unless and until the privilege of Debtor to use inventory in the ordinary course of Debtor's business is revoked by Lender in the event of default or if Lender deems itself insecure, Debtor may use the inventory in any manner not inconsistent with this Agreement, may sell that part of the Collateral consisting of inventory provided that all such sales are in the ordinary course of business, and may use and consume any raw materials or supplies that are necessary in order to carry on Debtor's business. A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt.

All accounts that arise from the sale of the inventory included within the Collateral shall be subject to all of the terms and provisions hereof pertaining to accounts.

Debtor shall take all action necessary to protect and preserve the inventory.

13. INSTRUMENTS - The following provisions shall apply to instruments included in the Collateral.

Debtor shall immediately deliver to Lender all instruments included in the Collateral. Negotiable instruments shall be endorsed to the order of Lender. With respect to other writing(s) evidencing a right to the payment of money that, in the ordinary course of business, is transferred by delivery with any necessary endorsement or assignment, Debtor shall deliver to Lender and to any third-party issuer a document of assignment in a form and content satisfactory to Lender assigning the Debtor's rights in the said writing(s), and the third-party issuer shall acknowledge receipt of notice of the assignment.

Debtor agrees that Lender may, at any time (whether before or after default) and in its sole discretion, surrender for payment and obtain payment of any portion of the Collateral.

Any and all replacement instruments and other benefits and proceeds related to the Collateral that are received by the Debtor shall be held by Debtor in trust for Lender and immediately delivered to Lender to be held as part of the Collateral.

14. DEPOSIT ACCOUNTS - The following provisions shall apply to deposit accounts included in the Collateral.

Debtor shall immediately deliver to Lender all certificated certificates of deposit included in the Collateral. Negotiable certificates of deposit shall be endorsed to the order of Lender. Debtor shall execute any and all other documents necessary to provide an appropriate security interest in any account with Lender. With respect to deposit accounts held in another Bank, Debtor shall deliver to Lender a control agreement ("Control Agreement") in a form and content satisfactory to Lender assigning the Debtor's rights in the deposit account to Lender and the Bank shall acknowledge receipt of the Control Agreement. The Control Agreement must be in a form that provides that the Bank will comply with any instruction originated by the Lender directing disposition of funds in the Deposit Account without further consent of the Debtor. The form of Control Agreement must be in a form satisfactory to the Lender, and must provide that said Bank will comply with a directive originated by the Lender and will not comply with any directive of the Debtor without the additional written consent of the Lender.

Debtor agrees that Lender may, at any time (whether before or after default) and in its sole discretion, surrender for payment and obtain payment of any portion of the Collateral, whether such have matured or the exercise of the Lender's rights results in a loss of interest or principal or other penalty on such deposits, and, in connection therewith, cause payments to be made directly to Lender.

Any and all replacement or renewal certificates and other benefits and proceeds related to the Collateral that are received by the Debtor shall be held by Debtor in trust for Lender and immediately delivered to Lender to be held as part of the Collateral.

Without limiting the foregoing, it is specifically understood and agreed that Lender shall have no responsibility for ascertaining any maturities or similar matters relating to any of the Collateral or for informing Debtor with respect to any such matters (irrespective of whether Lender actually has, or may be deemed to have, knowledge thereof).

15. INVESTMENT PROPERTY - The following provisions apply to investment property included in the Collateral:

Immediately upon the execution of this Agreement or Debtor's acquiring rights in the Collateral, Debtor shall: (a) If the Collateral includes certificated securities, deliver such certificated securities to Lender; if the certificate is in registered form, register it in the name of Lender or deliver to Lender with the certificate a stock power satisfactory in form and substance to Lender. (b) If the Collateral includes uncertificated securities directly held by Debtor, transfer such securities from Debtor to Lender on the books of the issuer or cause the issuer to enter into and deliver to Lender a control agreement with Debtor and Lender, having a form and substance satisfactory to Lender, providing that issuer will comply with instructions originated by Lender without further consent of the registered owner and issuer will not follow instructions originated by Debtor without the Lender's written consent. (c) If the Collateral includes security entitlements, security accounts, or commodity accounts, cause the Lender to become the holder of the entitlements or accounts or cause the securities intermediary and/or the commodity intermediary to enter into and deliver to Lender an agreement with Debtor and Lender, in a form and substance satisfactory to Lender, providing that said intermediary will comply with entitlements or orders originated by Lender without further consent by Debtor and will not comply with orders originated by Debtor without Lender's written consent. (d) If the Collateral includes commodity contracts, cause the commodity intermediary to enter into and deliver to Lender an agreement with Debtor and Lender, in a form and substance satisfactory to Lender, that said intermediary will apply any value distributed on account of the commodity contract as directed by Lender without further consent by the commodity customer and will not comply with orders originated by Debtor without Lender's written consent.

Upon demand by Lender, Debtor shall execute, assign, and endorse all proxies, applications, acceptances, stock powers, chattel paper, documents, instruments, or other evidence of payment or writing constituting or relating to any of the Collateral, all in such form and substance as may be satisfactory to Lender.

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Commercial Security Agreement.

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Lender shall also have a security interest in all investment property, rights, and interests of every description at any time issued or issuable as an addition to, in substitution or exchange for, or with respect to the Collateral, including, without limitation, shares issued as dividends or as the result of any reclassifications, merger, spin-off, or other reorganization. Debtor shall deliver promptly to Lender in the exact form received, any such securities or other property which come into the possession, custody, or control of Debtor, and shall with respect to such property transfer control to Lender in accord with the paragraphs above.

In its discretion and without notice to Debtor, the Lender may take any one or more of the following actions, without liability except to account for the property actually received: (a) Transfer or register in its name or the name of its nominee any of the Collateral, with or without liability except to account for the property actually received; (b) Transfer or register in its name or the name of its nominee any of the Collateral, with or without identification of the security interest herein created, and whether or not so transferred or registered, receive the income, dividends and other distributions thereon and hold them to apply them to the Obligations in any order of priority; (c) To the fullest extent possible under applicable law, exercise or cause to be exercised all voting and corporate powers with respect to any of the Collateral, including all rights of conversion, exchange, subscription, and any other rights, privileges, or options pertaining to such Collateral, as if the absolute owner thereof; (d) Exchange any of the Collateral for other property upon a reorganization, recapitalization, or other readjustment and, in connection therewith, deposit any of the Collateral with any committee or depository upon such terms as the Lender may determine; and (d) in its absolute discretion to exercise or to withhold the exercise of any of the rights, powers, privileges, and options expressly or implicitly granted to the Lender in this Agreement, without duty to do so and without responsibility for any failure to do so or to delay in so doing.

Without limiting any other right of Lender, on default the Lender may, to the fullest extent permitted by applicable law, without notice, advertisement, hearing, or process of law of any kind, sell any or all of the Collateral, free of all rights and claims of the Debtor therein or thereto, on any recognized market or exchange at any price reasonably consistent with the market price occurring at the time of the sale of the Collateral and, notwithstanding any recent or current decreases or increases in that market price, the sale of the Collateral on such recognized market or exchange shall be deemed reasonable if conducted under ordinary terms regardless of how soon after default the Lender sells such Collateral.

16. POSSESSION OF COLLATERAL BY LENDER - The following paragraphs shall apply when possession of the Collateral by the Lender is required to perfect Lender's security interest, or when Lender requests delivery of the Collateral. Debtor shall deliver to the Lender all certificates of deposit, notes and drafts, instruments, and certificated securities which now or hereafter constitute Collateral under this Agreement. In addition, at the request of Lender from time to time, and at any time, Debtor shall deliver to Lender other Collateral. All such Collateral is hereinafter referred to as Delivered Property. Lender shall have the duty to exercise reasonable care with respect to the Delivered Property. In exercise of the duty: (a) Lender shall never be liable for its failure to give notice to Debtor of default in the payment of or upon the Delivered Property. Lender shall have no duty to fix or preserve the rights against prior parties to the Delivered Property and shall never be liable for its failure to use diligence to collect any amount payable in respect to the Delivered Property, but shall be liable only to account to Debtor for what it may actually collect or receive thereon. (b) Without limiting the foregoing, it is specifically understood and agreed that Lender shall have no responsibility for ascertaining any maturities, calls, conversions, exchanges, offers, tenders, or similar matters relating to any of such matters (irrespective of whether Lender actually has, or may be deemed to have, knowledge thereof). The foregoing provisions of this paragraph shall be applicable to all notes, certificates of deposit, securities, or similar Delivered Property held hereunder, irrespective of whether such property is held in the name of Lender, Debtor, or other person. (c) Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Delivered Property if it takes such action for that purpose as Debtor (or if more than one, any one or more of the Debtors) shall request in writing, but failure of the Lender to comply with any such request shall not of itself be deemed a failure to exercise reasonable care. (d) No failure of Lender to preserve or protect any rights with respect to the Delivered Property against prior parties or to do any act with respect to preservation of the Delivered Property shall be deemed a failure to exercise reasonable care in the custody or preservation of Delivered Property, unless such act was requested in writing by Debtor and received by Lender in sufficient time to permit the Lender to take the requested action in the ordinary course of its business. (e) Notwithstanding any other fact or duty or written request by the Debtor, Lender shall have no duty to release possession of any of the Delivered Property to the Debtor or otherwise, unless at the time of such request for release, the Debtor (1) tenders fulfillment of all Obligations secured by such Delivered Property, or (2) tenders replacement Delivered Property or other collateral deemed adequate by Lender.

In its discretion, either before or after maturity, default, or acceleration of the Obligations and without notice to Debtor, the Lender may take any one or more of the following actions, without liability except to account for the property actually received by it: (a) insure any of the Delivered Property; (b) in its name or in the name of the Debtor, demand, sue for, collect, or receive any money or property at any time payable or receivable on account of or in exchange for any of the Delivered Property and, in connection therewith, endorse notes, checks, drafts, money orders, documents of title, or other evidence of payment, shipment, or storage in the name of the Debtor; (c) make any compromise or settlement deemed advisable with respect to any of the Delivered Property; and (d) renew, extend, or otherwise change the terms and conditions of any of the Delivered Property. The Lender shall be under no duty to exercise, or to withhold the exercise of, any of the rights, powers, privileges, and options expressly or implicitly granted to the Lender in this Agreement, and shall not be responsible for any failure to do so or to delay in doing so.

17. ADDITIONAL COLLATERAL - In the event that Lender should, at any time, determine that the Collateral or Lender's security interest in the Collateral is impaired, insufficient, or has declined or may decline in value, or if Lender should deem that payment of the Obligations is insecure, time being of the very essence, then Lender may require, and Debtor agrees to furnish, additional Collateral that is satisfactory to Lender. Lender's request for additional collateral may be oral or in writing delivered by United States mail addressed to Debtor and shall not affect any other subsequent right of Lender to request additional Collateral.

18. FINANCING STATEMENT(S) AND LIEN PERFECTION - Lender is authorized to file a conforming financing statement or statements to perfect its security interest in the Collateral, as provided in Revised Article 9, Uniform Commercial Code - Secured Transactions. Debtor agrees to:

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statement filings, in order to comply with applicable state or federal law and to preserve and protect the Lender's rights in the Collateral. The perfection of its security interest in the Collateral, and to change or correct any error on any financing statement or any other document necessary for proper placement of a lien on any Collateral which is subject to this Agreement.

19. LANDLORD'S WAIVER - Upon request, Debtor shall furnish to Lender, in a form and upon such terms as are acceptable to Lender, a landlord's waiver of all liens with respect to any Collateral covered by this Agreement that is or may be located upon leased premises.

20. NOTICES - Any notice or demand given by Lender to Borrower and/or Debtor in connection with this Agreement, the Collateral, or the Obligations, shall be deemed given and effective upon deposit in the United States mail, postage prepaid, addressed to Borrower and/or Debtor at the address Borrower and/or Debtor designated at the beginning of this Agreement, or such other address as Borrower and/or Debtor may provide to Lender in writing from time to time for such purposes. Actual notice to Borrower and/or Debtor shall always be effective no matter how such notice is given or received.

21. RELATIONSHIP TO OTHER AGREEMENTS - This Agreement and the security interests (and pledges and assignments, as applicable) herein granted are in addition to (and not in substitution, novation or discharge of) any and all prior or contemporaneous security agreements, security interests, pledges, assignments, mortgages, liens, rights, titles, or other interests in favor of Lender or assigned to Lender by others in connection with the Obligations. All rights and remedies of Lender in all such agreements are cumulative.

22. CROSS-COLLATERALIZATION / CROSS-DEFAULT - Borrower and/or Debtor agrees that any security interest provided in collateral under this Agreement or any and all other indebtedness of Borrower and/or Debtor to Lender, whether or not such indebtedness is related by class or claim and whether or not contemplated by the parties at the time of executing each evidence of indebtedness, shall act as collateral for all said indebtedness. Any default of the Borrower and/or Debtor in the terms of any indebtedness to Lender shall constitute a default under this Agreement.

23. DEFAULT - The occurrence of any of the following events shall constitute a default of this Agreement: (a) the non-payment, when due (whether by acceleration of maturity or otherwise), of any amount payable on any of the Obligations or any extension or renewal thereof; (b) the failure to perform any agreement of the Borrower and/or Debtor contained herein or in any other agreement Borrower and/or Debtor has or may have with Lender; (c) the failure to perform any agreement of any Guarantor or Non-Borrower Debtor contained herein or in any other agreement said Guarantor or Non-Borrower Debtor has or may have with Lender; (d) the publication of any statement, representation, or warranty, whether written or oral, by the Borrower and/or Debtor to the Lender, which at any time is untrue in any respect as of the date made; (e) the publication of any statement, representation, or warranty, whether written or oral, by any Guarantor or Non-Borrower Debtor to the Lender, which at any time is untrue in any respect as of the date made; (f) the condition that any Obligor (which term, as used herein, shall mean the Borrower and each party primarily or secondarily liable on any of the Obligations) becomes insolvent or unable to pay debts as they mature, or makes an assignment for the benefit of the Obligor's creditors, or conveys substantially all of its assets, or in the event of any proceedings instituted by or against any Obligor alleging that such Obligor is insolvent or unable to pay debts as they mature (failure to pay being conclusive evidence of inability to pay), or makes application for appointment of a receiver or any other legal custodian, or in the event that a petition of any kind is filed under the Federal Bankruptcy Act by or against such Obligor; (g) the entry of any judgment against any Obligor, or the issue of any order of attachment, execution, sequestration, claim and delivery, or other order in the nature of a writ levied against the Collateral; (h) the death of any Obligor who is a natural person, or of any partner of the Obligor which is a partnership; (i) the dissolution, liquidation, termination or partnership; (j) the Collateral or any part of the Collateral declines in value in excess of normal wear, tear, and depreciation or becomes, in the judgment of Lender, impaired, unsatisfactory, or insufficient in character or value, including but not limited to the filing of a competing financing statement; breach of warranty that the Obligor is the owner of the Collateral free and clear of any encumbrances (other than those encumbrances disclosed by Obligor or otherwise made known to Lender, and which were acceptable to Lender at that time); sale of the Collateral (except in the ordinary course of business) without Lender's express written consent; failure to keep the Collateral insured as provided herein; failure to allow Lender to inspect the Collateral upon demand or at reasonable time; failure to make prompt payment of taxes on the Collateral; loss, theft, substantial damage, or destruction of the Collateral; and, when Collateral includes inventory, accounts, chattel paper, or instruments, failure of account debtors to pay their obligations in due course; or (k) the Lender in good faith, believes the Debtor's ability to repay the Debtor's indebtedness secured by this Agreement, any Collateral, or the Lender's ability to resort to any Collateral, is or soon will be impaired, time being of the very essence.

24. REMEDY - Upon the occurrence of an event of default, Lender, at its option, shall be entitled to exercise any one or more of the remedies described in this Agreement, in all documents evidencing the Obligations, in any other agreements executed by or delivered by Borrower and/or Debtor for benefit of Lender, in any third-party security agreement, mortgage, pledge, or guaranty relating to the Obligations, in the Uniform Commercial Code of the state in which Lender is located, and all remedies at law and equity, all of which shall be deemed cumulative. The Debtor agrees that, whenever a default exists, all Obligations may (notwithstanding any provision in any other agreement), at the sole option and discretion of the Lender and without demand or notice of any kind, be declared, and thereupon immediately shall become due and payable; and the Lender may exercise, from time to time, any rights and remedies, including the right to immediate possession of the Collateral, available to it under applicable law. The Debtor agrees, in the case of default, to assemble, at its own expense, all Collateral at a convenient place acceptable to the Lender. The Lender shall, in the event of any default, have the right to take possession of and remove the Collateral, with or without process of law, and in doing so, may peacefully enter any premises where the Collateral may be located for such purpose. Debtor waives any right that Debtor may have, in such instance, to a judicial hearing prior to such retaking. The Lender shall have the right to hold any property then in or upon said Collateral at the time of repossession not covered by the security agreement until return is demanded in writing by Debtor. Borrower and/or Debtor agrees to pay all reasonable costs of the Lender in connection with the collecting of the Obligations and

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enforcement of any rights connected with retaking, holding, testing, repairing, improving, selling, leasing, or disposing of the Collateral, or like expenses. These expenses, together with interest thereon from the date incurred until paid by Debtor at the maximum post-default rate stated in the notes secured hereby, which Debtor agrees to pay, shall constitute additional Obligations and shall be secured by and entitled to the benefits of this Agreement. The Lender may sell, lease, or otherwise dispose of the Collateral, by public or private proceedings, for cash or credit, without assumption of credit risk. Unless the Collateral is perishable or threatens to decline speedily in value or of a type customarily sold on a recognized market, Lender will send Debtor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition will be made. Any notification of intended disposition of the Collateral by the Lender shall be deemed to be reasonable and proper if sent postage prepaid, by regular mail, to the Debtor at least ten (10) days before such disposition, and addressed to the Debtor either at the address shown herein or at any other address provided to Lender in writing for the purpose of providing notice. Proceeds received by Lender from disposition of the Collateral may be applied toward Lender's expenses and other obligations in such order or manner as Lender may elect. Debtor shall be entitled to any surplus if one results after lawful application of the proceeds. If the proceeds from a sale of the Collateral are insufficient to extinguish the Obligations of the Debtor hereunder, Debtor shall be liable for a deficiency. Lender shall have the right, whether before or after default, to collect and receipt for, compound, compromise, and settle, and give releases, discharges, and acquittances with respect to, any and all amounts owed by any person or entity with respect to the Collateral. Lender may remedy any default and may waive any default without waiving the default remedied and without waiving any other prior or subsequent default. The rights and remedies of the Lender are cumulative, and the exercise of any one or more of the rights or remedies shall not be deemed an election of rights or remedies or a waiver of any other right or remedy.

25. FORBEARANCE NOT A WAIVER - Any delay on the part of the Lender in exercising any power, privilege, or right hereunder, or under any other document executed by Borrower and/or Debtor to the Lender in connection herewith, shall not operate as a waiver thereof, and no single or partial exercise thereof or any other power, privilege, or right shall preclude other or further exercise thereof. The waiver by the Lender of any default of the Borrower and/or Debtor shall not constitute a waiver of subsequent default.

26. CONTINUING AGREEMENT - This is a continuing agreement, and shall remain in full force and effect until the Obligations are paid in full. In the event that Lender should take additional Collateral, or enter into other security agreements, mortgages, guarantees, assignments, or similar documents with respect to the Obligations, or should Lender enter into other such agreements with respect to other obligations of Debtor, such agreements shall not discharge this Agreement, which shall be construed as cumulative and continuing and not alternative and exclusive.

The security interest (and pledge and assignment as applicable), hereby granted and all of the terms and provisions of this Agreement shall be deemed a continuing agreement and shall continue in full force and effect until the Obligations are paid in full. Any such revocation or termination shall only be effective if explicitly confirmed in a signed writing issued by Lender to such effect and shall in no way impair or affect any transactions entered into or rights created or liabilities incurred or arising prior to such revocation or termination, as to which this Agreement shall be truly operative until same are repaid and discharged in full. Unless otherwise required by applicable law, Lender shall be under no obligation to issue a termination statement or similar document unless Debtor requests same in writing, and providing further, that all Obligations have been repaid and discharged in full and there are no commitments to make advances, incur any obligations, or otherwise give value.

27. ABSENCE OF CONDITIONS OF LIABILITY - This Agreement is unconditional. Lender shall not be required to exhaust its remedies against Debtor, other collateral, or guarantors, or pursue any other remedies within Lender's power before being entitled to exercise its remedies hereunder. Lender's rights to the Collateral shall not be altered by the lack of validity or enforceability of the Obligations against Borrower, and this Agreement shall be fully enforceable irrespective of any counterclaim which the Borrower may assert on the underlying debt and notwithstanding any stay, modification, discharge, or extension of Borrower's Obligation arising by virtue of Debtor's insolvency, bankruptcy, or reorganization, whether occurring with or without Lender's consent.

28. WAIVERS - Debtor waives notice of Lender's acceptance of this Agreement, defenses based on suretyship, and to the fullest extent permitted by law, any defense arising as a result of any election by Lender under the Bankruptcy Code and the Uniform Commercial Code. Debtor and any maker, endorser, guarantor, surety, third-party pledgor, and other party executing this Agreement that is liable in any capacity with respect to the Obligations hereby waive demand, notice of intention to accelerate, notice of acceleration, notice of nonpayment, presentment, protest, notice of dishonor, and any other similar notice whatsoever.

29. WAIVER OF JURY TRIAL - All parties to this Agreement hereby waive to the fullest extent permitted by law any right to trial by jury with respect to any disputes, whether in contract, tort, or otherwise, arising out of, in connection with, related to, or incidental to the relationship established between them in this Agreement or any note or other instrument, document, or agreement executed or delivered in connection herewith or the transactions related hereto.

30. JOINT AND SEVERAL LIABILITY - If this Agreement is executed by more than one Debtor, it is understood and agreed that each such Debtor shall be jointly and severally bound and the word "Debtor" as used herein shall be construed to be of such number as circumstances require.

31. SEVERABILITY - Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law; but, in the event any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity and shall be severed from the rest of this Agreement without invalidating the remainder of such provision or the remaining provisions of this Agreement.

32. SURVIVAL - The rights and privileges of the Lender hereunder shall inure to the benefits of its successors and assigns, and this Agreement shall be binding on all heirs, executors, administrators, assigns, and successors of Debtor.

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33. ASSIGNABILITY - Lender may assign, pledge, or otherwise transfer this Agreement or any of its rights and powers under this Agreement without notice, with all or any of the Obligations, and in such event the assignee shall have the same rights as if originally named herein in place of Lender. Debtor may not assign this Agreement or any benefit accruing to it hereunder without the express written consent of the Lender.

34. AUTHORIZATIONS - Debtor authorizes Lender, without notice or demand and without altering Debtor's liability or Lender's rights hereunder, from time to time to take acts which may alter the obligation of Borrower to Lender and/or Debtor's right to restitution or subrogation, including: (a) to renew, compromise, extend, or otherwise change the time for payment of, or otherwise change the terms of the Obligations or any part thereof, including increasing the rate of interest; (b) to extend additional credit to Borrower in any manner for any purpose; (c) to incur costs, including attorneys' fees, with respect to enforcing its rights with respect to the Obligations and collateral securing the Obligations; (d) to exchange, enforce, waive, or release (whether intentionally or unintentionally) any security for the Obligations or any part thereof or purchase such security at private or public sale; (e) to settle, release, compromise with, or substitute any one or more endorsers, guarantors, or other obligors or the Obligations; (f) to impair the value of Lender's interest in Collateral through failure to obtain or maintain protection, failure to obtain or maintain recordation of an interest, or through failure to perform a duty owed to Debtor to preserve the Collateral; and (g) to apply all monies received from Debtor and others or from Collateral in Lender's discretion without in any way being required to Marshall assets.

35. AMENDMENT - This is the final expression of the agreement between the parties and may not be contradicted by evidence of any prior or contemporaneous oral agreement. This Agreement may not be amended except by written agreement signed by the parties.

36. GOVERNING LAW - This Agreement has been delivered in the state where the Lender is located and shall be construed in accordance with the laws of that state.

37. HEADINGS AND GENDER - The headings preceding text in this Agreement are for general convenience in identifying subject matter, but have no limiting impact on the text which follows any particular heading. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require.

38. MISCELLANEOUS - Time is of the essence of this Agreement. Except as otherwise defined in this Agreement, all terms herein shall have the meanings provided by the Uniform Commercial Code as it has been adopted in the state where the Lender is located. All rights, remedies, and powers of the Lender hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies, and powers given hereunder or in or by any other instruments or by the provision of the Uniform Commercial Code as adopted in the state where the Lender is located, or any other laws, now existing or hereafter enacted. The Debtor specifically agrees that, if it has heretofore or hereafter executed any loan agreement in conjunction with this Agreement, any ambiguities between this Agreement and any such loan agreement shall be construed under the provisions of the loan agreement, to the extent that it may be necessary to eliminate any such ambiguity. Debtor releases Lender from any liability which might otherwise exist for any act or omission of Lender related to the collection of any debt secured by this Agreement or the disposal of any Collateral, except for Lender's wilful misconduct.

ADDITIONAL PROVISIONS - If checked, the following Provisions are made a part of this Agreement.

Origination Fee: \$250.00; Title Search Fee: \$20.00

Recording Fee: \$36.50

Post Maturity Rate of 11.50%

ACKNOWLEDGMENT - The Debtor acknowledges that this is the entire agreement between the parties, except to the extent that writings signed by the party against whom enforcement is sought are specifically incorporated herein by reference either in this Agreement or in such writings, and acknowledges receipt of a true and complete copy of this Agreement including pages 1 through 10. The Debtor expressly agrees to all of the provisions of this Agreement and signifies assent by the signature(s) below.

IN WITNESS WHEREOF, the Debtor has executed this Agreement on the date and year first above written.

By X John
John M Davis

By Laurie L. Davis

By X

By: Y

1230

115

Date



SD0315024262454\$3232 BULK FILE
ID: 22475-1 SHORT NAME: Davis, John M
LOAN_NUMBER: 12852925 NEVY_NOTE_NUMBER:
DCC_CODE: L-EQUIP-1 DOC: Commercial Security Agreement
LICEN: DBANCON Date: 10/20/2004 01:54:14 PM

Compliance Systems, Inc
800-958-8522 Fax 616-956-1868

BUSINESS LOAN AGREEMENT

NAME(S) / ADDRESS(ES) OF BORROWER(S) ("Borrower, I, My or Me") John M Davis 601 Nichols St Clearfield, PA 16830-1539		NAME / ADDRESS OF LENDER (CREDITOR) ("Lender, You, or Your") County National Bank PO Box 42 1 South Second St Clearfield, PA 16830-0042					
TYPE OF BUSINESS		<input type="checkbox"/> CORPORATION	<input type="checkbox"/> PARTNERSHIP	<input checked="" type="checkbox"/> PROPRIETORSHIP	<input type="checkbox"/> COMPANY	<input type="checkbox"/> LIMITED LIABILITY	<input type="checkbox"/> LIMITED LIABILITY PARTNERSHIP
AMOUNT AND TERM OF LOAN(S) OR LINE(S) OF CREDIT							
AMOUNT \$ 27,466.66 TWENTY SEVEN THOUSAND FOUR HUNDRED SIXTY SIX DOLLARS AND SIXTY SIX CENTS							
TRANSACTION DATE 10/07/2004	MATURITY DATE 10/07/2014	ACCOUNT NUMBER 1285292/5	<input checked="" type="checkbox"/> LOAN		<input type="checkbox"/> LINE OF CREDIT		
INTEREST RATE 9.500000							
PURPOSE OF CREDIT Refinance							

The undersigned Borrower, in consideration of the Lender granting the loan(s) or line(s) of credit upon the terms described above, hereby agrees, warrants and represents as follows:

A. PREPAYMENT. Borrower agrees that in the event of prepayment, the Borrower will pay a prepayment penalty on the following basis: A 2% refinance fee will apply in the event the loan is refinanced by a financial institution within 100-mile radius of this office and is waived for the six-month period prior to maturity.

B. ACCOUNTING AND COMPENSATING BALANCES Borrower agrees to maintain the following accounts with Lender:

1. % of the balance of the loan or used portion of the line of credit plus
2. % of any unused portion of the line of credit, if any.

C. FINANCIAL REQUIREMENTS. Provisions 1 and 2 below shall be in accordance with generally accepted accounting principles.

1. Borrower will maintain a net worth of at least \$
2. Borrower will maintain current assets in excess of current liabilities in a ratio of at least to one.
3. Borrower will not make (without prior written consent of Lender) investments in fixed assets in excess of: \$
4. Borrower will enter into no lease (without prior written consent of Lender) with an aggregate rental of more than: \$
5. Borrower will cause its following named creditor(s) to subordinate its debt to the debt of the Borrower to Lender in a form prescribed by Lender

NAME OF CREDITOR **DOLLAR AMOUNT SUBORDINATED**

6. Borrower will submit financial data as follows:
see Exhibit "I"

D. SECURITY. To secure its loan or line of credit, the Borrower has or will deliver possession of the following collateral or will execute the following instruments of pledge, mortgage, assignment, guarantee, or security agreement and will comply with all of the provisions of these documents:
601 Nichols St., Clearfield, PA 16830-1539 County:
1994 Freightliner Truck 2FUYDXYB9RA458183

E. GUARANTORS. To induce the Lender to extend and continue to extend financial accommodations to Borrower, the following named individual(s) or entity(ies) have agreed to guarantee repayment of any indebtedness of Borrower:

The Borrower(s) acknowledge(s) having read and understood the terms listed on page one as well as on pages two and three hereof and agrees to be bound by and to comply with them:

By John M Davis
John M Davis

•

By X

Date

By X _____

1000

By X

Data

F. General Agreements

1. The business of the Borrower shall be continued in its present form and at the address as shown on page one, and the Borrower will not enter into changes of its partnership agreement, limited liability company articles of organization, or, if a corporation, enter into a consolidation, merger, or permit a majority of its common stock to be transferred, or grant options which could result in such actions unless the Lender is first notified and consents in writing to any such change.

2. The proceeds of the loan or line of credit will be used lawfully and exclusively for the benefit of the Borrower's business and for the purpose set forth on page one.

3. All collateral security given to secure the loan or line of credit shall also secure all of the other obligations of the Borrower to the Lender of whatsoever nature, past, present, or future. All collateral security given for other obligations of the Borrower to the Lender, together with any debt from Lender to Borrower, including, but not limited to checking, deposit accounts, certificates of deposit, savings accounts, and the like) shall, likewise, secure the loan or line of credit described on page one. It is the expressed intent to cross-collateralize all of the borrowings or other indebtedness of Borrower to the Lender. The breach of the terms of any note, security agreement, mortgage, pledge, or loan agreement of whatsoever nature between the Borrower and the Lender shall constitute default and breach of all such agreements, including this agreement.

4. The Borrower will at all times maintain in full force adequate liability and property insurance to protect its assets, the insurance to be in such form and such amounts as the Lender, at its sole discretion, may require.

5. This agreement shall pertain to and govern monies owed by Borrower to Lender, identified as loan(s) and/or line(s) of credit on page one, including all renewals, extensions and changes of form related thereto, until the same have been paid in full.

G. Borrower's Warranties

Borrower Warrants:

1. All representations and statements of whatever nature made or delivered to the Lender at any time prior to, contemporaneous with, or subsequent to this agreement have been, are, or shall be true in all respects.

2. The Borrower has full and unencumbered title to all property relied upon by the Lender as security and to all assets set forth in any financial statement, unless otherwise indicated in such statement.

3. The Borrower will keep its books and records in accordance with generally accepted accounting principles and will deliver balance sheets as well as profit and loss statements from time to time in a form satisfactory to the Lender.

4. The Borrower agrees that the Lender may itself, or by its authorized representative, inspect the premises, books, and records of the Borrower during regular business hours and at reasonable intervals.

5. As to any real estate which has been, is now, or will be in the future owned or occupied by Borrower, that such real estate has not in the past, nor will now or in the future be allowed in any manner to be exposed to or contain hazardous or environmentally harmful substances as may be defined or regulated by any state or federal law or regulation which impacts, in any way, such substances, except to the extent the existence of such substances has been presently disclosed in writing to Lender, and Borrower will immediately notify Lender in writing of any assertion made by any party to the contrary. Borrower indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense of whatsoever nature, including reasonable attorney fees, incurred directly or indirectly as a result of Borrower's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any state or federal law or regulation.

6. If the Borrower is a corporation, it will not pay dividends or purchase or retire any of its capital stock without written permission of the Lender.

By initialing, I acknowledge this is page 2 of 3 of the
Business Loan Agreement.

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ITEM 3178AL2 (C104AI (18881 Page 2 of 3

7. The Borrower will not, during the term of this agreement, incur any other indebtedness for borrowed money, become a guarantor or surety for any third party, will not lend money, encumber any of its assets, or sell any asset, except in the ordinary course of Borrower's business, without the written permission of the Lender. For the purposes of this section, the sale of accounts is deemed to be borrowing money.

H. Events of Default

The Borrower agrees to pay all of the Lender's expenses incidental to perfecting Lender's security interests and liens, including all insurance premiums and title insurance costs, Uniform Commercial Code search fees, and all fees incurred by Lender for audits, inspection, and copying of Borrower's books and records. In addition, any costs associated with the closing of this loan, attorney fees and other incidental costs shall be paid by Borrower. The Borrower also agrees to pay all costs and expenses of Lender in connection with the enforcement of Lender's rights and remedies under this agreement, the Related Documents, and any other agreements between the Borrower and Lender in connection with any amendments, modifications, waiver of consent with respect to this agreement, including reasonable attorney fees.

Any failure of the Borrower to pay any interest, principal, or fee when due; any breach or default of any term, condition or warranty of this agreement or any other agreement between the Borrower and the Lender; any appointment of a receiver, trustee, or assignee for the benefit of creditors; any voluntary or involuntary bankruptcy insolvency proceeding; any assessment for taxes (other than real property taxes) levied by any government entity; or any lien, attachment, or garnishment by a creditor of the Borrower shall constitute a default hereof. Borrower shall also be in default if the Lender should, in good faith, believe the Borrower's ability to repay its indebtedness under this Agreement, any collateral, or the ability to resort to any collateral, is or soon will be impaired, time being of the very essence.

I. Remedies on Default

In addition to any other remedies upon an event of Default, Lender shall have the right to cease to make any further advances under this Agreement, or any other indebtedness which Borrower has with Lender. Upon such a default the Lender may, at its sole and absolute option, declare all sums due from the Borrower immediately due and payable regardless of the terms of any note or other evidence of indebtedness between the Borrower and the Lender. No indulgence or failure of the Lender to enforce any rights hereunder or under any other agreement between the Borrower and the Lender shall constitute a waiver of those terms by the Lender, and the Lender may enforce such terms upon subsequent or continuing default.

J. Definitions

1. Agreement shall mean this Business Loan Agreement.

2. Collateral shall mean the Property which Borrower and any other Obligor has pledged, mortgaged, or granted Lender a security interest in, wherever located and whether now ended or hereafter acquired, together with all replacements, substitutions, proceeds and products thereof.

3. Event of Default shall mean any of the events described in section H of this Agreement and in the Related Documents.

4. Financial Statements shall mean all balance sheets, earnings statements, and other financial information (whether of Borrower, or an Obligor) which have been, are now, or are in the future furnished to Lender.

5. Indebtedness shall mean the Loan(s) and all other loans and indebtedness of Borrower to Lender, including but not limited to Lender advances for payments of insurance, taxes, any amounts advanced by Lender to protect its interest in the Collateral, overdrafts in deposit accounts with Lender, and all other indebtedness, obligations and liabilities of Borrower to Lender, whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising.

Initials	Initials	Initials	Initials
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600-988-8522 Fax 616-956-1868

6. Obligor shall mean any person having any obligation to Lender, whether for the payment of money or otherwise, under this Agreement or under the Related Documents, including but not limited to Guarantor and any other guarantors of the indebtedness.

7. Property shall mean all of Borrower's (and/or other Obligor's, as applicable) assets, whether tangible or intangible, real or personal.

8. Related Documents shall mean any and all documents, promissory notes, security agreements, leases, mortgages, guarantees, pledges and any other documents or agreements executed in connection with this Agreement. The term shall include both documents existing at the time of execution of this Agreement and documents executed after this date of this Agreement.

K. Miscellaneous

1. The Borrower will promptly inform the Lender of any fact or act which materially affects the Borrower's financial condition.

2. Either party may terminate this agreement upon thirty (30) days written notice. If the Borrower terminates, the Borrower agrees to pay the Lender all sums of principal, interest, fees, and penalties prior to the termination becoming effective.

3. Borrower warrants that no provision, warranty or promise made by Borrower in any document related to this transaction causes any conflict whatsoever with the terms of Borrower's articles of incorporation or organization, by-laws, partnership agreement, operating agreement, or any document related to any other transaction Borrower may be involved with, with any other person or entity.

4. If the Borrower is a corporation, partnership or limited liability company, the Borrower is duly organized, validly existing and in good standing (if applicable) under the laws of the state of its organization.

The execution and delivery of this agreement and all documents related thereto, and the performance by the Borrower of its obligations hereunder and thereunder, are within its power, have been duly authorized by proper action on the part of the Borrower and are not in violation of any existing law, rule or regulation of any governmental agency or authority, or any order or decision of any court. This agreement and all documents related hereto to which the Borrower is a party, when executed and delivered, will constitute the valid and binding obligations of the Borrower enforceable in accordance with their terms, except as limited by bankruptcy, insolvency or similar laws of general application effecting the enforcement of creditors' rights and except to the extent that general principles of equity might affect the specific enforcement of such agreements.

5. This agreement and Related Documents shall be interpreted under the laws of the State of

Pennsylvania

either party must be brought in the State courts located in

Clearfield

Pennsylvania

If no county is designated than in the county and state where the Lender is domiciled. Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law; but, if any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or the invalidity without invalidating the remainder of such provision or the remaining provisions of this agreement.

6. The rights and privileges of the Lender hereunder shall inure to the benefit of its successors and assigns, and this agreement shall be binding on all heirs, executors, administrators, assigns, and successors of the Borrower. The Borrower may not assign this agreement or any benefits accruing to it hereunder without the express written consent of the Lender.

Additional Provisions

Origination Fee: \$250.00; Title Search Fee: \$20.00

Recording Fee: \$36.50

Post Maturity Rate of 11.50%

Both Parties
Must Initial:

JMD

Borrower's Initials

WAT

Lender's Initials

By initialing, I acknowledge this is page 3 of 3 of the
Business Loan Agreement.

Initials Initials Initials Initials

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800-986-6522 Fax 616-896-1868

"EXHIBIT I"
TO
BUSINESS LOAN AGREEMENT

***BORROWER(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Date of Fiscal Year End: 12/31

Financial Statements:

Type of Annual Financial Statement provided (with footnotes)

Audited Reviewed
 Internal Compiled

Annual Federal Income Tax Return for Business, including all schedules.

***GUARANTOR(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Personal Financial Statements (signed and dated)
 Complete Tax Return (with all schedules):

***The financials required above must be submitted to CNB by the end of the sixth month after fiscal year end. If these are not submitted on or before that time, CNB will assess a default interest rate of 1% higher than the current interest rate on Borrower's loans; said rate to begin the 1st of the seventh month and shall continue until said default is cured.**

Acknowledged by Borrower(s):

BY: John M. Davis 10/07/04
John M. Davis DATE

BUSINESS LOAN AGREEMENT

NAME(S) / ADDRESS(ES) OF BORROWER(S) ("Borrower, I, My or Me") Laurie L Davis 601 Nichols St Clearfield, PA 16830-1539		NAME / ADDRESS OF LENDER (CREDITOR) ("Lender, You, or Your") County National Bank PO Box 42 1 South Second St Clearfield, PA 16830-0042	
TYPE OF BUSINESS		<input type="checkbox"/> CORPORATION <input type="checkbox"/> PARTNERSHIP <input checked="" type="checkbox"/> PROPRIETORSHIP <input type="checkbox"/> LIMITED LIABILITY COMPANY <input type="checkbox"/> LIMITED LIABILITY PARTNERSHIP	
AMOUNT AND TERM OF LOAN(S) OR LINE(S) OF CREDIT			
AMOUNT TWENTY SEVEN THOUSAND FOUR HUNDRED SIXTY SIX DOLLARS AND SIXTY SIX CENTS		\$ 27,466.66	
TRANSACTION DATE 10/07/2004	MATURITY DATE 10/07/2014	ACCOUNT NUMBER 1285292/5	<input checked="" type="checkbox"/> LOAN <input type="checkbox"/> LINE OF CREDIT
INTEREST RATE 9.500000			
PURPOSE OF CREDIT Refinance			

The undersigned Borrower, in consideration of the Lender granting the loan(s) or line(s) of credit upon the terms described above, hereby agrees, warrants and represents as follows:

<p>A. PREPAYMENT. Borrower agrees that in the event of prepayment, the Borrower will pay a prepayment penalty on the following basis: A 2% refinance fee will apply in the event the loan is refinanced by a financial institution within 100-mile radius of this office and is waived for the six-month period prior to maturity.</p>													
<p>B. ACCOUNTING AND COMPENSATING BALANCES. Borrower agrees to maintain the following accounts with Lender:</p> <ol style="list-style-type: none"> 1. % of the balance of the loan or used portion of the line of credit plus 2. % of any unused portion of the line of credit, if any. 													
<p>C. FINANCIAL REQUIREMENTS. Provisions 1 and 2 below shall be in accordance with generally accepted accounting principles.</p> <ol style="list-style-type: none"> 1. Borrower will maintain a net worth of at least \$ 2. Borrower will maintain current assets in excess of current liabilities in a ratio of at least to one. 3. Borrower will not make (without prior written consent of Lender) investments in fixed assets in excess of: \$ 4. Borrower will enter into no lease (without prior written consent of Lender) with an aggregate rental of more than: \$ 5. Borrower will cause its following named creditor(s) to subordinate its debt to the debt of the Borrower to Lender in a form prescribed by Lender. <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">NAME OF CREDITOR</th> <th style="width: 50%;">DOLLAR AMOUNT SUBORDINATED</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>		NAME OF CREDITOR	DOLLAR AMOUNT SUBORDINATED										
NAME OF CREDITOR	DOLLAR AMOUNT SUBORDINATED												
<p>6. Borrower will submit financial data as follows: See Exhibit "I"</p>													
<p>D. SECURITY. To secure its loan or line of credit, the Borrower has or will deliver possession of the following collateral or will execute the following instruments of pledge, mortgage, assignment, guarantee, or security agreement and will comply with all of the provisions of those documents: 601 Nichols St, Clearfield, PA 16830-1539 County: 1994 Freightliner Truck 2FUYDXYB9RA458183</p>													
<p>E. GUARANTORS. To induce the Lender to extend and continue to extend financial accommodations to Borrower, the following named individual(s) or entity(ies) have agreed to guarantee repayment of any indebtedness of Borrower:</p> <p>The Borrower(s) acknowledge(s) having read and understood the terms listed on page one as well as on pages two and three hereof and agrees to be bound by and to comply with them:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;"> <p>By <input checked="" type="checkbox"/> Laurie L Davis Date</p> <p>Its</p> </td> <td style="width: 50%; text-align: center;"> <p>By <input checked="" type="checkbox"/> Date</p> <p>Its</p> </td> </tr> <tr> <td style="width: 50%; text-align: center;"> <p>By <input checked="" type="checkbox"/> Date</p> <p>Its</p> </td> <td style="width: 50%; text-align: center;"> <p>By <input checked="" type="checkbox"/> Date</p> <p>Its</p> </td> </tr> </table>		<p>By <input checked="" type="checkbox"/> Laurie L Davis Date</p> <p>Its</p>	<p>By <input checked="" type="checkbox"/> Date</p> <p>Its</p>	<p>By <input checked="" type="checkbox"/> Date</p> <p>Its</p>	<p>By <input checked="" type="checkbox"/> Date</p> <p>Its</p>								
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<p>By <input checked="" type="checkbox"/> Date</p> <p>Its</p>	<p>By <input checked="" type="checkbox"/> Date</p> <p>Its</p>												

F. General Agreements

1. The business of the Borrower shall be continued in its present form and at the address as shown on page one, and the Borrower will not enter into changes of its partnership agreement, limited liability company articles of organization, or, if a corporation, enter into a consolidation, merger, or permit a majority of its common stock to be transferred, or grant options which could result in such actions unless the Lender is first notified and consents in writing to any such change.

2. The proceeds of the loan or line of credit will be used lawfully and exclusively for the benefit of the Borrower's business and for the purpose set forth on page one.

3. All collateral security given to secure the loan or line of credit shall also secure all of the other obligations of the Borrower to the Lender of whatsoever nature, past, present, or future. All collateral security given for other obligations of the Borrower to the Lender, together with any debt from Lender to Borrower, (including, but not limited to checking, deposit accounts, certificates of deposit, savings accounts, and the like) shall, likewise, secure the loan or line of credit described on page one. It is the expressed intent to cross-collateralize all of the borrowings or other indebtedness of Borrower to the Lender. The breach of the terms of any note, security agreement, mortgage, pledge, or loan agreement of whatsoever nature between the Borrower and the Lender shall constitute default and breach of all such agreements, including this agreement.

4. The Borrower will at all times maintain in full force adequate liability and property insurance to protect its assets, the insurance to be in such form and such amounts as the Lender, at its sole discretion, may require.

5. This agreement shall pertain to and govern monies owed by Borrower to Lender, identified as loan(s) and/or line(s) of credit on page one, including all renewals, extensions and changes of form related thereto, until the same have been paid in full.

G. Borrower's Warranties

Borrower Warrants:

1. All representations and statements of whatever nature made or delivered to the Lender at any time prior to, contemporaneous with, or subsequent to this agreement have been, are, or shall be true in all respects.

2. The Borrower has full and unencumbered title to all property relied upon by the Lender as security and to all assets set forth in any financial statement, unless otherwise indicated in such statement.

3. The Borrower will keep its books and records in accordance with generally accepted accounting principles and will deliver balance sheets as well as profit and loss statements from time to time in a form satisfactory to the Lender.

4. The Borrower agrees that the Lender may itself, or by its authorized representative, inspect the premises, books, and records of the Borrower during regular business hours and at reasonable intervals.

5. As to any real estate which has been, is now, or will be in the future owned or occupied by Borrower, that such real estate has not in the past, nor will now or in the future be allowed in any manner to be exposed to or contain hazardous or environmentally harmful substances as may be defined or regulated by any state or federal law or regulation which impacts, in any way, such substances, except to the extent the existence of such substances has been presently disclosed in writing to Lender, and Borrower will immediately notify Lender in writing of any assertion made by any party to the contrary. Borrower indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense of whatsoever nature, including reasonable attorney fees, incurred directly or indirectly as a result of Borrower's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any state or federal law or regulation.

6. If the Borrower is a corporation, it will not pay dividends or purchase or retire any of its capital stock without written permission of the Lender.

By initialing, I acknowledge this is page 2 of 3 of the
Business Loan Agreement.

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ITEM 317BAL2 (0104A) (1B66) Page 2 of 3

7. The Borrower will not, during the term of this agreement, incur any other indebtedness for borrowed money, become a guarantor or surety for any third party, will not lend money, encumber any of its assets, or sell any asset, except in the ordinary course of Borrower's business, without the written permission of the Lender. For the purposes of this section, the sale of accounts is deemed to be borrowing money.

H. Events of Default

The Borrower agrees to pay all of the Lender's expenses incidental to perfecting Lender's security interests and liens, including all insurance premiums and title insurance costs, Uniform Commercial Code search fees, and all fees incurred by Lender for audits, inspection, and copying of Borrower's books and records. In addition, any costs associated with the closing of this loan, attorney fees and other incidental costs shall be paid by Borrower. The Borrower also agrees to pay all costs and expenses of Lender in connection with the enforcement of Lender's rights and remedies under this agreement, the Related Documents, and any other agreements between the Borrower and Lender in connection with any amendments, modifications, waiver of consent with respect to this agreement, including reasonable attorney fees.

Any failure of the Borrower to pay any interest, principal, or fee when due; any breach or default of any term, condition or warranty of this agreement or any other agreement between the Borrower and the Lender; any appointment of a receiver, trustee, or assignee for the benefit of creditors; any voluntary or involuntary bankruptcy insolvency proceeding; any assessment for taxes (other than real property taxes) levied by any government entity; or any lien, attachment, or garnishment by a creditor of the Borrower shall constitute a default hereof. Borrower shall also be in default if the Lender should, in good faith, believe the Borrower's ability to repay its indebtedness under this Agreement, any collateral, or the ability to resort to any collateral, is or soon will be impaired, time being of the very essence.

I. Remedies on Default

In addition to any other remedies upon an event of Default, Lender shall have the right to cease to make any further advances under this Agreement, or any other indebtedness which Borrower has with Lender. Upon such a default the Lender may, at its sole and absolute option, declare all sums due from the Borrower immediately due and payable regardless of the terms of any note or other evidence of indebtedness between the Borrower and the Lender. No indulgence or failure of the Lender to enforce any rights hereunder or under any other agreement between the Borrower and the Lender shall constitute a waiver of those terms by the Lender, and the Lender may enforce such terms upon subsequent or continuing default.

J. Definitions

1. “Agreement” shall mean this Business Loan Agreement.

2. Collateral shall mean the Property which Borrower and any other Obligor has pledged, mortgaged, or granted Lender a security interest in, wherever located and whether now owned or hereafter acquired, together with all replacements, substitutions, proceeds and products thereof.

3. “Event of Default” shall mean any of the events described in section H of this Agreement and in the Related Documents.

4. Financial Statements shall mean all balance sheets, earnings statements, and other financial information (whether of Borrower, or an Obligor) which have been, are now, or are in the future furnished to Lender.

5. "Indebtedness" shall mean the Loan(s) and all other loans and indebtedness of Borrower to Lender, including but not limited to Lender advances for payments of insurance, taxes, any amounts advanced by Lender to protect its interest in the Collateral, overdrafts in deposit accounts with Lender, and all other indebtedness, obligations and liabilities of Borrower to Lender, whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising.

Initials Initials Initials Initials

6. **Obligor** shall mean any person having any obligation to Lender, whether for the payment of money or otherwise, under this Agreement or under the Related Documents, including but not limited to a Guarantor and any other guarantors of the Indebtedness.

7. **Property** shall mean all of Borrower's (and/or other Obligor's, as applicable) assets, whether tangible or intangible, real or personal.

8. **Related Documents** shall mean any and all documents, promissory notes, security agreements, leases, mortgages, guaranties, pledges and any other documents or agreements executed in connection with this Agreement. The term shall include both documents existing at the time of execution of this Agreement and documents executed after this date of this Agreement.

K. Miscellaneous

1. The Borrower will promptly inform the Lender of any fact or act which materially affects the Borrower's financial condition.

2. Either party may terminate this agreement upon thirty (30) days written notice. If the Borrower terminates, the Borrower agrees to pay the Lender all sums of principal, interest, fees, and penalties prior to the termination becoming effective.

3. Borrower warrants that no provision, warranty or promise made by Borrower in any document related to this transaction causes any conflict whatsoever with the terms of Borrower's articles of incorporation or organization, by-laws, partnership agreement, operating agreement, or any document related to any other transaction Borrower may be involved with, with any other person or entity.

4. If the Borrower is a corporation, partnership or limited liability company, the Borrower is duly organized, validly existing and in good standing (if applicable) under the laws of the state of its organization.

The execution and delivery of this agreement and all documents related hereto, and the performance by the Borrower of its obligations hereunder and thereunder, are within its power, have been duly authorized by proper action on the part of the Borrower and are not in violation of any existing law, rule or regulation of any governmental agency or authority, or any order or decision of any court. This agreement and all documents related hereto to which the Borrower is a party, when executed and delivered, will constitute the valid and binding obligations of the Borrower enforceable in accordance with their terms, except as limited by bankruptcy, insolvency or similar laws of general application effecting the enforcement of creditors' rights and except to the extent that general principles of equity might affect the specific enforcement of such agreements.

5. This agreement and Related Documents shall be interpreted under the laws of the State of

Pennsylvania. Any action brought by either party must be brought in the State courts located in **Clearfield County**.

Pennsylvania. If no county is designated than in the county and state where the Lender is domiciled. Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law; but, if any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or the invalidity without invalidating the remainder of such provision or the remaining provisions of this agreement.

6. The rights and privileges of the Lender hereunder shall inure to the benefit of its successors and assigns, and this agreement shall be binding on all heirs, executors, administrators, assigns, and successors of the Borrower. The Borrower may not assign this agreement or any benefits accruing to it hereunder without the express written consent of the Lender.

Additional Provisions

Origination Fee: \$250.00; Title Search Fee: \$20.00

Recording Fee: \$36.50

Post Maturity Rate of 11.50%

Both Parties
Must Initial:



Borrower's Initials



Lender's Initials

By initialing, I acknowledge this is page 3 of 3 of the
Business Loan Agreement.

Initials Initials Initials Initials

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ITEM 317BA1340104AI (1866) Page 3 of 3

Compliance Systems, Inc.
800-888-8522 Fax 616-956-1868

"EXHIBIT I"
TO
BUSINESS LOAN AGREEMENT

***BORROWER(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Date of Fiscal Year End: 12/31

Financial Statements:

Type of Annual Financial Statement provided (with footnotes)

Audited Reviewed
 Internal Compiled

Annual Federal Income Tax Return for Business, including all schedules.

***GUARANTOR(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Personal Financial Statements (signed and dated)
 Complete Tax Return (with all schedules):

***The financials required above must be submitted to CNB by the end of the sixth month after fiscal year end. If these are not submitted on or before that time, CNB will assess a default interest rate of 1% higher than the current interest rate on Borrower's loans; said rate to begin the 1st of the seventh month and shall continue until said default is cured.**

Acknowledged by Borrower(s):

BY:

Laurie L. Davis

DATE

10/07/04

March 27, 2006

CERTIFIED MAIL:
7160 3901 9842 7187 0832
7160 3901 9842 7187 0849

First Class Mail

JOHN M DAVIS
314 S 4TH ST
CLEARFIELD PA 16830

LAURIE L DAVIS
110 LINDA RD
NEW SMYRNA BEACH FL 32168-1712

Re: County National Bank
Delinquent Mortgage Account #1284602-8
#1285292-5

Dear Mr. and Mrs. Davis:

The Mortgage (1284602-8), executed on May 16, 2001, in favor of County National Bank for \$82,000.00, is in default. This Mortgage is recorded in Clearfield County Instrument Number 200107154, on May 16, 2001. This mortgage encumbers and places a lien upon your property known as 601 Nichols St, Clearfield, Clearfield County, Pennsylvania. 16830.

You have failed to make the full monthly payments, since December 30, 2005, and are in default. The total amount of default is \$2,441.06, which includes \$115.24 in late charges.

Pennsylvania law provides that you may cure this default anytime up to one hour prior to Sheriff Sale in the following manner:

1. First, you can bring your account current by paying County National Bank delinquent payments that total \$2,441.06; or,
2. Second, you can pay this mortgage off entirely by tendering \$45,865.30, which includes a balance of \$44,933.79; accrued interest through 03/30/2006 of \$1,200.87; late charges of \$115.24; and loan satisfaction fee of \$30.50; less unapplied balance of \$415.10.

Interest will accrue at the rate of 9.9852867 a day from March 30, 2006.

John M. and Laurie L. Davis
March 27, 2006
Page 2 of 3

The second Mortgage (1285292-5), executed on October 7, 2004, in favor of County National Bank for \$27,466.66, is in default. This Mortgage is recorded in Clearfield County, Instrument Number 200416618, on October 12, 2004. This mortgage encumbers and places a lien upon your property known as 601 Nichols St, Clearfield, Clearfield, Pennsylvania. 16830; along with your 1994 freightliner Truck.

You have failed to make the full monthly payments, since September 7, 2005, and are in default. The total amount of default is \$2,308.66, which includes \$53.61 in late charges.

Pennsylvania law provides that you may cure this default anytime up to one hour prior to Sheriff Sale in the following manner:

1. First, you can bring your account current by paying County National Bank delinquent payments that total \$2,308.66; or,
2. Second, you can pay this mortgage off entirely by tendering \$28,981.85, which includes a balance of \$27,728.86; accrued interest through 03/30/2006 of \$614.30; late charges of \$53.61; and other fees of \$585.08.

Interest will accrue at the rate of 7.3173381 a day from March 30, 2006.

If you chose to cure this default by the foregoing manner, the necessary payment should be made at the main office of County National Bank at the corner of Market and Second Streets in Clearfield. **PAYMENT SHOULD BE MADE BY CASH, CASHIER'S CHECK OR CERTIFIED CHECK.**

If you fail to cure this default within thirty (30) days, County National Bank will exercise its right to confess judgment against you. The bank will institute a foreclosure lawsuit against the real estate for that amount, i.e. \$74,847.15, plus interest, costs of suit and an attorney's commission of the amounts reasonably and actually incurred by County National Bank, but in no event exceeding eight (8%) percent of the total indebtedness. If CNB obtains judgment against you for those amounts, it can then execute against your property, which will result in loss of this property at Sheriff Sale. I estimate the earliest date on which such a sheriff sale could be held would be **Friday, June 30, 2006.**

John M. and Laurie L. Davis
March 27, 2006
Page 3 of 3

The Law provides that you may sell this real estate subject to your delinquent mortgage, and your buyer, or anyone else, has the right to cure this default as explained in the preceding paragraphs. You also have the right to refinance this debt with another lender if possible. You also have the right to have this default cured by a third party acting on your behalf.

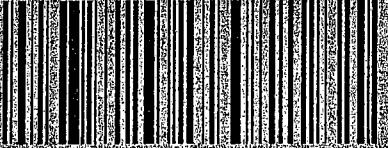
You have the right to assert in any foreclosure proceeding or any other lawsuit instituted under the mortgage documents, the nonexistence of a default or any other defense you believe you may have to any such actions against CNB.

If you make partial payments on the account of the delinquencies, we will accept them and apply them to the delinquencies. However, such partial payments will not cure your default or reinstate your loan unless we receive the entire amount required to cure the default.

If you fail to cure your default within thirty (30) days, which is on or before April 30, 2006, the bank will confess judgment against you and institute Foreclosure proceedings against your real estate, which will result in your loss of this property at Sheriff Sale.

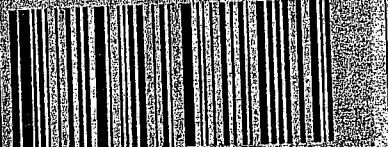
Sincerely,

David W. Ogden
Vice President
800-492-3221 extension 118

2. Article Number		COMPLETE THIS SECTION ON DELIVERY		
 7160-501-9242-7117-04		A. Received by (Please Print Clearly): <i>John Davis</i> C. Signature: <i>X John Davis</i> Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: JOHN DAVIS 140 ZAMBIA RD NEW PETERSBURG, BEACH FL 33153-1712		
3. Service Type: CERTIFIED MAIL		B. Date of Delivery		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		Agent <input type="checkbox"/> Addressee <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
1. Article Addressed to:				
JOHN DAVIS 140 ZAMBIA RD NEW PETERSBURG, BEACH FL 33153-1712				

PS Form 3811, January 2003

Domestic Return Receipt

2. Article Number		COMPLETE THIS SECTION ON DELIVERY		
 7160-501-9242-7117-04		A. Received by (Please Print Clearly): <i>John Davis</i> C. Signature: <i>X John Davis</i> Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below: JOHN DAVIS 140 ZAMBIA RD NEW PETERSBURG, BEACH FL 33153-1712		
3. Service Type: CERTIFIED MAIL		B. Date of Delivery		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		Agent <input type="checkbox"/> Addressee <input checked="" type="checkbox"/> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
1. Article Addressed to:				
JOHN DAVIS 140 ZAMBIA RD NEW PETERSBURG, BEACH FL 33153-1712				

PS Form 3811, January 2003

Domestic Return Receipt

UNITED STATES POSTAL SERVICE

DAY TIME REACH

FL 321

• Print your name, address and ZIP+4 below •

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

ATTN: P. London
COUNTY NATIONAL BANK
PO BOX 42
CLEARFIELD PA 16830-0042

UNITED STATES POSTAL SERVICE

• Print your name, address and ZIP+4 below •

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

ATTN: P. London
COUNTY NATIONAL BANK
PO BOX 42
CLEARFIELD PA 16830-0042

5. WARRANTIES - The Debtor warrants the following: it has or will acquire free and clear title to all of the Collateral, unless otherwise provided herein; the security interest granted to the Lender shall be a first security interest, and the Debtor will defend same to the Lender against the claims and demands of all persons; the Debtor will fully cooperate in placing or maintaining Lender's lien or security interest; the Debtor agrees not to allow or permit any lien, security interest, adverse claim, charge, or encumbrance of any kind against the collateral or any part thereof, without the Lender's prior written consent; all of the Collateral is located in the state of the Debtor's address specified on page one hereof, unless otherwise certified to and agreed to by the Lender, or, alternatively, is in possession of the Lender; the Debtor will not remove or change the location of any Collateral without the Lender's prior written consent; the Debtor will use the Collateral only in the conduct of its own business, in a careful and proper manner; the Debtor will not use the Collateral or permit it to be used for any unlawful purpose; except as otherwise provided in this Agreement with respect to Inventory, Debtor will not, without the Lender's prior written consent, sell, assign, transfer, lease, charter, encumber, hypothecate, or dispose of the Collateral, or any part thereof, or any interest therein, nor will Debtor offer to sell, assign, transfer, lease, charter, encumber, hypothecate, or dispose of the Collateral, or any part thereof, or any interest therein; the Debtor will not conduct business under any name other than that given on page one hereof, nor change, nor reorganize the type of business entity as described, except upon the prior written approval of the Lender, in which event the Debtor agrees to execute any documentation of whatsoever character or nature demanded by the Lender for filing or recording, at the Debtor's expense, before such change occurs; the information regarding Debtor's state of organization or formation as set forth on page 1 hereof is correct, and Debtor further warrants that Debtor will not change Debtor's state of organization or formation without Lender's prior written consent and will assist Lender with any changes to any documents, filings, or other records resulting or required therefrom; the Debtor will keep all records of account, documents, evidence of title, and all other documentation regarding its business and the Collateral at the address specified on page 1 hereof, unless notice thereof is given to the Lender at least ten (10) days prior to the change of any address for the keeping of such records; the Debtor will, at all times, maintain the Collateral in good condition and repair and will not sell or remove same except as to inventory in the ordinary course of business; the Debtor is a legally created business entity, as described before, and it has the power, and the person signing is duly authorized, to enter into this Agreement; the execution of this Agreement will not create any breach of any provision of the Debtor's organizational documents (Articles of Incorporation and By-Laws if the Debtor is a corporation, Articles of Organization and Operating Agreement if the Debtor is a limited liability company, or Certificate of Limited Partnership if applicable) or Partnership Agreement if the Debtor is a partnership), or any other agreement to which the Debtor is or may become a party; all financial information and statements delivered by the Debtor to the Lender to obtain loans and extensions of credit are true and correct and are prepared in accordance with generally accepted accounting principles; there has been no material adverse change in the financial condition of the Debtor since it last submitted any financial information to the Lender; there are no actions or proceedings, including set-off or counterclaim, which are threatened or pending against the Debtor which may result in any material adverse change in the Debtor's financial condition or which might materially affect any of the Debtor's assets; and the Debtor has duly filed all federal, state, municipal, and other governmental tax returns, and has obtained all licenses, permits, and the like which the Debtor is required by law to file or obtain, and all such taxes and fees for such licenses and permits required to be paid, have been paid in full.

6. INSURANCE - The Debtor agrees that it will, at its own expense, fully insure the Collateral against all loss or damage for any risk of whatsoever nature in such amounts, with such companies, and under such policies as shall be satisfactory to the Lender. All policies shall expressly provide that the Lender shall be the loss payee or, alternatively, if requested by Lender, mortgagee. The Lender is granted a security interest in the proceeds of such insurance and may apply such proceeds as it may receive toward the payment of the Obligations, whether or not due, in such order as the Lender may in its sole discretion determine. The Debtor agrees to maintain, at its own expense, public liability and property damage insurance upon all its other property, to provide such policies in such form as the Lender may approve, and to furnish the Lender with copies of other evidence of such policies and evidence of the payments of the premiums thereon. All policies of insurance shall provide for a minimum 10 days' written notice of cancellation to Lender. At the request of Lender, such policies of insurance shall be delivered to and held by Lender. Debtor agrees that Lender is authorized to act as attorney for Debtor in obtaining, adjusting, settling, and canceling such insurance and endorsing any drafts or instruments issued or connected with such insurance. Debtor specifically authorizes Lender to disclose information obtained in conjunction with this Agreement and from policies of insurance to prospective insurers of the Collateral. If the Debtor at any time fails to obtain or to maintain any of the insurance required above or pay any premium in whole or in part relating thereto, the Lender, without waiving any default hereunder, may make such payment or obtain such policies as the Lender, in its sole discretion, deems advisable to protect the Debtor's property. All costs incurred by the Lender, including reasonable attorneys' fees, court costs, expenses, and other charges thereby incurred, shall become a part of the Obligations and shall be payable on demand.

7. TAXES, LIENS, ETC. - The Debtor agrees to pay all taxes, levies, judgments, assessments, and charges of any nature whatsoever relating to the Collateral or to the Debtor's business. If the Debtor fails to pay such taxes or other charges, the Lender, at its sole discretion, may pay such charges on behalf of the Debtor; and all sums so dispensed by the Lender, including reasonable attorneys' fees, court costs, expenses, and other charges relating thereto, shall become a part of the Obligations and shall be payable on demand.

8. ENVIRONMENTAL LAWS - Debtor certifies that as to any real estate which has been, is now, or will be in the future owned or occupied by Debtor, that such real estate has not in the past, nor will now or in the future be allowed in any manner to be exposed to or contain hazardous or environmentally harmful substances as may be defined or regulated by any state or federal law or regulation which impacts, in any way, such substances, except to the extent the existence of such substances has been presently disclosed in writing to Lender, and Debtor will immediately notify Lender in writing of any assertion made by any party to the contrary. Debtor indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense of whatsoever nature, including reasonable attorneys' fees, incurred directly or indirectly as a result of Debtor's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any state or federal law or regulation.

9. PROTECTION OF COLLATERAL - Debtor agrees that Lender may, at Lender's sole option, whether before or after any event of default, and without prior notice to Debtor, take the following actions to protect Lender's interest in the Collateral: (a) pay for the maintenance, preservation, repair, improvement, or testing of the Collateral; (b) pay any filing, recording, registration, licensing, certification, or other fees and

By initialing, I acknowledge this is page 4 of 10 of the
Commercial Security Agreement.

Initials Initials Initials Initials

J. TITLED VEHICLE - "Titled vehicle" shall consist of any and all vehicle(s) described below, wherever located, now owned or hereafter acquired by Debtor, and all additions and accessions thereto, replacements thereof, and substitutions therefor; and all documents of title evidencing or representing any part thereof, and all products, rents, and proceeds thereof.

K. LETTER OF CREDIT RIGHTS - "Letter of Credit Rights" shall consist of a right to payment or performance under a Letter of Credit, whether or not the beneficiary(ies) has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit. Debtor agrees to cooperate with Lender in obtaining the Letter of Credit issuer or its nominated persons' consent to assignment of the proceeds of the Letter of Credit.

L. AS-EXTRACTED COLLATERAL - "As-extracted collateral" shall consist of all oil, gas, and other minerals which are to be extracted from the real property described below upon which Debtor has granted to Lender a security interest evidenced by a mortgage, trust deed, deed of trust, security deed or similar security instrument conveying rights to the real property, including rights to such oil, gas, or other minerals. As-Extracted Collateral includes all accounts arising out of the sale at the wellhead or at the minehead of such oil, gas, or other minerals. The terms "at the wellhead" and "at the minehead" encompass arrangements based on the sale of the oil, gas, or other minerals at the moment that it issues from the ground and is measured, without technical distinctions as to whether title passes at the "Christmas tree" of a well, the far side of a gathering tank, or at some other point.

M. GOVERNMENT PROGRAM PAYMENTS - "Government Program Payments" shall consist of all Debtor's right to payment of a monetary obligation, accounts, general intangibles, and other benefits, now held or hereafter acquired, that arise under or as a result of Debtor's participation in any prior, contemporaneous, or future state or federal governmental program, including any such program offered by a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a State, or a foreign country, or any organization having a separate corporate existence from such governmental entities if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States. Government Program Payments include, but are not limited to, letters of entitlement, deficiency payments, diversion payments, payments in-kind, emergency assistance payments, production flexibility contracts, conservation reserve payments, warehouse receipts, and storage payments.

N. DEPOSIT ACCOUNTS - "Deposit Accounts" shall consist of all demand, time, savings, passbook, and similar deposit accounts which are now or are hereafter held by Debtor in Lender's institution, or maintained in another bank ("Bank") and for which Debtor, Lender and the Bank have entered into a duly executed Control Agreement (as used herein, the term Bank means an organization that is engaged in the business of banking, and includes banks, savings banks, savings and loan associations, credit unions, and trust companies), unless the deposit is an Individual Retirement Account (IRA), Keogh Account, or other tax-deferred retirement account, or Debtor's right of withdrawal arises only in a representative capacity.

O. SPECIFIC - "Specific" refers to the specific property, together with all related rights shown below.

The term Obligations is limited to the extension of credit Lender is providing Borrower, the proceeds of which are to purchase the specific property shown below, including any extensions and renewals thereof; plus related interest, costs, expenses, and attorneys' fees as called for in Provision 2, debt unrelated to purchase proceeds being excluded regardless of words to the contrary in Provision 2.

SPECIFIC COLLATERAL DESCRIPTION. The properties and interest in properties described below and also described in the applicable paragraph(s) above are sometimes hereinafter individually and collectively referred to as the "Collateral."

601 NICHOLS ST., CLEARFIELD, PA 16830-1539 COUNTY:
1994 FREIGHTLINER TRUCK VIN#2FUYDKB9RA458183

REAL PROPERTY DESCRIPTION, if Collateral includes Fixtures, Standing Timber, or As-Extracted Collateral:

By initialing, I acknowledge this is page 3 of 10 of the
Commercial Security Agreement.

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ITEM 304BAL3 (01051) Page 3 of 10

(ii) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (iii) for services rendered or to be rendered, (iv) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit card or charge card or information contained on or for use with the card, (viii) as winnings in a lottery or other game of chance operated or sponsored by a State, governmental unit of a State, or person licensed or authorized to operate the game by a State or governmental unit of a State, or (ix) for health-care-insurance receivables.

B. INVENTORY - "Inventory" shall consist of all inventory and goods, other than farm products, which (a) are leased by Debtor as lessor, (b) are held by Debtor for sale or lease or to be furnished under a contract of service, (c) are furnished by Debtor under a contract of service, or (d) consist of raw materials, work in process, or materials used or consumed in business.

C. EQUIPMENT - "Equipment" shall consist of all of Debtor's goods other than inventory, farm products or consumer goods. Equipment includes, but is not limited to, all equipment and fixtures of every nature and description whatsoever, now owned or hereafter acquired by Debtor, wherever located, including all machinery, manufacturing equipment, shop equipment, furnishings, furniture, record keeping equipment, and vehicles, together with all accessions, parts, imbedded software, attachments, accessories, tools, and dies, or appurtenances thereto intended for use in connection therewith, and all substitutions, betterments, and replacements thereof and additions thereto.

D. INSTRUMENTS - "Instruments" shall consist of all negotiable instruments and other writings that are now owned or hereafter acquired by Debtor that evidence a right to the payment of a monetary obligation, are not themselves security agreements or leases, and are of a type that in the ordinary course of business are transferred by delivery with any necessary endorsements or assignments. Instruments shall not include investment property, letters of credit, or writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

E. FIXTURES - "Fixtures" shall consist of all Debtor's goods that have or will become so related to the real property described below that an interest in them arises under real property law. Fixtures include, but are not limited to, any fixtures and appurtenances thereto now owned or hereafter acquired by Debtor, and such other goods, chattels, equipment, and personal property affixed or in any manner attached to the real property and/or building(s) or structure(s), including all additions and accessions thereto, and replacements, substitutions, insurance benefits, and proceeds thereof.

F. GENERAL INTANGIBLES - "General Intangibles" shall consist of all personal property now owned or hereafter acquired by Debtor, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. General Intangibles shall also include all payment intangibles now held or hereafter acquired by Debtor and all software now owned or hereafter acquired by Debtor, which is not encompassed by the term "Goods," and all supporting information pertaining or relating thereto. General Intangibles include, but are not limited to, intellectual property, rights that arise under a license of intellectual property, including the right to exploit the intellectual property without liability for infringement, and the right to payment of a loan of funds that is not evidenced by chattel paper or an instrument.

G. INVESTMENT PROPERTY - "Investment Property" shall consist of all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodities contracts, and commodities accounts, now held or hereafter acquired by Debtor, together with all contracts, instruments, and general intangibles related thereto and all monies, income, proceeds, and benefits attributable or accruing to said property, including, but not limited to, all stock rights, options, rights to subscribe, dividends, liquidating dividends, stock dividends, dividends paid in stock, new securities, and the properties and benefits to which the Debtor is, or may hereafter become, entitled to receive on account of said property.

1. **CHATTEL PAPER** - "Chattel Paper" shall consist of all records now held or hereafter acquired by Debtor that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit card or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper. The definition of chattel paper includes electronic chattel paper. Debtor agrees that it will assist Lender in obtaining control of the electronic chattel paper by (i) creating a single authoritative copy of the record(s) existing which is unique and identifiable, (ii) ensuring that the authoritative copy identifies the Lender as the assignee of the record(s), and (iii) ensuring that the authoritative copy is communicated to and maintained by the Lender or its designated custodian. Copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the participation of the Lender. Debtor agrees that each copy or authoritative copy and any copy of a copy shall be readily identifiable as a copy that is not the authoritative copy, and any revision of any authoritative copy is readily identifiable as an authorized or unauthorized revision.

STANDING TIMBER - "Standing timber" shall consist of all of the standing timber to be cut and removed from the real property described below upon which Debtor has granted to Lender a security interest evidenced by a mortgage, trust deed, deed of trust, security deed, or similar security instrument conveying rights to the real property, including rights to the standing timber. Standing timber includes all accounts arising out of the sale such standing timber, including all products thereof in whatever form, and encompasses arrangements based on the sale of the timber at the moment that it is severed from the ground and is measured.

**By initialing, I acknowledge this is page 2 of 10 of the
Commercial Security Agreement.**

Initials _____ Initials _____ Initials _____ Initials _____

**COMMERCIAL SECURITY AGREEMENT
("Agreement")**

NAME(S) / ADDRESS(S) OF OBLIGOR(S) / OBLIGOR-DEBTOR(S) ("Borrower") John M Davis Laurie L Davis 601 Nichols St Clearfield, PA 16830-1539	NAME / ADDRESS OF SECURED PARTY ("Lender") County National Bank PO Box 42 1 South Second St Clearfield, PA 16830-0042
BORROWER'S TYPE OF BUSINESS ORGANIZATION (Corporation, Partnership, L.L.C., Assumed Name, etc.) Sole proprietorship	BORROWER'S STATE OF ORGANIZATION / FORMATION PA
NAME(S) OF DEBTOR(S) OTHER THAN BORROWER ("Non-Borrower Debtor") (If Applicable)	ADDRESS(E) OF NON-BORROWER DEBTOR(S)
NON-BORROWER DEBTOR'S TYPE OF BUSINESS ORGANIZATION (Corporation, Partnership, L.L.C., Assumed Name, etc.) (If Applicable)	NON-BORROWER DEBTOR'S STATE OF ORGANIZATION / FORMATION / RESIDENCE (If a natural person)
AGREEMENT DATE 10/07/2004	

Words, phrases, or the text of a paragraph following a are only applicable if the is marked, e.g.

1. DEBTOR - For purposes of this Agreement, the term "Debtor" refers to any party who has an interest in the Collateral defined in Provision 4 below. Unless otherwise indicated with a mark in one of the boxes below, the Debtor is the Borrower identified above.

"Debtor" includes the Borrower and the Non-Borrower Debtor identified above.
 "Debtor" is the Collateral owner identified above as Non-Borrower Debtor.
 "Debtor" is a guarantor and also the Collateral owner, and is identified above as Non-Borrower Debtor.

Throughout this Agreement, references to Debtor are to be construed as set forth in this Provision 1, and as more specifically defined by Article 9 of the Uniform Commercial Code.

2. SECURITY INTEREST GRANT - Debtor, in consideration of the Obligations to Lender, as defined in Provision 3 below, hereby agrees to all of the terms of this Agreement and further hereby specifically grants Lender a continuing security interest in the collateral described in the paragraph(s) following any box(es) marked in Provision 4 below, including any collateral described under paragraph O of Provision 4 ("Specific"). Debtor further grants Lender a security interest in the proceeds of said collateral, the proceeds of hazard insurance and eminent domain or condemnation awards involving the collateral, all products of, and accessions to, such collateral or interests therein, any and all deposits or other sums at any time credited by or due from Lender to Debtor, and any and all instruments, documents, policies, and certificates of insurance, securities, goods, accounts receivable, choses in action, chattel paper, cash, property, and the proceeds thereof (whether or not the same are Collateral or proceeds thereof hereunder) owned by Debtor or in which Debtor has an interest which are now or at any time hereafter in possession or control of Lender or in transit by mail or carrier to or from Lender or in possession of any third party acting on Lender's behalf, without regard to whether Lender received the same in pledge, for safekeeping, as agent or otherwise, or whether Lender has conditionally released the same. Debtor's grant of a continuing security interest in the foregoing described collateral secures to Lender the payment of all loans, advances, and extensions of credit from Lender to Borrower, including all renewals and extensions thereof and any and all obligations of every kind whatsoever, whether heretofore, now, or hereafter existing or arising between Lender and Borrower and howsoever incurred or evidenced, whether primary, secondary, contingent, or otherwise.

3. OBLIGATIONS - As used in this Agreement, the term "Obligations" shall mean any and all of Borrower's and/or Debtor's obligations to Lender, whether they arise under this Agreement or the Note, Loan Agreement, Guarantee, or other evidence of debt executed in connection with this Agreement, or under any other mortgage, trust deed, deed of trust, security deed, security agreement, note, lease, instrument, contract, document, or other similar writing heretofore, now, or hereafter executed by the Borrower and/or Debtor to Lender, including any renewals, extensions and modifications thereof, and including oral agreements and obligations arising by operation of law. The Obligations shall also include all expenditures that Lender may make under the terms of this Agreement or for the benefit of Borrower and/or Debtor, all interest, costs, expenses, and attorneys' fees accruing to or incurred by Lender in enforcing the Obligations or in the protection, maintenance, preservation, or liquidation of the Collateral, and any of the foregoing that may arise after the filing of any petition by or against Borrower and/or Debtor under the Bankruptcy Code, irrespective of whether the obligations do not accrue because of the automatic stay under Bankruptcy Code § 362 or otherwise.

4. DESCRIPTION OF COLLATERAL - The collateral covered by this Agreement (the "Collateral") is all of the Debtor's property described below, with regard to which a mark has been placed in the applicable box, which the Debtor now owns or may hereafter acquire or create and which may include, but shall not be limited to, any items listed on any schedule or list attached hereto.

By initialing, I acknowledge this is page 1 of 10 of the Commercial Security Agreement.	Initials	Initials	Initials	Initials
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ITEM 304BAL1 (0105) Page 1 of 10

Compliance Systems, Inc.
800-968-8522 Fax 616-956-1868

ADDITIONAL PROVISIONS

If this Note is secured by a security agreement, mortgage, or loan agreement of even or previous date, it is subject to all the terms thereof. Additionally, the Lender may, upon deeming itself insecure or upon Borrower's default in payment or in the terms of this or any other agreement Borrower may have with Lender declare the entire principal amount due and payable. The Borrower severally waives demand, notice, and protest and to any defense due to extensions of time or other indulgence by Lender or to any substitution or release of collateral.

The Default Rate shown on page one will be applied to all periods of time in which a default exists. If the interest rate on this note is tied to an Index stated on page one, that Index is used solely to establish a base from which the actual rate of interest payable under this Note will be figured, and is not a reference to any actual rate of interest charged by any lender to any particular borrower. If the interest rate varies in accordance with a selected Index, if that Index ceases to exist, Lender may substitute a similar index which will become the Index.

If this Note is payable in installments, each installment payment will be due on the same day of the installment period as the day upon which payments commence, unless otherwise specified. Failure to pay this Note according to specified terms shall constitute a default.

The Lender shall have the right to hold or apply its own indebtedness or liability to Borrower in payment of, or to provide collateral security for the payment of this Note either prior to or after Maturity Date. If legal proceedings are instituted to enforce the terms of this Note, Borrower agrees to pay all costs of the Lender in connection therewith, including reasonable attorney fees. If this Note is secured, then upon default in payment or in the terms of this agreement, the Lender shall have all rights of a secured party under the Uniform Commercial Code and/or other law(s) governing secured transactions. If permitted by law, Borrower waives any otherwise required notice of: presentment, demand, acceleration, and intent to accelerate.

This Note is governed by the laws of the state in which it is written except to the extent that federal law controls.

SIGNATURES

The Borrower expressly agrees to all of the provisions hereof and signifies assent thereto by the signature below.

IN WITNESS WHEREOF, the Borrower has executed this Note on the date and year shown below.

By X John M Davis Date
John M Davis
Its

By X Date
Its

By X Barrie L Davis Date
Barrie L Davis
Its

Date

Date

LCAS - COLLATERAL



60315025282455333 BULK FILE
ID: 22475-1 SHORT NAME: DAVIS, John M
LOAN NUMBER: 12852025 NEW NOTE NUMBER:
DOC CODE: L-RECOM-1 DOC: Commercial Note
USER: RBANNON Date: 10/20/2004 01:52:08 PM

COMMERCIAL PROMISSORY NOTE

NAME(S) / ADDRESS(ES) OF BORROWER(S) ("Borrower, I, My or Me")

• John M Davis
Laurie L Davis
601 Nichols St
Clearfield, PA 16830-1539

NAME / ADDRESS OF LENDER (CREDITOR) ("Lender, You, or Your")

County National Bank
PO Box 42
1 South Second St
Clearfield, PA 16830-0042

NOTE NUMBER

TRANSACTION DATE

Maturity Date

OFFICE

1285292/5

10/07/2004

10/07/2014

0000001

For value received, on or before the Maturity Date, the undersigned Borrower promises to pay the principal amount, together with interest, and any other charges, including service charges, to the order of the Lender at its office at the address noted above or holder, all in lawful money of the United States of America. The undersigned further agrees to the terms below and on page two of this Note. Words, numbers or phrases preceded by a are applicable only if the is marked.

\$ 27,466.66

PRINCIPAL AMOUNT:

TWENTY SEVEN THOUSAND FOUR HUNDRED SIXTY SIX DOLLARS AND SIXTY SIX CENTS

PAYMENT SCHEDULE: In 120 installments of \$ 357.47 plus interest including interest starting 11/07/2004
 interest only starting monthly quarterly

interest, principal and other charges due on Maturity Date.
 other payment schedule

This loan is subject to A fixed interest rate of 9.500 % per annum. A variable simple interest rate, which is
 % greater than: equal to: % less than: the following Index:

Initial Variable Simple Interest Rate	Present Variable Index Rate	Minimum Interest Rate	Maximum Interest Rate	Interest Rate Changes Will Occur:
%	%	%	%	Same day

Interest will be calculated on the unpaid balance for the actual days outstanding on a: 365/365 Day Basis. Actual / 360 Day Basis.

DEFAULT RATE: If in default the interest rate shall be: % per annum. % in excess of the Index.

LATE CHARGE: If Borrower is more than 15 days late in making any payment, in addition to such payment, Borrower will pay a late charge of:
 the lesser of the greater of an amount equal to \$ or 5.00 % of the payment in default.

PAYABLE ON DEMAND: Payment is due upon demand. Payment is due upon demand, but in any event, not later than Maturity Date.

LINE OF CREDIT: If this Note is not in default, Lender may make advances and readvances (lend and relend) on a continuing basis up to the Principal Amount.

 Additional Note Provisions:

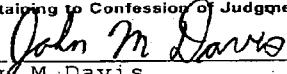
Origination Fee: \$250.00; Title Search Fee: \$20.00

Recording Fee: \$36.50

Post Maturity Rate of 11.50%

WARRANTY OF ATTORNEY/CONFESSION OF JUDGMENT

This warranty of attorney/confession of judgment may be exercised from time to time for separate sums as or after they become due. Borrower knowingly, voluntarily and intentionally waives any and all rights Borrower may have to notice and hearing under state and federal laws prior to entry of a judgment, but retains any rights to subsequent notice and hearing under Pennsylvania's rules of Civil Procedure pertaining to Confession of Judgment for Money.

By 
John M. Davis

Date

Its

By 
Laurie L. Davis

Date

Its

By Date Date
Its Its

Security for this Note, if any, (the "Collateral") is granted pursuant to the following document(s) executed on the date(s) noted below:

security agreement dated 10/07/2004
 mortgage, deed of trust, trust deed or security deed dated 10/07/2004
 other

By initialing, I acknowledge this is page 1 of 2 of the Commercial Promissory Note and Security Agreement.

Initials Initials Initials Initials

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

Witnesses:

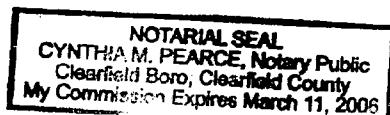
Lori Trumbull _____ *John M Davis* _____ (Seal)
John M Davis _____ -Borrower
Laurie L. Davis _____ (Seal)
Laurie L. Davis _____ -Borrower
(Seal)
-Borrower
(Seal)
-Borrower
(Seal)
-Borrower

COMMONWEALTH OF Pennsylvania

Clearfield County ss:

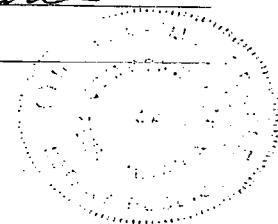
On this 7th day of October 2004 before me, the undersigned officer, personally appeared John M Davis and Laurie L Davis known to me (or satisfactorily proven) to be the person(s) whose name(s) are subscribed to the within instrument and acknowledge that they executed the same for the purposes therein contained.

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



Cynthia M. Pearce
CNB-Notary Public

Title of Officer



CERTIFICATE OF RESIDENCE

I hereby certify that the precise address of the Lender herein, County National Bank 1 South Second St PO Box 42 Clearfield, Pennsylvania 16830-0042

is as follows:

Attorney or Agent for Lender

This instrument was prepared by:
Lori Trumbull
County National Bank
1 South Second St
PO Box 42
Clearfield, PA 16830-0042

After recording return to:
County National Bank
Attn: Consumer Loan Department
1 South Second Street
PO Box 42
Clearfield, PA 16830

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(ITEM 111PAL7 0012) Page 7 of 7

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

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

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

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

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

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

27.

NOTICE TO BORROWER: THIS DOCUMENT CONTAINS PROVISIONS FOR A VARIABLE INTEREST RATE.

By initialing, I acknowledge this is page 6 of 7
of the Mortgage.

Initials Initials Initials Initials

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ITEM 111PAL6 (0012) Page 6 of 7

Compliance Systems, Inc.
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16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) unless the Note shows that Borrower's loan is assumable, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. If the Note shows that Borrower's loan is assumable, Borrower must obtain Lender's written permission for an assumption and follow any other requirements of Lender related to an assumption. If Borrower does not do so, Lender may require immediate payment in full of all sums secured by this Security Instrument.

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

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

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

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

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

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

By initialing, I acknowledge this is page 5 of 7
of the Mortgage.

Initials

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ITEM 111PALS (0012) Page 5 of 7

Compliance Systems, Inc.
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LOAN - COLLATERAL



\$00319023269694
ID: 22476 - 1 SHORT NAME: Davis, John M
LOAN NUMBER: 12862025 NEW_NOTE_NUMBER:
DOC CODE: L-RECOM-1 DOC: Mortgage
USER: KMAGNUISON Date: 11/04/2004 08:42:03 AM

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 101590
NO: 06-858-CD
SERVICE # 1 OF 2
COMPLAINT IN MORTGAGE FORECLOSURE

PLAINTIFF: COUNTY NATIONAL BANK
vs.
DEFENDANT: JOHN M. DAVIS and LAURIE L. DAVIS

SHERIFF RETURN

NOW, June 07, 2006 AT 9:34 AM SERVED THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON JOHN M. DAVIS DEFENDANT AT 314 SOUTH FOURTH ST., CLEARFIELD, CLEARFIELD COUNTY, PENNSYLVANIA, BY HANDING TO JOHN M. DAVIS, DEFENDANT A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT IN MORTGAGE FORECLOSURE AND MADE KNOWN THE CONTENTS THEREOF.

SERVED BY: HUNTER /

FILED
0/10:42 AM
JUN 16 2006

William A. Shaw
Prothonotary

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 101590
NO: 06-858-CD
SERVICE # 2 OF 2
COMPLAINT IN MORTGAGE FORECLOSURE

PLAINTIFF: COUNTY NATIONAL BANK
vs.
DEFENDANT: JOHN M. DAVIS and LAURIE L. DAVIS

SHERIFF RETURN

NOW, June 03, 2006 SERVED THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON LAURIE L. DAVIS DEFENDANT AT 110 LINDA ROAD, NEW SMYRNA BEACH, FL, 32168 BY CERTIFIED MAIL # 7005 0390 0003 7235 2213. THE RETURN RECEIPT IS HERETO ATTACHED ENDORSED BY M. DAVIS.

PURPOSE	VENDOR	CHECK #	AMOUNT
SURCHARGE	CNB	332208	20.00
SHERIFF HAWKINS	CNB	332208	31.36

Sworn to Before Me This

____ Day of _____ 2006

So Answers,

*Chester A. Hawkins
by Marilyn Harris*
Chester A. Hawkins
Sheriff

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

DAVID B. M. DAVIS
110 LINDA ROAD
NEWSOM, VIRGINIA BEACH 23421-68

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


X M. Davis

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

M. Davis

C. Date of Delivery

01/05/02

D. Is delivery address different from item 1?

If YES, enter delivery address below:

 Yes No**3. Service Type**

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes**2. Article Number**

(Transfer from service label)

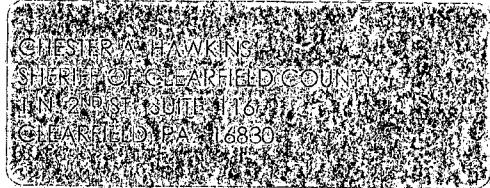
1111 7005 0390 0003 7235 2213

UNITED STATES POSTAL SERVICE JACKSONVILLE FL 322

03 JUN 2006 PMI 2 4

First Class Mail
Postage & Fees Paid
USPS
Permit No. 6-10

- **Sender: Please print your name, address, and ZIP+4 in this box** •



161590

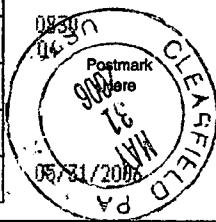
23

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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OFFICIAL USE

Postage	\$ 1.11
Certified Fee	\$2.40
Return Receipt Fee (Endorsement Required)	\$1.85
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.36



Sent To **Laurie L. Davis**
Street, Apt. No.;
or PO Box No. **110 Linda Road**
City, State, ZIP+4 **New Smyrna Beach FL 32168**

PS Form 3900, 4-16-2002

See Reverse for Instructions

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

**IMPORTANT: Save this receipt and present it when making an inquiry.
Internet access to delivery information is not available on mail
addressed to APOs and FPOs.**

101590

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

COUNTY NATIONAL BANK,
Plaintiff
vs.
JOHN M. DAVIS and
LAURIE L. DAVIS,
Defendants
: No. 2006-858-CD
: Type of Case:
FORECLOSURE
: Type of Pleading:
MOTION TO AMEND COMPLAINT
: Filed on Behalf of:
PLAINTIFF

Attorney for this party:
Peter F. Smith, Esquire
Supreme Court ID #34291
P.O. Box 130
30 South Second Street
Clearfield, PA 16830
(814) 765-5595

FILED 3cc Atty Smith
9/3/15 cm
JUL 25 2006 LM

William A. Shaw
Prothonotary

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

COUNTY NATIONAL BANK, :
Plaintiff : No. 2006-858-CD

vs. :

JOHN M. DAVIS and :
LAURIE L. DAVIS, :
Defendants :

FILED 3cc
07/28/06 Atty Smith
JUL 28 2006
60

William A. Shaw
Prothonotary/Clerk of Courts

RULE: ANSWER ONLY

AND NOW, this 27th day of July, 2006, upon consideration of the foregoing Motion to Amend Complaint, it is hereby ordered that:

1. A Rule is issued upon the Defendants JOHN M. DAVIS and LAURIE L. DAVIS to show cause why the Plaintiff is not entitled to the relief requested;
2. The Defendants shall file an answer to the Motion within twenty (20) days of service upon the Defendants;
3. The Motion shall be decided under Pa.R.C.P No. 206.7;
4. Notice of the entry of this Order shall be provided to all parties by the Plaintiffs.

NOTICE

A MOTION HAS BEEN FILED AGAINST YOU IN COURT. IF YOU WISH TO DEFEND AGAINST THE MATTERS SET FORTH IN THE FOLLOWING MOTION, 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 MOTION. YOU ARE WARNED THAT IF YOU FAIL TO DO SO THE CASE MAY PROCEEED WITHOUT YOU AND AN ORDER MAY BE ENTERED AGAINST YOU BY THE COURT WITHOUT FURTHER NOTICE FOR THE RELIEF REQUESTED BY THE PLAINTIFFS. 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.

COURT ADMINISTRATOR
Clearfield County Courthouse
One North Second Street
Clearfield, PA 16830
(814) 765-2641, Ext. 5982

By the Court:

Paul E. Cherry
Judge

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

COUNTY NATIONAL BANK,	:	
Plaintiff	:	No. 2006-858-CD
vs.	:	
JOHN M. DAVIS and	:	
LAURIE L. DAVIS,	:	
Defendants	:	
	:	
	:	
	:	
	:	

ORDER

AND NOW this _____ day of _____, 2006, upon consideration of Plaintiff's Motion to Amend the Complaint, certified copies of the Motion and completed Rule Returnable having been served on the Defendants and more than twenty (20) days having elapsed, it is,

ORDERED, ADJUDGED and DECREED, that Plaintiff may amend paragraph 4 of the complaint to replace the original introductory paragraph describing the property with the following:

The parcel of real estate subject to this action has an assessed address of 601 Nichols Street, Clearfield, PA 16830 and also identified by Clearfield County Tax Map Number 4.3-K8-206-62. It consists of a 45' x 120' lot with a two-story frame house, two other houses, a garage and other improvements constructed thereon. The two other houses are sometimes identified as 402 W. Fifth Street and 404 West Fifth Street. The entire parcel is bounded and described as follows:

By the Court,

Judge

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

COUNTY NATIONAL BANK, :
Plaintiff : No. 2006-858-CD
vs. :
JOHN M. DAVIS and :
LAURIE L. DAVIS, :
Defendants :
:

MOTION TO AMEND COMPLAINT

COMES NOW, COUNTY NATIONAL BANK, by its attorney, Peter F. Smith, who move this Honorable Court to enter an Order permitting the Plaintiff to amend its complaint and in support thereof state:

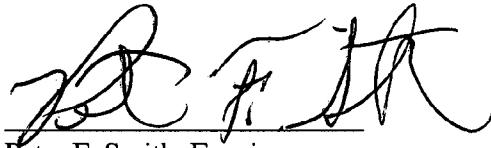
1. This is a second mortgage foreclosure action which Plaintiff instituted by complaint filed on May 30, 2006.
2. Certified copies of the complaint were served on Defendant John M. Davis on June 7, 2006 and Defendant Laurie L. Davis by certified mail dated June 3, 2006.
3. Subsequent to filing and serving the complaint, Plaintiff learned that three houses and a garage are actually constructed and located on the real estate subject to this foreclosure action.
4. Paragraph 4 of the complaint states that only a two-story frame house is located on the property. The other two houses are sometimes referred to as 402 West Fifth Street, Clearfield, PA and 404 West Fifth Street, Clearfield, PA. However, Clearfield County assessment records indicate that the address of all three structures is 601 Nichols Street, Clearfield, PA.
5. The description of the premises by tax map number and deed description in the complaint are otherwise correct.

WHEREFORE, Plaintiff moves this Honorable Court to enter an Order permitting it to make appropriate amendments to the description of the real estate subject to this foreclosure action.

Respectfully submitted,

Date:

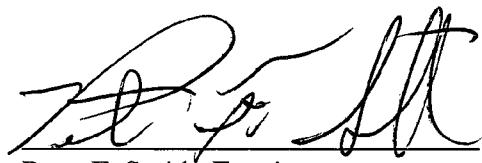
7/27/06


Peter F. Smith, Esquire
Attorney for Plaintiff

VERIFICATION

I verify that the statements made in this Motion 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: 7/24/06



Peter F. Smith, Esquire

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 101780
NO: 06-858-CD
SERVICE # 1 OF 3
MOTION TO AMEND COMPLAINT & RULE

PLAINTIFF: COUNTY NATIONAL BANK
vs.
DEFENDANT: JOHN M. DAVIS and LAURIE L. DAVIS

SHERIFF RETURN

NOW, August 04, 2006 AT 10:40 AM SERVED THE WITHIN MOTION TO AMEND COMPLAINT & RULE ON JOHN M. DAVIS DEFENDANT AT SHERIFF'S OFFICE, 1 N. 2ND ST., SUITE 116, CLEARFIELD, CLEARFIELD COUNTY, PENNSYLVANIA, BY HANDING TO JOHN M. DAVIS, DEFENDANT A TRUE AND ATTESTED COPY OF THE ORIGINAL MOTION TO AMEND COMPLAINT & RULE AND MADE KNOWN THE CONTENTS THEREOF.

SERVED BY: HAWKINS /

FILED
03:30 pm
SEP 21 2006
S

William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 101780
NO: 06-858-CD
SERVICE # 2 OF 3
MOTION TO AMEND COMPLAINT & RULE

PLAINTIFF: COUNTY NATIONAL BANK
vs.
DEFENDANT: JOHN M. DAVIS and LAURIE L. DAVIS

SHERIFF RETURN

NOW, August 01, 2006 MAILED THE WITHIN MOTION TO AMEND COMPLAINT & RULE TO LAURIE L. DAVIS DEFENDANT AT 110 LINDA ROAD, NEW SMYRNA BEACH, FL, 32168 BY CERTIFIED MAIL # 7005 0390 0003 7235 1612. THE MAILING IS HERETO ATTACHED MARKED LETTER RETURNED "UNCLAIMED".

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 101780
NO: 06-858-CD
SERVICE # 3 OF 3
MOTION TO AMEND COMPLAINT & RULE

PLAINTIFF: COUNTY NATIONAL BANK
vs.
DEFENDANT: JOHN M. DAVIS and LAURIE L. DAVIS

SHERIFF RETURN

NOW, August 28, 2006, SHERIFF OF VOLUSIA CO. COUNTY WAS DEPUTIZED BY CHESTER A. HAWKINS, SHERIFF OF CLEARFIELD COUNTY TO SERVE THE WITHIN MOTION TO AMEND COMPLAINT & RULE ON LAURIE L. DAVIS.

NOW, September 05, 2006 AT 6:51 AM SERVED THE WITHIN MOTION TO AMEND COMPLAINT & RULE ON LAURIE L. DAVIS, DEFENDANT. THE RETURN OF VOLUSIA CO. COUNTY IS HERETO ATTACHED AND MADE PART OF THIS RETURN.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 101780
NO: 06-858-CD
SERVICES 3
MOTION TO AMEND COMPLAINT & RULE

PLAINTIFF: COUNTY NATIONAL BANK
vs.
DEFENDANT: JOHN M. DAVIS and LAURIE L. DAVIS

SHERIFF RETURN

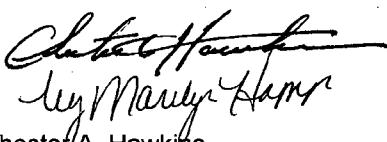
RETURN COSTS

Description	Paid By	CHECK #	AMOUNT
SURCHARGE	SMITH	9388	20.00
SHERIFF HAWKINS	SMITH	9388	32.00
VOLUSIA CO.,FL.	SMITH	9453	20.00

Sworn to Before Me This

Day of _____ 2006

So Answers,


Chester A. Hawkins
Sheriff

Attorney or Depositor: SMITH, PETER F
30 S SECOND ST
CLEARFIELD, PA 16830 Service Sheet Number: NEMOTN-06035526-0011

Name and Address of Court:
** # Org Documents 1

Plaintiff: COUNTY NATIONAL BANK

Defendant: JOHN M DAVIS & LAURIE L DAVIS

TYPE OF SERVICE	Hearing Date	Time	Case Number
(MOTION)	0/00/00		2006-858CD

I, BEN F. JOHNSON, SHERIFF in and for said County and State, do hereby certify that I have received:

MOTION TO AMEND CMPT

on the 31st day of AUGUST, 2006, and that I served the same on the 5th day of SEPTEMBER, 2006, at the hour of 6:51 AM within the County of VOLUSIA, State of FLORIDA, as follows on:

PARTY TO SERVE: DAVIS, LAURIE L

PERSON SERVED: DAVIS, JOHN TITLE: HUSBAND

SUBSTITUTE SERVICE, STANDARD: BY SERVING A TRUE COPY OF THIS WRIT WITH THE DATE AND HOUR OF SERVICE ENDORSED THEREON BY ME TOGETHER WITH A COPY OF THE INITIAL PLEADINGS, IF ANY, TO THE ABOVE NAMED PERSON AT THE DEFENDANT'S USUAL PLACE OF ABODE ON ANY PERSON RESIDING THEREIN FIFTEEN YEARS OF AGE OR OLDER IN ACCORDANCE WITH THE PROVISIONS OF F.S. 48.031(1) AND INFORMING SUCH PERSON OF THEIR CONTENTS.

Address Served: 110 LINDA RD
NEW SMYRNA BEACH, FL

Service By: BROWN, RICHARD 4165 Deputy

SHERIFF'S FEES Charges ** PAID IN FULL
SERVICE FEE 20.00

** TOTALS ** 20.00 I am a FLORIDA SHERIFF,
and I certify that the foregoing
is true and correct.

VOLUSIA COUNTY SHERIFF'S DEPARTMENT
P O BOX 2658
DAYTONA BEACH, FL 32115

BEN F. JOHNSON, SHERIFF
COUNTY OF VOLUSIA
STATE OF FLORIDA

DATE: 9/05/06
ENT PER: GAIL_G

BY BROWN, RICHARD 4165

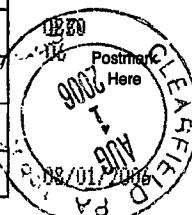

Deputy

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE
NEW SMYRNA BEACH FL 32168

Postage	\$ 1.63
Certified Fee	\$2.40
Return Receipt Fee (Endorsement Required)	\$1.85
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 4.88



Sent To
Laurie L. Davis
Street, Apt. No.;
or PO Box No.
110 Lincoln Road
City, State, ZIP+4
New Smyrna Beach FL 32168

PS Form 1800 4/16/2002

See Reverse for Instructions

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is not available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

**IMPORTANT: Save this receipt and present it when making an inquiry.
Internet access to delivery information is not available on mail
addressed to APOs and FPOs.**

10/780

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS; FOLD AT DOTTED LINE

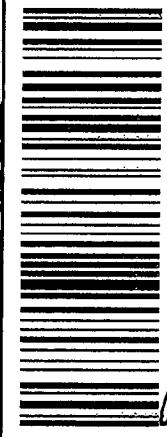
CERTIFIED MAIL™

CHESTER A. HAWKINS

SHERIFF

COURTHOUSE

1 NORTH SECOND STREET • SUITE 116
CLEARFIELD, PENNSYLVANIA 16830



016H16505405

\$04.880

08/01/2006

Mailed From 16830
US POSTAGE

Moved, ~~REASON~~
 Unable to Forward
 Attempted to Forward
 Uncollected
 No Such Street
 Insufficient Address
 Attn: ~~REASON~~
 Resurre L Day
 No Signature
 Initials
 No Signature
 Initials

10/1/01
RECEIVED
CERTIFIED MAIL
RECEIVED

LN 6809 8/4/06

10f2

8/4/06
8/4/06

SENDER: COMPLETE THIS SECTION

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

1. Article Addressee to:

LAURIE L. DAVIS
110 Linda Road
New Smyrna Beach, FL 32168

COMPLETE THIS SECTION ON DELIVERY

A. Signature	<input type="checkbox"/> Agent
X	<input type="checkbox"/> Addressee
B. Received by (Printed Name)	C. Date of Delivery
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

2. Article Number
Transfer from ~~110 Linda Road~~ 5005 0390 0003 7235 1612

Receipt 102595-02-M-1540



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

COUNTY NATIONAL BANK, :
Plaintiff : No. 2006-858-CD

vs. :

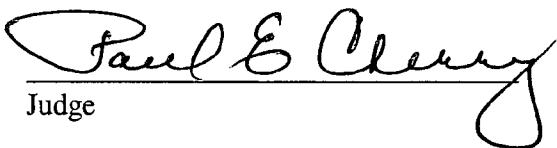
JOHN M. DAVIS and :
LAURIE L. DAVIS, :
Defendants :

ORDER

AND NOW this 21st day of September, 2006, upon consideration of Plaintiff's Motion to Amend the Complaint, certified copies of the Motion having been served on the Defendants, and the Defendants neither answered the Motion nor appeared, it is,

ORDERED, ADJUDGED and DECREED, that Plaintiff is permitted to amend the complaint in this action as requested in its Motion.

By the Court,



Judge

FILED

SEP 21 2006

07 2:26 PM

William A. Shaw
Prothonotary/Clerk of Courts

3 CENS TO ATT

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

COUNTY NATIONAL BANK, : No. 2006-858-CD
Plaintiff :
: Type of Case:
: **FORECLOSURE**
vs. :
: Type of Pleading:
JOHN M. DAVIS and : **AMENDED COMPLAINT**
LAURIE L. DAVIS, :
Defendants :
: Filed on Behalf of:
: **PLAINTIFF**

: Attorney for this party:
Peter F. Smith, Esquire
: Supreme Court ID #34291
: P.O. Box 130
: 30 South Second Street
: Clearfield, PA 16830
: (814) 765-5595

FILED 5CC Atty Smith
0/10/10 LM
SEP 28 2006
JS

William A. Shaw
Prothonotary/Clerk of Courts

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

COUNTY NATIONAL BANK,	:	
Plaintiff	:	No. 2006-858-CD
	:	
vs.	:	
	:	
JOHN M. DAVIS and	:	
LAURIE L. DAVIS,	:	
Defendants	:	
	:	
	:	
	:	

NOTICE TO DEFEND

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

COURT ADMINISTRATOR
Clearfield County Courthouse
Market and Second Streets
Clearfield, PA 16830
(814) 765-2641

AMERICANS WITH DISABILITIES ACT OF 1990

The Court of Common Pleas of Clearfield County is required by law to comply with the Americans with Disabilities Act of 1990. For information about accessible facilities and reasonable accommodations available to disabled individuals having business before the Court, please contact our office. All arrangements must be made at least 72 hours prior to any hearing or business before the Court. You must attend the scheduled conference or hearing.

Clearfield County Court Administrator
Clearfield County Courthouse
Market and Second Streets
Clearfield, PA 16830
(814) 765-2641

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

COUNTY NATIONAL BANK,	:	
Plaintiff	:	No. 2006-858-CD
vs.	:	
JOHN M. DAVIS and	:	
LAURIE L. DAVIS,	:	
Defendants	:	

AMENDED COMPLAINT TO FORECLOSE MORTGAGE

COMES NOW, COUNTY NATIONAL BANK, by its attorney, Peter F. Smith, who pursuant to Pa.R.C.P. 1147, pleads:

1. The Plaintiff is **COUNTY NATIONAL BANK**, a national banking institution, with principal offices at One South Second Street, Clearfield, PA 16830 (hereinafter "CNB").
2. The name of the first Defendant is **JOHN M. DAVIS**, whose last known address is 314 S. Fourth Street, Clearfield, Clearfield County, Pennsylvania 16830.
3. The name of the second Defendant is **LAURIE L. DAVIS**, whose last known address is 110 Linda Road, New Smyrna Beach, Florida 32168.
4. The parcel of real estate subject to this action has an assessed address of 601 Nichols Street, Clearfield, PA 16830 and is also identified as Clearfield County Tax Map Number 4.3-K8-206-62. It consists of a 45' x 120' lot with a two-story frame house, one other house, a garage with an apartment above it and other improvements constructed thereon. The other house and garage/apartment are sometimes identified as 402 W. Fifth Street and 404 W. Fifth Street. The entire parcel is bounded and described as follows:

ALL that certain lot or piece of ground situate in the Third Ward of the Borough of Clearfield, County of Clearfield and State of Pennsylvania, bounded and described as follows:

BEGINNING at a post corner of Nichols and West Fifth Streets (formerly Schryver Street); thence North along said West Fifth Street (formerly Schryver Street) one hundred fifty (150) feet to an alley; thence West along the line of said alley forty-five (45) feet to the line of Lot No. 20; thence South along the line of the same one hundred fifty (150) feet; thence East forty-five (45) feet to the place of beginning and being known as Lot No. 19 in the plan of Schryver's Addition to the Borough of Clearfield.

BEING the same premises conveyed to John M. Davis and Laurie L. Davis by deed dated April 11, 1991 and recorded in Clearfield County Record Volume 1394 Page 445.

5. Laurie L. Davis subsequently conveyed her interest in the subject premises to the first Defendant John M. Davis by deed dated January 3, 2006 and recorded January 4, 2006 at Clearfield County Instrument Number 200600113. Mrs. Davis is named as a Defendant because she has not been released from the mortgage and bond upon which this suit is instituted.

6. Defendants mortgaged the property described above to County National Bank, Plaintiff, by instrument dated May 11, 2001, for a principal debt of \$82,000.00, together with interest. Said mortgage was recorded at Clearfield County Instrument Number 200107154. A true and correct copy of said mortgage is attached hereto and incorporated herein by reference as Exhibit A.

7. The second parcel encumbered by this mortgage was released by instrument dated May 11, 2001 and recorded at Clearfield County Instrument Number 200218753.

8. Defendants also executed a Note in favor of County National Bank together with the foregoing mortgage evidencing their personal obligation to pay the \$82,000.00 borrowed from Plaintiff, together with interest and other charges as specified therein. A true and correct copy of said note is attached hereto and incorporated herein by reference as Exhibit B.

9. On November 14, 2002, the Defendants executed a Mortgage Amendment Agreement to County National Bank. This amendment reduced the original principal amount stated in their mortgage and note referenced above to \$52,650.22. A true and correct copy of said Mortgage Amendment Agreement is attached hereto and incorporated herein by reference as Exhibit C.

10. The Defendants executed a Bi-Weekly Payment Rider on November 27, 2002. This rider authorized County National Bank to automatically deduct one-half of the Defendants' mortgage payments from their checking account on a bi-weekly basis. A true and correct copy of said Bi-Weekly Rider is attached hereto and incorporated herein as Exhibit D.

11. Plaintiff has not assigned this mortgage or note.

12. No judgment has been entered in any jurisdiction upon this mortgage or the underlying obligation to pay the note.

13. Defendants are entitled to no credits or set-offs.

14. On or about December 30, 2005, Defendants failed to make a payment of \$685.23, and at no time since then have all monthly payments been made which constitutes a default.

15. After crediting all amounts paid by Defendants to Plaintiff in reduction of this mortgage, there is a total past due of \$3,194.81 as of May 17, 2006.

16. Written and oral demand have been made upon the Defendants to make said payments to Plaintiff and correct their default, but they have failed to do so.

17. The exact amounts due under said mortgage and because of Defendants' default, after acceleration of the balance due pursuant to its terms as of May 17, 2006, are as follows:

a)	Balance	\$44,933.79
b)	Interest Due to 05/17/06	\$ 1,670.17
c)	Interest accruing after 5/17/06 at \$9.9852867 per day (to be added)	\$ _____
d)	Late charges	\$ 183.76
e)	Satisfaction Fee	\$ 30.50
f)	Escrow balance due	\$ 417.79
g)	Costs of Suit (to be added)	\$ _____
h)	Attorney's commission of amounts reasonably and actually incurred	\$ _____
i)	LESS: Unapplied balance	\$ 415.10
PRELIMINARY TOTAL		\$46,820.91
Prothonotary Costs		\$ _____
FINAL TOTAL		\$

18. The Defendants have abandoned the property subject to this action. Therefore, the Defendants are not entitled to the notices required by Act No. 6 of 1974, 41 Pa.C.S.A. Sections 101 et seq. Homeowner's Emergency Mortgage Assistance Act, 1959, Dec. 3, P.L. 1688, No. 621, art. IV-C, Section 402-C, added 1983, Dec. 23, P.L. 385, No. 91, Section 2, 35 P.S. Section 1680.401c et seq.

19. On March 27, 2006, Plaintiff sent to Defendants by Certified Mail and U.S. First Class Mail, Postage Prepaid an acceleration letter at their last known addresses advising them of their default. A true and correct copy of said letter is attached hereto and incorporated herein by reference as Exhibit E.

20. A copy of the certified mail receipts postmarked by the U.S. Postal Service are attached hereto and incorporated herein by reference as Exhibit F.

21. More than thirty (30) days have elapsed since the mailing of said acceleration letter.

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

VOLUSIA COUNTY SHERIFF
New Smyrna Beach Civil Office

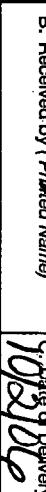
101 East Canal St.

New Smyrna Beach, FL 32168

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

Agent

Addressee

B. Received by (Printed Name)

Date of Delivery

Yes

No

D. Is delivery address different from item 1?

Yes

No

3. Service Type

Certified Mail

Express Mail

Registered

Return Receipt for Merchandise

Insured Mail

C.O.D.

4. Restricted Delivery? (Extra Fee)

Yes

2. Article Number
(Transfer from service label)

4444 7005 0390 0003 7235 1674

PS Form 3811, February 2004

Domestic Return Receipt

10295-02-M-1540

UNITED STATES POSTAL SERVICE

FL 321 11

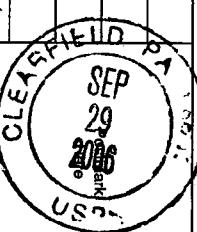
012 OCT 2006

First Class Mail
Postage & Fees Paid
U.S.P.S.
Permit No. 340

• Sender: Please print your name, address, and ZIP+4 in this box •

CHESTER A. HAWKINS
SHERIFF OF CLEARFIELD COUNTY
1 N. 20th ST., SUITE 116
CLEARFIELD, PA. 16830

101970-101971
02

7005	0003	7235	1674
U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>			
<input type="checkbox"/> For detailed information visit our website at www.usps.com			
OFFICIAL USE			
Postage	\$		
Certified Fee			
Return Receipt Fee (Endorsement Required)			
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$	 <i>Volusia County Sheriff New Smyrna Beach Civil Office City, State 32154-2754 New Smyrna Beach, FL 32154</i>	
<i>Sent To</i> <i>Street, Apt. No. or PO Box No.</i> <i>City, State</i>			
<i>See Reverse for Instructions</i>			

PS Form 3800, June 2002

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail® or Priority Mail®.
- Certified Mail is not available for any class of International mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a Return Receipt may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry. Internet access to delivery information is not available on mail addressed to AP0s and FP0s.

101 970 4 11971

UNITED STATES POSTAL SERVICE

PAINTED POST CARD
FL 321

• Print your name, address and ZIP+4 below •

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

ATTN: P. London
COUNTY NATIONAL BANK
PO BOX 42
CLEARFIELD PA 16830-0042

UNITED STATES POSTAL SERVICE

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

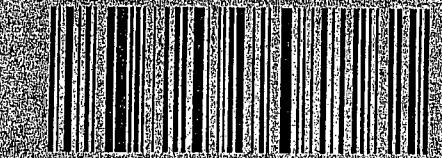
• Print your name, address and ZIP+4 below •

ATTN: P. London
COUNTY NATIONAL BANK
PO BOX 42
CLEARFIELD PA 16830-0042

FILED

SEP 28 2006

William A. Shaw
Prothonotary/Clerk of Courts

2. Article Number: 

3. Service Type: **CERTIFIED MAIL**

4. Restricted Delivery? (Extra Fee) Yes

1. Article Addressed to:

John Davis
123 Main Street
Anytown, USA 12345

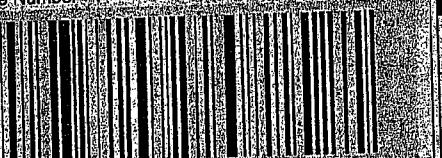
5. Is delivery address different from item 1?
If YES, enter delivery address below:

6. Received by (Please Print Clearly) Agent Addressee

7. Date of Delivery Yes No

8. Signature 

PS Form 3811, January 2003 Domestic Return Receipt

2. Article Number: 

3. Service Type: **CERTIFIED MAIL**

4. Restricted Delivery? (Extra Fee) Yes

1. Article Addressed to:

John Davis
123 Main Street
Anytown, USA 12345

5. Is delivery address different from item 1?
If YES, enter delivery address below:

6. Received by (Please Print Clearly) Agent Addressee

7. Date of Delivery Yes No

8. Signature 

PS Form 3811, January 2003 Domestic Return Receipt

MAY 2008



John M. and Laurie L. Davis
March 27, 2006
Page 3 of 3

The Law provides that you may sell this real estate subject to your delinquent mortgage, and your buyer, or anyone else, has the right to cure this default as explained in the preceding paragraphs. You also have the right to refinance this debt with another lender if possible. You also have the right to have this default cured by a third party acting on your behalf.

You have the right to assert in any foreclosure proceeding or any other lawsuit instituted under the mortgage documents, the nonexistence of a default or any other defense you believe you may have to any such actions against CNB.

If you make partial payments on the account of the delinquencies, we will accept them and apply them to the delinquencies. However, such partial payments will not cure your default or reinstate your loan unless we receive the entire amount required to cure the default.

If you fail to cure your default within thirty (30) days, which is on or before April 30, 2006, the bank will confess judgment against you and institute Foreclosure proceedings against your real estate, which will result in your loss of this property at Sheriff Sale.

Sincerely,

David W. Ogden
Vice President
800-492-3221 extension 118

John M. and Laurie L. Davis

March 27, 2006

Page 2 of 3

The second Mortgage (1285292-5), executed on October 7, 2004, in favor of County National Bank for \$27,466.66, is in default. This Mortgage is recorded in Clearfield County, Instrument Number 200416618, on October 12, 2004. This mortgage encumbers and places a lien upon your property known as 601 Nichols St, Clearfield, Clearfield, Pennsylvania. 16830; along with your 1994 freightliner Truck.

You have failed to make the full monthly payments, since September 7, 2005, and are in default. The total amount of default is \$2,308.66, which includes \$53.61 in late charges.

Pennsylvania law provides that you may cure this default anytime up to one hour prior to Sheriff Sale in the following manner:

1. First, you can bring your account current by paying County National Bank delinquent payments that total \$2,308.66; or,
2. Second, you can pay this mortgage off entirely by tendering \$28,981.85, which includes a balance of \$27,728.86; accrued interest through 03/30/2006 of \$614.30; late charges of \$53.61; and other fees of \$585.08.

Interest will accrue at the rate of 7.3173381 a day from March 30, 2006.

If you chose to cure this default by the foregoing manner, the necessary payment should be made at the main office of County National Bank at the corner of Market and Second Streets in Clearfield. **PAYMENT SHOULD BE MADE BY CASH, CASHIER'S CHECK OR CERTIFIED CHECK.**

If you fail to cure this default within thirty (30) days, County National Bank will exercise its right to confess judgment against you. The bank will institute a foreclosure lawsuit against the real estate for that amount, i.e. \$74,847.15, plus interest, costs of suit and an attorney's commission of the amounts reasonably and actually incurred by County National Bank, but in no event exceeding eight (8%) percent of the total indebtedness. If CNB obtains judgment against you for those amounts, it can then execute against your property, which will result in loss of this property at Sheriff Sale. I estimate the earliest date on which such a sheriff sale could be held would be **Friday, June 30, 2006.**

March 27, 2006

CERTIFIED MAIL:
7160 3901 9842 7187 0832
7160 3901 9842 7187 0849

First Class Mail

JOHN M DAVIS
314 S 4TH ST
CLEARFIELD PA 16830

LAURIE L DAVIS
110 LINDA RD
NEW SMYRNA BEACH FL 32168-1712

Re: County National Bank
Delinquent Mortgage Account #1284602-8
#1285292-5

Dear Mr. and Mrs. Davis:

The Mortgage (1284602-8), executed on May 16, 2001, in favor of County National Bank for \$82,000.00, is in default. This Mortgage is recorded in Clearfield County Instrument Number 200107154, on May 16, 2001. This mortgage encumbers and places a lien upon your property known as 601 Nichols St, Clearfield, Clearfield County, Pennsylvania. 16830.

You have failed to make the full monthly payments, since December 30, 2005, and are in default. The total amount of default is \$2,441.06, which includes \$115.24 in late charges.

Pennsylvania law provides that you may cure this default anytime up to one hour prior to Sheriff Sale in the following manner:

1. First, you can bring your account current by paying County National Bank delinquent payments that total \$2,441.06; or,
2. Second, you can pay this mortgage off entirely by tendering \$45,865.30, which includes a balance of \$44,933.79; accrued interest through 03/30/2006 of \$1,200.87; late charges of \$115.24; and loan satisfaction fee of \$30.50; less unapplied balance of \$415.10.

Interest will accrue at the rate of 9.9852867 a day from March 30, 2006.

"EXHIBIT I"
TO
BUSINESS LOAN AGREEMENT

***BORROWER(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Date of Fiscal Year End: 12/31

Financial Statements:

Type of Annual Financial Statement provided (with footnotes)

<input type="checkbox"/> Audited	<input type="checkbox"/> Reviewed
<input type="checkbox"/> Internal	<input type="checkbox"/> Compiled

Annual Federal Income Tax Return for Business, including all schedules.

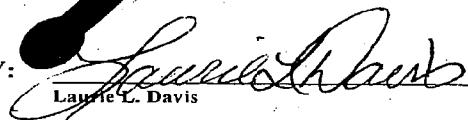
***GUARANTOR(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Personal Financial Statements (signed and dated)
 Complete Tax Return (with all schedules):

***The financials required above must be submitted to CNB by the end of the sixth month after fiscal year end. If these are not submitted on or before that time, CNB will assess a default interest rate of 1% higher than the current interest rate on Borrower's loans; said rate to begin the 1st of the seventh month and shall continue until said default is cured.**

Acknowledged by Borrower(s):

BY:



Laurie L. Davis

10/07/04

DATE

b. **Obligor** shall mean any person having any obligation to Lender, whether for the payment of money or otherwise, under this Agreement or under the Related Documents, including but not limited to Guarantor and any other guarantors of the Indebtedness.

7. **Property** shall mean all of Borrower's (and/or other Obligor's, as applicable) assets, whether tangible or intangible, real or personal.

8. **Related Documents**, shall mean any and all documents, promissory notes, security agreements, leases, mortgages, guaranties, pledges and any other documents or agreements executed in connection with this Agreement. The term shall include both documents existing at the time of execution of this Agreement and documents executed after this date of this Agreement.

K. Miscellaneous

1. The Borrower will promptly inform the Lender of any fact or act which materially affects the Borrower's financial condition.

2. Either party may terminate this agreement upon thirty (30) days written notice. If the Borrower terminates, the Borrower agrees to pay the Lender all sums of principal, interest, fees, and penalties prior to the termination becoming effective.

3. Borrower warrants that no provision, warranty or promise made by Borrower in any document related to this transaction causes any conflict whatsoever with the terms of Borrower's articles of incorporation or organization, by-laws, partnership agreement, operating agreement, or any document related to any other transaction Borrower may be involved with, with any other person or entity.

4. If the Borrower is a corporation, partnership or limited liability company, the Borrower is duly organized, validly existing and in good standing (if applicable) under the laws of the state of its organization.

Additional Provisions

Origination Fee: \$250.00; Title Search Fee: \$20.00

Recording Fee: \$36.50

Post Maturity Rate of 11.50%

Both Parties
Must Initial:



Borrower's Initials

Lender's Initials

By initialing, I acknowledge this is page 3 of 3 of the
Business Loan Agreement.

Initials	Initials	Initials	Initials
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ITEM 317BA13 (0104A) (1868) Page 3 of 3

Compliance Systems, Inc.
800-868-8522 Fax 816-959-1868

F. General Agreements

1. The business of the Borrower shall be continued in its present form and at the address as shown on page one, and the Borrower will not enter into changes of its partnership agreement, limited liability company articles of organization, or, if a corporation, enter into a consolidation, merger, or permit a majority of its common stock to be transferred, or grant options which could result in such actions unless the Lender is first notified and consents in writing to any such change.

2. The proceeds of the loan or line of credit will be used lawfully and exclusively for the benefit of the Borrower's business and for the purpose set forth on page one.

3. All collateral security given to secure the loan or line of credit shall also secure all of the other obligations of the Borrower to the Lender of whatsoever nature, past, present, or future. All collateral security given for other obligations of the Borrower to the Lender, together with any debt from Lender to Borrower, (including, but not limited to checking, deposit accounts, certificates of deposit, savings accounts, and the like) shall, likewise, secure the loan or line of credit described on page one. It is the expressed intent to cross-collateralize all of the borrowings or other indebtedness of Borrower to the Lender. The breach of the terms of any note, security agreement, mortgage, pledge, or loan agreement of whatsoever nature between the Borrower and the Lender shall constitute default and breach of all such agreements, including this agreement.

4. The Borrower will at all times maintain in full force adequate liability and property insurance to protect its assets, the insurance to be in such form and such amounts as the Lender, at its sole discretion, may require.

5. This agreement shall pertain to and govern monies owed by Borrower to Lender, identified as loan(s) and/or line(s) of credit on page one, including all renewals, extensions and changes of form related thereto, until the same have been paid in full.

G. Borrower's Warranties

Borrower Warrants:

1. All representations and statements of whatever nature made or delivered to the Lender at any time prior to, contemporaneous with, or subsequent to this agreement have been, are, or shall be true in all respects.

2. The Borrower has full and unencumbered title to all property relied upon by the Lender as security and to all assets set forth in any financial statement, unless otherwise indicated in such statement.

3. The Borrower will keep its books and records in accordance with generally accepted accounting principles and will deliver balance sheets as well as profit and loss statements from time to time in a form satisfactory to the Lender.

4. The Borrower agrees that the Lender may itself, or by its authorized representative, inspect the premises, books, and records of the Borrower during regular business hours and at reasonable intervals.

5. As to any real estate which has been, is now, or will be in the future owned or occupied by Borrower, that such real estate has not in the past, nor will now or in the future be allowed in any manner to be exposed to or contain hazardous or environmentally harmful substances as may be defined or regulated by any state or federal law or regulation which impacts, in any way, such substances, except to the extent the existence of such substances has been presently disclosed in writing to Lender, and Borrower will immediately notify Lender in writing of any assertion made by any party to the contrary. Borrower indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense of whatsoever nature, including reasonable attorney fees, incurred directly or indirectly as a result of Borrower's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any state or federal law or regulation.

6. If the Borrower is a corporation, it will not pay dividends or purchase or retire any of its capital stock without written permission of the Lender.

By initialing, I acknowledge this is page 2 of 3 of the
Business Loan Agreement.

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IFM 3178AL2 (0104A) (1868) Page 2 of 3

7. The Borrower will not, during the term of this agreement, incur any other indebtedness for borrowed money, become a guarantor or surety for any third party, will not lend money, encumber any of its assets, or sell any asset, except in the ordinary course of Borrower's business, without the written permission of the Lender. For the purposes of this section, the sale of accounts is deemed to be borrowing money.

H. Events of Default

The Borrower agrees to pay all of the Lender's expenses incidental to perfecting Lender's security interests and liens, including all insurance premiums and title insurance costs, Uniform Commercial Code search fees, and all fees incurred by Lender for audits, inspection, and copying of Borrower's books and records. In addition, any costs associated with the closing of this loan, attorney fees and other incidental costs shall be paid by Borrower. The Borrower also agrees to pay all costs and expenses of Lender in connection with the enforcement of Lender's rights and remedies under this agreement, the Related Documents, and any other agreements between the Borrower and Lender in connection with any amendments, modifications, waiver of consent with respect to this agreement, including reasonable attorney fees.

Any failure of the Borrower to pay any interest, principal, or fee when due; any breach or default of any term, condition or warranty of this agreement or any other agreement between the Borrower and the Lender; any appointment of a receiver, trustee, or assignee for the benefit of creditors; any voluntary or involuntary bankruptcy insolvency proceeding; any assessment for taxes (other than real property taxes) levied by any government entity; or any lien, attachment, or garnishment by a creditor of the Borrower shall constitute a default hereof. Borrower shall also be in default if the Lender should, in good faith, believe the Borrower's ability to repay its indebtedness under this Agreement, any collateral, or the ability to resort to any collateral, is or soon will be impaired, time being of the very essence.

I. Remedies on Default

In addition to any other remedies upon an event of Default, Lender shall have the right to cease to make any further advances under this Agreement, or any other indebtedness which Borrower has with Lender. Upon such a default the Lender may, at its sole and absolute option, declare all sums due from the Borrower immediately due and payable regardless of the terms of any note or other evidence of indebtedness between the Borrower and the Lender. No indulgence or failure of the Lender to enforce any rights hereunder or under any other agreement between the Borrower and the Lender shall constitute a waiver of those terms by the Lender, and the Lender may enforce such terms upon subsequent or continuing default.

J. Definitions

1. **"Agreement"** shall mean this Business Loan Agreement.

2. **"Collateral"** shall mean the Property which Borrower and any other Obligor has pledged, mortgaged, or granted Lender a security interest in, wherever located and whether now ended or hereafter acquired, together with all replacements, substitutions, proceeds and products thereof.

3. **"Event of Default"** shall mean any of the events described in section H of this Agreement and in the Related Documents.

4. **"Financial Statements"** shall mean all balance sheets, earnings statements, and other financial information (whether of Borrower, or an Obligor) which have been, are now, or are in the future furnished to Lender.

5. **"Indebtedness"** shall mean the Loan(s) and all other loans and indebtedness of Borrower to Lender, including but not limited to Lender advances for payments of insurance, taxes, any amounts advanced by Lender to protect its interest in the Collateral, overdrafts in deposit accounts with Lender, and all other indebtedness, obligations and liabilities of Borrower to Lender, whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising.

Initials Initials Initials Initials

Compliance Systems, Inc.
800-908-8522 Fax 816-856-1868

NAME(S) / ADDRESS(ES) OF BORROWER(S) ("Borrower, I, My or Me") Laurie L Davis 601 Nichols St Clearfield, PA 16830-1539		NAME / ADDRESS OF LENDER (CREDITOR) ("Lender, You, or Your") County National Bank PO Box 42 1 South Second St Clearfield, PA 16830-0042				
TYPE OF BUSINESS		<input type="checkbox"/> CORPORATION	<input type="checkbox"/> PARTNERSHIP	<input checked="" type="checkbox"/> PROPRIETORSHIP	<input type="checkbox"/> LIMITED LIABILITY COMPANY	<input type="checkbox"/> LIMITED LIABILITY PARTNERSHIP
AMOUNT AND TERM OF LOAN(S) OR LINE(S) OF CREDIT						
AMOUNT TWENTY SEVEN THOUSAND FOUR HUNDRED SIXTY SIX DOLLARS AND SIXTY SIX CENTS \$ 27,466.66						
TRANSACTION DATE 10/07/2004	MATURITY DATE 10/07/2014	ACCOUNT NUMBER 1285292/5	<input checked="" type="checkbox"/> LOAN		<input type="checkbox"/> LINE OF CREDIT	
INTEREST RATE 9.50000						
PURPOSE OF CREDIT Refinance						

The undersigned Borrower, in consideration of the Lender granting the loan(s) or line(s) of credit upon the terms described above, hereby agrees, warrants and represents as follows:

A. PREPAYMENT. Borrower agrees that in the event of prepayment, the Borrower will pay a prepayment penalty on the following basis: A 2% refinance fee will apply in the event the loan is refinanced by a financial institution within 100-mile radius of this office and is waived for the six-month period prior to maturity.						
B. ACCOUNTING AND COMPENSATING BALANCES. Borrower agrees to maintain the following accounts with Lender:						
1. % of the balance of the loan or used portion of the line of credit plus 2. % of any unused portion of the line of credit, if any.						
C. FINANCIAL REQUIREMENTS. Provisions 1 and 2 below shall be in accordance with generally accepted accounting principles.						
1. Borrower will maintain a net worth of at least \$ 2. Borrower will maintain current assets in excess of current liabilities in a ratio of at least 3. Borrower will not make (without prior written consent of Lender) investments in fixed assets in excess of: \$ 4. Borrower will enter into no lease (without prior written consent of Lender) with an aggregate rental of more than: \$ 5. Borrower will cause its following named creditor(s) to subordinate its debt to the debt of the Borrower to Lender in a form prescribed by Lender.						
NAME OF CREDITOR		DOLLAR AMOUNT SUBORDINATED				
6. Borrower will submit financial data as follows: See Exhibit "I"						
D. SECURITY. To secure its loan or line of credit, the Borrower has or will deliver possession of the following collateral or will execute the following instruments of pledge, mortgage, assignment, guarantee, or security agreement and will comply with all of the provisions of those documents: 601 Nichols St, Clearfield, PA 16830-1539 County: 1994 Freightliner Truck 2FUYDXYB9RA458183						
E. GUARANTORS. To induce the Lender to extend and continue to extend financial accommodations to Borrower, the following named individual(s) or entity(ies) have agreed to guarantee repayment of any indebtedness of Borrower:						
The Borrower(s) acknowledging(s) having read and understood the terms listed on page one as well as on pages two and three hereof and agrees to be bound by and to comply with them:						
By <input checked="" type="checkbox"/> Its Laurie L Davis	Date	By <input type="checkbox"/> Its Date				
By <input type="checkbox"/> Its Date	By <input type="checkbox"/> Its Date					

"EXHIBIT I"
TO
BUSINESS LOAN AGREEMENT

***BORROWER(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Date of Fiscal Year End: 12/31

Financial Statements:

Type of Annual Financial Statement provided (with footnotes)

Audited Reviewed
 Internal Compiled

Annual Federal Income Tax Return for Business, including all schedules.

***GUARANTOR(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Personal Financial Statements (signed and dated)
 Complete Tax Return (with all schedules):

***The financials required above must be submitted to CNB by the end of the sixth month after fiscal year end. If these are not submitted on or before that time, CNB will assess a default interest rate of 1% higher than the current interest rate on Borrower's loans; said rate to begin the 1st of the seventh month and shall continue until said default is cured.**

Acknowledged by Borrower(s):

BY: John M. Davis 10/07/04
John M. Davis DATE

6. **Obligor** shall mean any person having any obligation to Lender, whether for the payment of money or otherwise, under this Agreement or under the Related Documents, including but not limited to Guarantor and any other guarantors of the Indebtedness.

7. **Property** shall mean all of Borrower's (and/or other Obligor's, as applicable) assets, whether tangible or intangible, real or personal.

8. **Related Documents** shall mean any and all documents, promissory notes, security agreements, leases, mortgages, guarantees, pledges and any other documents or agreements executed in connection with this Agreement. The term shall include both documents existing at the time of execution of this Agreement and documents executed after this date of this Agreement.

K. Miscellaneous

1. The Borrower will promptly inform the Lender of any fact or act which materially affects the Borrower's financial condition.

2. Either party may terminate this agreement upon thirty (30) days written notice. If the Borrower terminates, the Borrower agrees to pay the Lender all sums of principal, interest, fees, and penalties prior to the termination becoming effective.

3. Borrower warrants that no provision, warranty or promise made by Borrower in any document related to this transaction causes any conflict whatsoever with the terms of Borrower's articles of incorporation or organization, by-laws, partnership agreement, operating agreement, or any document related to any other transaction Borrower may be involved with, with any other person or entity.

4. If the Borrower is a corporation, partnership or limited liability company, the Borrower is duly organized, validly existing and in good standing (if applicable) under the laws of the state of its organization.

Additional Provisions

Origination Fee: \$250.00; Title Search Fee: \$20.00

Recording Fee: \$36.50

Post Maturity Rate of 11.50%

Both Parties
Must Initial:

JMP

Borrower's Initials

WST

Lender's Initials

By initialing, I acknowledge this is page 3 of 3 of the
Business Loan Agreement.

Initials Initials Initials Initials

F. General Agreements

1. The business of the Borrower shall be continued in its present form and at the address as shown on page one, and the Borrower will not enter into changes of its partnership agreement, limited liability company articles of organization, or, if a corporation, enter into a consolidation, merger, or permit majority of its common stock to be transferred; or grant options which could result in such actions unless the Lender is first notified and consents in writing to any such change.

2. The proceeds of the loan or line of credit will be used lawfully and exclusively for the benefit of the Borrower's business and for the purpose set forth on page one.

3. All collateral security given to secure the loan or line of credit shall also secure all of the other obligations of the Borrower to the Lender of whatsoever nature, past, present, or future. All collateral security given for other obligations of the Borrower to the Lender, together with any debt from Lender to Borrower, (including, but not limited to checking, deposit accounts, certificates of deposit, savings accounts, and the like) shall, likewise, secure the loan or line of credit described on page one. It is the expressed intent to cross-collateralize all of the borrowings or other indebtedness of Borrower to the Lender. The breach of the terms of any note, security agreement, mortgage, pledge, or loan agreement of whatsoever nature between the Borrower and the Lender shall constitute default and breach of all such agreements, including this agreement.

4. The Borrower will at all times maintain in full force adequate liability and property insurance to protect its assets, the insurance to be in such form and such amounts as the Lender, at its sole discretion, may require.

5. This agreement shall pertain to and govern monies owed by Borrower to Lender, identified as loan(s) and/or line(s) of credit on page one, including all renewals, extensions and changes of form related thereto, until the same have been paid in full.

G. Borrower's Warranties

Borrower Warrants:

1. All representations and statements of whatever nature made or delivered to the Lender at any time prior to, contemporaneous with, or subsequent to this agreement have been, are, or shall be true in all respects.

2. The Borrower has full and unencumbered title to all property relied upon by the Lender as security and to all assets set forth in any financial statement, unless otherwise indicated in such statement.

3. The Borrower will keep its books and records in accordance with generally accepted accounting principles and will deliver balance sheets as well as profit and loss statements from time to time in a form satisfactory to the Lender.

4. The Borrower agrees that the Lender may itself, or by its authorized representative, inspect the premises, books, and records of the Borrower during regular business hours and at reasonable intervals.

5. As to any real estate which has been, is now, or will be in the future owned or occupied by Borrower, that such real estate has not in the past, nor will now or in the future be allowed in any manner to be exposed to or contain hazardous or environmentally harmful substances as may be defined or regulated by any state or federal law or regulation which impacts, in any way, such substances, except to the extent the existence of such substances has been presently disclosed in writing to Lender, and Borrower will immediately notify Lender in writing of any assertion made by any party to the contrary. Borrower indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense of whatsoever nature, including reasonable attorney fees, incurred directly or indirectly as a result of Borrower's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any state or federal law or regulation.

6. If the Borrower is a corporation, it will not pay dividends or purchase or retire any of its capital stock without written permission of the Lender.

By initialing, I acknowledge this is page 2 of 3 of the Business Loan Agreement.

7. The Borrower will not, during the term of this agreement, incur any other indebtedness for borrowed money, become a guarantor or surety for any third party, will not lend money, encumber any of its assets, or sell any asset, except in the ordinary course of Borrower's business, without the written permission of the Lender. For the purposes of this section, the sale of accounts is deemed to be borrowing money.

H. Events of Default

The Borrower agrees to pay all of the Lender's expenses incidental to perfecting Lender's security interests and liens, including all insurance premiums and title insurance costs, Uniform Commercial Code search fees, and all fees incurred by Lender for audits, inspection, and copying of Borrower's books and records. In addition, any costs associated with the closing of this loan, attorney fees and other incidental costs shall be paid by Borrower. The Borrower also agrees to pay all costs and expenses of Lender in connection with the enforcement of Lender's rights and remedies under this agreement, the Related Documents, and any other agreements between the Borrower and Lender in connection with any amendments, modifications, waiver of consent with respect to this agreement, including reasonable attorney fees.

Any failure of the Borrower to pay any interest, principal, or fee when due; any breach or default of any term, condition or warranty of this agreement or any other agreement between the Borrower and the Lender; any appointment of a receiver, trustee, or assignee for the benefit of creditors; any voluntary or involuntary bankruptcy insolvency proceeding; any assessment for taxes (other than real property taxes) levied by any government entity; or any lien, attachment, or garnishment by a creditor of the Borrower shall constitute a default hereof. Borrower shall also be in default if the Lender should, in good faith, believe the Borrower's ability to repay its indebtedness under this Agreement, any collateral, or the ability to resort to any collateral, is or soon will be impaired, time being of the very essence.

I. Remedies on Default

In addition to any other remedies upon an event of Default, Lender shall have the right to cease to make any further advances under this Agreement, or any other indebtedness which Borrower has with Lender. Upon such a default the Lender may, at its sole and absolute option, declare all sums due from the Borrower immediately due and payable regardless of the terms of any note or other evidence of indebtedness between the Borrower and the Lender. No indulgence or failure of the Lender to enforce any rights hereunder or under any other agreement between the Borrower and the Lender shall constitute a waiver of those terms by the Lender, and the Lender may enforce such terms upon subsequent or continuing default.

J. Definitions

1. Agreement shall mean this Business Loan Agreement.

2. Collateral shall mean the Property which Borrower and any other Obligor has pledged, mortgaged, or granted Lender a security interest in, wherever located and whether now ended or hereafter acquired, together with all replacements, substitutions, proceeds and products thereof.

3. Event of Default shall mean any of the events described in section H of this Agreement and in the Related Documents.

4. Financial Statements shall mean all balance sheets, earnings statements, and other financial information (whether of Borrower, or an Obligor) which have been, are now, or are in the future furnished to Lender.

5. Indebtedness shall mean the Loan(s) and all other loans and indebtedness of Borrower to Lender, including but not limited to Lender advances for payments of insurance, taxes, any amounts advanced by Lender to protect its interest in the Collateral, overdrafts in deposit accounts with Lender, and all other indebtedness, obligations and liabilities of Borrower to Lender, whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising.

Initials	Initials	Initials	Initials
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NAME(S) / ADDRESS(ES) OF BORROWER(S) ("Borrower, I, My or Me") John M Davis 601 Nichols St Clearfield, PA 16830-1539		NAME / ADDRESS OF LENDER (CREDITOR) ("Lender, You, or Your") County National Bank PO Box 42 1 South Second St Clearfield, PA 16830-0042				
TYPE OF BUSINESS		<input type="checkbox"/> CORPORATION	<input type="checkbox"/> PARTNERSHIP	<input checked="" type="checkbox"/> PROPRIETORSHIP	<input type="checkbox"/> LIMITED LIABILITY COMPANY	<input type="checkbox"/> LIMITED LIABILITY PARTNERSHIP
AMOUNT AND TERM OF LOAN(S) OR LINE(S) OF CREDIT						
AMOUNT TWENTY SEVEN THOUSAND FOUR HUNDRED SIXTY SIX DOLLARS AND SIXTY SIX CENTS \$ 27,466.66						
TRANSACTION DATE 10/07/2004	MATURITY DATE 10/07/2014	ACCOUNT NUMBER 1285292/5	<input checked="" type="checkbox"/> LOAN		<input type="checkbox"/> LINE OF CREDIT	
INTEREST RATE 9.500000						
PURPOSE OF CREDIT Refinance						

The undersigned Borrower, in consideration of the Lender granting the loan(s) or line(s) of credit upon the terms described above, hereby agrees, warrants and represents as follows:

A. PREPAYMENT. Borrower agrees that in the event of prepayment, the Borrower will pay a prepayment penalty on the following basis: A 2% refinance fee will apply in the event the loan is refinanced by a financial institution within 100-mile radius of this office and is waived for the six-month period prior to maturity.						
B. ACCOUNTING AND COMPENSATING BALANCES. Borrower agrees to maintain the following accounts with Lender:						
<ol style="list-style-type: none"> 1. % of the balance of the loan or used portion of the line of credit plus 2. % of any unused portion of the line of credit, if any. 						
C. FINANCIAL REQUIREMENTS. Provisions 1 and 2 below shall be in accordance with generally accepted accounting principles.						
<ol style="list-style-type: none"> 1. Borrower will maintain a net worth of at least \$ 2. Borrower will maintain current assets in excess of current liabilities in a ratio of at least to one. 3. Borrower will not make (without prior written consent of Lender) investments in fixed assets in excess of: \$ 4. Borrower will enter into no lease (without prior written consent of Lender) with an aggregate rental of more than: \$ 5. Borrower will cause its following named creditor(s) to subordinate its debt to the debt of the Borrower to Lender in a form prescribed by Lender. 						
NAME OF CREDITOR				DOLLAR AMOUNT SUBORDINATED		
<p>6. Borrower will submit financial data as follows: See Exhibit "I"</p> <p>D. SECURITY. To secure its loan or line of credit, the Borrower has or will deliver possession of the following collateral or will execute the following instruments of pledge, mortgage, assignment, guarantee, or security agreement and will comply with all of the provisions of these documents: 601 Nichols St, Clearfield, PA 16830-1539 County: 1994 Freightliner Truck 2FUYDXYB9RA458183</p> <p>E. GUARANTORS. To induce the Lender to extend and continue to extend financial accommodations to Borrower, the following named individual(s) or entity(ies) have agreed to guarantee repayment of any indebtedness of Borrower:</p> <p>The Borrower(s) acknowledge(s) having read and understood the terms listed on page one as well as on pages two and three hereof and agrees to be bound by and to comply with them:</p>						
By <u>John M Davis</u> John M Davis		Date		By <input type="checkbox"/> Its		
By <input type="checkbox"/> Its		Date		By <input type="checkbox"/> Its		

33. ASSIGNABILITY - Lender may assign, pledge, or otherwise transfer this Agreement or any of its rights and powers under this Agreement without notice, with all or any of the Obligations, and in such event the assignee shall have the same rights as if originally named herein in place of Lender. Debtor may not assign this Agreement or any benefit accruing to it hereunder without the express written consent of the Lender.

34. AUTHORIZATIONS - Debtor authorizes Lender, without notice or demand and without altering Debtor's liability or Lender's rights hereunder, from time to time to take acts which may alter the obligation of Borrower to Lender and/or Debtor's right to restitution or subrogation, including: (a) to renew, compromise, extend, or otherwise change the time for payment of, or otherwise change the terms of the Obligations or any part thereof, including increasing the rate of interest; (b) to extend additional credit to Borrower in any manner for any purpose; (c) to incur costs, including attorneys' fees, with respect to enforcing its rights with respect to the Obligations and collateral securing the Obligations; (d) to exchange, enforce, waive, or release (whether intentionally or unintentionally) any security for the Obligations or any part thereof or purchase such security at private or public sale; (e) to settle, release, compromise with, or substitute any one or more endorsers, guarantors, or other obligors of the Obligations; (f) to impair the value of Lender's interest in Collateral through failure to obtain or maintain protection, failure to obtain or maintain recordation of an interest, or through failure to perform a duty owed to Debtor to preserve the Collateral; and (g) to apply all monies received from Debtor and others or from Collateral in Lender's discretion without in any way being required to marshal assets.

35. AMENDMENT - This is the final expression of the agreement between the parties and may not be contradicted by evidence of any prior or contemporaneous oral agreement. This Agreement may not be amended except by written agreement signed by the parties.

36. GOVERNING LAW - This Agreement has been delivered in the state where the Lender is located and shall be construed in accordance with the laws of that state.

37. HEADINGS AND GENDER - The headings preceding text in this Agreement are for general convenience in identifying subject matter, but have no limiting impact on the text which follows any particular heading. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require.

38. MISCELLANEOUS - Time is of the essence of this Agreement. Except as otherwise defined in this Agreement, all terms herein shall have the meanings provided by the Uniform Commercial Code as it has been adopted in the state where the Lender is located. All rights, remedies, and powers of the Lender hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies, and powers given hereunder or in or by any other instruments or by the provision of the Uniform Commercial Code as adopted in the state where the Lender is located, or any other laws, now existing or hereafter enacted. The Debtor specifically agrees that, if it has heretofore or hereafter executed any loan agreement in conjunction with this Agreement, any ambiguities between this Agreement and any such loan agreement shall be construed under the provisions of the loan agreement, to the extent that it may be necessary to eliminate any such ambiguity. Debtor releases Lender from any liability which might otherwise exist for any act or omission of Lender related to the collection of any debt secured by this Agreement or the disposal of any Collateral, except for Lender's willful misconduct.

ADDITIONAL PROVISIONS - If checked, the following Provisions are made a part of this Agreement:

Origination Fee: \$250.00; Title Search Fee: \$20.00
Recording Fee: \$36.50
Post Maturity Rate of 11.50%

ACKNOWLEDGMENT - The Debtor acknowledges that this is the entire agreement between the parties, except to the extent that writings signed by the party against whom enforcement is sought are specifically incorporated herein by reference either in this Agreement or in such writings, and acknowledges receipt of a true and complete copy of this Agreement including pages 1 through 10. The Debtor expressly agrees to all of the provisions of this Agreement and signifies assent by the signature(s) below.

IN WITNESS WHEREOF, the Debtor has executed this Agreement on the date and year shown below.

By X
John I Davis
Its

Date

By X
Laurie L Davis
Its

Date

By X
Its

Date

Date

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ITEM 304BAL10 (0105) Page 10 of 10

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5003190252624543232 BULK FILE
ID: 22475 - 1 SHORT NAME: DAVIS, JOHN M
LOAN NUMBER: 12852925 NEW NOTE NUMBER:
DOC CODE: L-EQUIP-1 DOC: Commercial Security Agreement
USER: RBANNON Date: 10/20/2004 01:54:14 PM

Compliance Systems, Inc.
800-888-8522 Fax 616-956-1866

enforcement of any rights connected with retaking, holding, testing, repairing, improving, selling, leasing, or disposing of the Collateral, or like expenses. These expenses, together with interest thereon from the date incurred until paid by Debtor at the maximum post-default rate stated in the notes secured hereby, which Debtor agrees to pay, shall constitute additional Obligations and shall be secured by and entitled to the benefits of this Agreement. The Lender may sell, lease, or otherwise dispose of the Collateral, by public or private proceedings, for cash or credit, without assumption of credit risk. Unless the Collateral is perishable or threatens to decline speedily in value or of a type customarily sold on a recognized market, Lender will send Debtor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition will be made. Any notification of intended disposition of the Collateral by the Lender shall be deemed to be reasonable and proper if sent postage prepaid, by regular mail, to the Debtor at least ten (10) days before such disposition, and addressed to the Debtor either at the address shown herein or at any other address provided to Lender in writing for the purpose of providing notice. Proceeds received by Lender from disposition of the Collateral may be applied toward Lender's expenses and other obligations in such order or manner as Lender may elect. Debtor shall be entitled to any surplus if one results after lawful application of the proceeds. If the proceeds from a sale of the Collateral are insufficient to extinguish the Obligations of the Debtor hereunder, Debtor shall be liable for a deficiency. Lender shall have the right, whether before or after default, to collect and receipt for, compound, compromise, and settle, and give releases, discharges, and acquittances with respect to, any and all amounts owed by any person or entity with respect to the Collateral. Lender may remedy any default and may waive any default without waiving the default remedied and without waiving any other prior or subsequent default. The rights and remedies of the Lender are cumulative, and the exercise of any one or more of the rights or remedies shall not be deemed an election of rights or remedies or a waiver of any other right or remedy.

25. FORBEARANCE NOT A WAIVER - Any delay on the part of the Lender in exercising any power, privilege, or right hereunder, or under any other document executed by Borrower and/or Debtor to the Lender in connection herewith, shall not operate as a waiver thereof, and no single or partial exercise thereof or any other power, privilege, or right shall preclude other or further exercise thereof. The waiver by the Lender of any default of the Borrower and/or Debtor shall not constitute a waiver of subsequent default.

26. CONTINUING AGREEMENT - This is a continuing agreement, and shall remain in full force and effect until the Obligations are paid in full. In the event that Lender should take additional Collateral, or enter into other security agreements, mortgages, guarantees, assignments, or similar documents with respect to the Obligations, or should Lender enter into other such agreements with respect to other obligations of Debtor, such agreements shall not discharge this Agreement, which shall be construed as cumulative and continuing and not alternative and exclusive.

The security interest (and pledge and assignment as applicable), hereby granted and all of the terms and provisions of this Agreement shall be deemed a continuing agreement and shall continue in full force and effect until the Obligations are paid in full. Any such revocation or termination shall only be effective if explicitly confirmed in a signed writing issued by Lender to such effect and shall in no way impair or affect any transactions entered into or rights created or liabilities incurred or arising prior to such revocation or termination, as to which this Agreement shall be truly operative until same are repaid and discharged in full. Unless otherwise required by applicable law, Lender shall be under no obligation to issue a termination statement or similar document unless Debtor requests same in writing, and providing further, that all Obligations have been repaid and discharged in full and there are no commitments to make advances, incur any obligations, or otherwise give value.

27. ABSENCE OF CONDITIONS OF LIABILITY - This Agreement is unconditional. Lender shall not be required to exhaust its remedies against Debtor, other collateral, or guarantors, or pursue any other remedies within Lender's power before being entitled to exercise its remedies hereunder. Lender's rights to the Collateral shall not be altered by the lack of validity or enforceability of the Obligations against Borrower, and this Agreement shall be fully enforceable irrespective of any counterclaim which the Borrower may assert on the underlying debt and notwithstanding any stay, modification, discharge, or extension of Borrower's Obligation arising by virtue of Debtor's insolvency, bankruptcy, or reorganization, whether occurring with or without Lender's consent.

28. WAIVERS - Debtor waives notice of Lender's acceptance of this Agreement, defenses based on suretyship, and to the fullest extent permitted by law, any defense arising as a result of any election by Lender under the Bankruptcy Code and the Uniform Commercial Code. Debtor and any maker, endorser, guarantor, surety, third-party pledgor, and other party executing this Agreement that is liable in any capacity with respect to the Obligations hereby waive demand, notice of intention to accelerate, notice of acceleration, notice of nonpayment, presentment, protest, notice of dishonor, and any other similar notice whatsoever.

29. WAIVER OF JURY TRIAL - All parties to this Agreement hereby waive to the fullest extent permitted by law any right to trial by jury with respect to any disputes, whether in contract, tort, or otherwise, arising out of, in connection with, related to, or incidental to the relationship established between them in this Agreement or any note or other instrument, document, or agreement executed or delivered in connection herewith or the transactions related hereto.

30. JOINT AND SEVERAL LIABILITY - If this Agreement is executed by more than one Debtor, it is understood and agreed that each such Debtor shall be jointly and severally bound and the word "Debtor" as used herein shall be construed to be of such number as circumstances require.

31. SEVERABILITY - Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law; but, in the event any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity and shall be severed from the rest of this Agreement without invalidating the remainder of such provision or the remaining provisions of this Agreement.

32. SURVIVAL - The rights and privileges of the Lender hereunder shall inure to the benefits of its successors and assigns, and this Agreement shall be binding on all heirs, executors, administrators, assigns, and successors of Debtor.

By initialing, I acknowledge this is page 9 of 10 of the
Commercial Security Agreement.

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statement filings, in order to comply with applicable state or federal law and to preserve and protect the Lender's rights in the Collateral. The Debtor further grants the Lender a power of attorney to execute any and all documents necessary for the Lender to perfect or maintain perfection of its security interest in the Collateral, and to change or correct any error on any financing statement or any other document necessary for proper placement of a lien on any Collateral which is subject to this Agreement.

19. **LANDLORD'S WAIVER** - Upon request, Debtor shall furnish to Lender, in a form and upon such terms as are acceptable to Lender, a landlord's waiver of all liens with respect to any Collateral covered by this Agreement that is or may be located upon leased premises.

20. NOTICES - Any notice or demand given by Lender to Borrower and/or Debtor in connection with this Agreement, the Collateral, or the Obligations, shall be deemed given and effective upon deposit in the United States mail, postage prepaid, addressed to Borrower and/or Debtor at the address Borrower and/or Debtor designated at the beginning of this Agreement, or such other address as Borrower and/or Debtor may provide to Lender in writing from time to time for such purposes. Actual notice to Borrower and/or Debtor shall always be effective no matter how such notice is given or received.

21. RELATIONSHIP TO OTHER AGREEMENTS - This Agreement and the security interests (and pledges and assignments, as applicable) herein granted are in addition to (and not in substitution, novation or discharge of) any and all prior or contemporaneous security agreements, security interests, pledges, assignments, mortgages, liens, rights, titles, or other interests in favor of Lender or assigned to Lender by others in connection with the Obligations. All rights and remedies of Lender in all such agreements are cumulative.

22. CROSS-COLLATERALIZATION / CROSS-DEFAULT - Borrower and/or Debtor agrees that any security interest provided in collateral under this Agreement or any and all other indebtedness of Borrower and/or Debtor to lender, whether or not such indebtedness is related by class or claim and whether or not contemplated by the parties at the time of executing each evidence of indebtedness, shall act as collateral for all said indebtedness. Any default of the Borrower and/or Debtor in the terms of any indebtedness to Lender shall constitute a default under this Agreement.

23. DEFAULT - The occurrence of any of the following events shall constitute a default of this Agreement: (a) the non-payment, when due (whether by acceleration of maturity or otherwise), of any amount payable on any of the Obligations or any extension or renewal thereof; (b) the failure to perform any agreement of the Borrower and/or Debtor contained herein or in any other agreement Borrower and/or Debtor has or may have with Lender; (c) the failure to perform any agreement of any Guarantor or Non-Borrower Debtor contained herein or in any other agreement said Guarantor or Non-Borrower Debtor has or may have with Lender; (d) the publication of any statement, representation, or warranty, whether written or oral, by the Borrower and/or Debtor to the Lender, which at any time is untrue in any respect as of the date made; (e) the publication of any statement, representation, or warranty, whether written or oral, by any Guarantor or Non-Borrower Debtor to the Lender, which at any time is untrue in any respect as of the date made; (f) the condition that any Obligor (which term, as used herein, shall mean the Borrower and each party primarily or secondarily liable on any of the Obligations) becomes insolvent or unable to pay debts as they mature, or makes an assignment for the benefit of the Obligor's creditors, or conveys substantially all of its assets, or in the event of any proceedings instituted by or against any Obligor alleging that such Obligor is insolvent or unable to pay debts as they mature (failure to pay being conclusive evidence of inability to pay), or makes application for appointment of a receiver or any other legal custodian, or in the event that a petition of any kind is filed under the Federal Bankruptcy Act by or against such Obligor; (g) the entry of any judgment against any Obligor, or the issue of any order of attachment, execution, sequestration, claim and delivery, or other order in the nature of a writ levied against the Collateral; (h) the death of any Obligor who is a natural person, or of any partner of the Obligor which is a partnership; (i) the dissolution, liquidation, termination of existence, business failure, merger, and consolidation or transfer of a substantial part of the property of any Obligor which is a corporation or partnership; (j) the Collateral or any part of the Collateral declines in value in excess of normal wear, tear, and depreciation or becomes, in the judgment of Lender, impaired, unsatisfactory, or insufficient in character or value, including but not limited to the filing of a competing financing statement; breach of warranty that the Obligor is the owner of the Collateral free and clear of any encumbrances (other than those encumbrances disclosed by Obligor or otherwise made known to Lender, and which were acceptable to Lender at that time); sale of the Collateral (except in the ordinary course of business), without Lender's express written consent; failure to keep the Collateral insured as provided herein; failure to allow Lender to inspect the Collateral upon demand or at reasonable time; failure to make prompt payment of taxes on the Collateral; loss, theft, substantial damage, or destruction of the Collateral; and, when Collateral includes inventory, accounts, chattel paper, or instruments, failure of account debtors to pay their obligations in due course; or (k) the Lender in good faith, believes the Debtor's ability to repay the Debtor's indebtedness secured by this Agreement, any Collateral, or the Lender's ability to resort to any Collateral, is or soon will be impaired, time being of the very essence.

24. REMEDY - Upon the occurrence of an event of default, Lender, at its option, shall be entitled to exercise any one or more of the remedies described in this Agreement, in all documents evidencing the Obligations, in any other agreements executed by or delivered by Borrower and/or Debtor for benefit of Lender, in any third-party security agreement, mortgage, pledge, or guaranty relating to the Obligations, in the Uniform Commercial Code of the state in which Lender is located, and all remedies at law and equity, all of which shall be deemed cumulative. The Debtor agrees that, whenever a default exists, all Obligations may (notwithstanding any provision in any other agreement), at the sole option and discretion of the Lender and without demand or notice of any kind, be declared, and thereupon immediately shall become due and payable; and the Lender may exercise, from time to time, any rights and remedies, including the right to immediate possession of the Collateral, available to it under applicable law. The Debtor agrees, in the case of default, to assemble, at its own expense, all Collateral at a convenient place acceptable to the Lender. The Lender shall, in the event of any default, have the right to take possession of and remove the Collateral, with or without process of law, and in doing so, may peacefully enter any premises where the Collateral may be located for such purpose. Debtor waives any right that Debtor may have, in such instance, to a judicial hearing prior to such retaking. The Lender shall have the right to hold any property then in or upon said Collateral at the time of repossession not covered by the security agreement until return is demanded in writing by Debtor. Borrower and/or Debtor agrees to pay all reasonable costs of the Lender in connection with the collecting of the Obligations and

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Commercial Security Agreement.

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Lender shall also have a security interest in all investment property, rights, and interests of every description at any time issued or issuable as an addition to, in substitution or exchange for, or with respect to the Collateral, including, without limitation, shares issued as dividends or as the result of any reclassifications, merger, spin-off, or other reorganization. Debtor shall deliver promptly to Lender in the exact form received, any such securities or other property which come into the possession, custody, or control of Debtor, and shall with respect to such property transfer control to Lender in accord with the paragraphs above.

In its discretion and without notice to Debtor, the Lender may take any one or more of the following actions, without liability except to account for the property actually received: (a) Transfer or register in its name or the name of its nominee any of the Collateral, with or without liability except to account for the property actually received; (b) Transfer or register in its name or the name of its nominee any of the Collateral, with or without identification of the security interest herein created, and whether or not so transferred or registered, receive the income, dividends and other distributions thereon and hold them to apply them to the Obligations in any order of priority; (c) To the fullest extent possible under applicable law, exercise or cause to be exercised all voting and corporate powers with respect to any of the Collateral, including all rights of conversion, exchange, subscription, and any other rights, privileges, or options pertaining to such Collateral, as if the absolute owner thereof; (d) Exchange any of the Collateral for other property upon a reorganization, recapitalization, or other readjustment and, in connection therewith, deposit any of the Collateral with any committee or depository upon such terms as the Lender may determine; and (d) in its absolute discretion to exercise or to withhold the exercise of any of the rights, powers, privileges, and options expressly or implicitly granted to the Lender in this Agreement, without duty to do so and without responsibility for any failure to do so or to delay in so doing.

Without limiting any other right of Lender, on default the Lender may, to the fullest extent permitted by applicable law, without notice, advertisement, hearing, or process of law of any kind, sell any or all of the Collateral, free of all rights and claims of the Debtor therein or thereto, on any recognized market or exchange at any price reasonably consistent with the market price occurring at the time of the sale of the Collateral and, notwithstanding any recent or current decreases or increases in that market price, the sale of the Collateral on such recognized market or exchange shall be deemed reasonable if conducted under ordinary terms regardless of how soon after default the Lender sells such Collateral.

16. POSSESSION OF COLLATERAL BY LENDER - The following paragraphs shall apply when possession of the Collateral by the Lender is required to perfect Lender's security interest, or when Lender requests delivery of the Collateral. Debtor shall deliver to the Lender all certificates of deposit, notes and drafts, instruments, and certificated securities which now or hereafter constitute Collateral under this Agreement. In addition, at the request of Lender from time to time, and at any time, Debtor shall deliver to Lender other Collateral. All such Collateral is hereinafter referred to as Delivered Property. Lender shall have the duty to exercise reasonable care with respect to the Delivered Property. In exercise of the duty: (a) Lender shall never be liable for its failure to give notice to Debtor of default in the payment of or upon the Delivered Property. Lender shall have no duty to fix or preserve the rights against prior parties to the Delivered Property and shall never be liable for its failure to use diligence to collect any amount payable in respect to the Delivered Property, but shall be liable only to account to Debtor for what it may actually collect or receive thereon. (b) Without limiting the foregoing, it is specifically understood and agreed that Lender shall have no responsibility for ascertaining any maturities, calls, conversions, exchanges, offers, tenders, or similar matters relating to any of such matters (irrespective of whether Lender actually has, or may be deemed to have, knowledge thereof). The foregoing provisions of this paragraph shall be applicable to all notes, certificates of deposit, securities, or similar Delivered Property held hereunder, irrespective of whether such property is held in the name of Lender, Debtor, or other person. (c) Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Delivered Property if it takes such action for that purpose as Debtor (or if more than one, any one or more of the Debtors) shall request in writing, but failure of the Lender to comply with any such request shall not of itself be deemed a failure to exercise reasonable care. (d) No failure of Lender to preserve or protect any rights with respect to the Delivered Property against prior parties or to do any act with respect to preservation of the Delivered Property shall be deemed a failure to exercise reasonable care in the custody or preservation of Delivered Property, unless such act was requested in writing by Debtor and received by Lender in sufficient time to permit the Lender to take the requested action in the ordinary course of its business. (e) Notwithstanding any other fact or duty or written request by the Debtor, Lender shall have no duty to release possession of any of the Delivered Property to the Debtor or otherwise, unless at the time of such request for release, the Debtor (1) tenders fulfillment of all Obligations secured by such Delivered Property, or (2) tenders replacement Delivered Property or other collateral deemed adequate by Lender.

In its discretion, either before or after maturity, default, or acceleration of the Obligations and without notice to Debtor, the Lender may take any one or more of the following actions, without liability except to account for the property actually received by it: (a) insure any of the Delivered Property; (b) in its name or in the name of the Debtor, demand, sue for, collect, or receive any money or property at any time payable or receivable on account of or in exchange for any of the Delivered Property and, in connection therewith, endorse notes, checks, drafts, money orders, documents of title, or other evidence of payment, shipment, or storage in the name of the Debtor; (c) make any compromise or settlement deemed advisable with respect to any of the Delivered Property; and (d) renew, extend, or otherwise change the terms and conditions of any of the Delivered Property. The Lender shall be under no duty to exercise, or to withhold the exercise of, any of the rights, powers, privileges, and options expressly or implicitly granted to the Lender in this Agreement, and shall not be responsible for any failure to do so or to delay in doing so.

17. ADDITIONAL COLLATERAL - In the event that Lender should, at any time, determine that the Collateral or Lender's security interest in the Collateral is impaired, insufficient, or has declined or may decline in value, or if Lender should deem that payment of the Obligations is insecure, time being of the very essence, then Lender may require, and Debtor agrees to furnish, additional Collateral that is satisfactory to Lender. Lender's request for additional collateral may be oral or in writing delivered by United States mail addressed to Debtor and shall not affect any other subsequent right of Lender to request additional Collateral.

18. FINANCING STATEMENT(S) AND LIEN PERFECTION - Lender is authorized to file a conforming financing statement or statements to perfect its security interest in the Collateral, as provided in Revised Article 9, Uniform Commercial Code - Secured Transactions. Debtor agrees to

By initialing, I acknowledge this is page 7 of 10 of the
Commercial Security Agreement.

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800-868-8522 Fax 816-856-1068

Unless and until the privilege of Debtor to use inventory in the ordinary course of Debtor's business is revoked by Lender in the event of default or if Lender deems itself insecure, Debtor may use the inventory in any manner not inconsistent with this Agreement, may sell that part of the Collateral consisting of inventory provided that all such sales are in the ordinary course of business, and may use and consume any raw materials or supplies that are necessary in order to carry on Debtor's business. A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt.

All accounts that arise from the sale of the inventory included within the Collateral shall be subject to all of the terms and provisions hereof pertaining to accounts.

Debtor shall take all action necessary to protect and preserve the inventory.

13. INSTRUMENTS - The following provisions shall apply to instruments included in the Collateral.

Debtor shall immediately deliver to Lender all instruments included in the Collateral. Negotiable instruments shall be endorsed to the order of Lender. With respect to other writing(s) evidencing a right to the payment of money that, in the ordinary course of business, is transferred by delivery with any necessary endorsement or assignment, Debtor shall deliver to Lender and to any third-party issuer a document of assignment in a form and content satisfactory to Lender assigning the Debtor's rights in the said writing(s), and the third-party issuer shall acknowledge receipt of notice of the assignment.

Debtor agrees that Lender may, at any time (whether before or after default) and in its sole discretion, surrender for payment and obtain payment of any portion of the Collateral.

Any and all replacement instruments and other benefits and proceeds related to the Collateral that are received by the Debtor shall be held by Debtor in trust for Lender and immediately delivered to Lender to be held as part of the Collateral.

14. DEPOSIT ACCOUNTS - The following provisions shall apply to deposit accounts included in the Collateral.

Debtor shall immediately deliver to Lender all certificated certificates of deposit included in the Collateral. Negotiable certificates of deposit shall be endorsed to the order of Lender. Debtor shall execute any and all other documents necessary to provide an appropriate security interest in any account with Lender. With respect to deposit accounts held in another Bank, Debtor shall deliver to Lender a control agreement ("Control Agreement") in a form and content satisfactory to Lender assigning the Debtor's rights in the deposit account to Lender and the Bank shall acknowledge receipt of the Control Agreement. The Control Agreement must be in a form that provides that the Bank will comply with any instruction originated by the Lender directing disposition of funds in the Deposit Account without further consent of the Debtor. The form of Control Agreement must be in a form satisfactory to the Lender, and must provide that said Bank will comply with a directive originated by the Lender and will not comply with any directive of the Debtor without the additional written consent of the Lender.

Debtor agrees that Lender may, at any time (whether before or after default) and in its sole discretion, surrender for payment and obtain payment of any portion of the Collateral, whether such have matured or the exercise of the Lender's rights results in a loss of interest or principal or other penalty on such deposits, and, in connection therewith, cause payments to be made directly to Lender.

Any and all replacement or renewal certificates and other benefits and proceeds related to the Collateral that are received by the Debtor shall be held by Debtor in trust for Lender and immediately delivered to Lender to be held as part of the Collateral.

Without limiting the foregoing, it is specifically understood and agreed that Lender shall have no responsibility for ascertaining any maturities or similar matters relating to any of the Collateral or for informing Debtor with respect to any such matters (irrespective of whether Lender actually has, or may be deemed to have, knowledge thereof).

15. INVESTMENT PROPERTY - The following provisions apply to investment property included in the Collateral.

Immediately upon the execution of this Agreement or Debtor's acquiring rights in the Collateral, Debtor shall: (a) If the Collateral includes certificated securities, deliver such certificated securities to Lender; if the certificate is in registered form, register it in the name of Lender or deliver to Lender with the certificate a stock power satisfactory in form and substance to Lender. (b) If the Collateral includes uncertificated securities directly held by Debtor, transfer such securities from Debtor to Lender on the books of the issuer or cause the issuer to enter into and deliver to Lender a control agreement with Debtor and Lender, having a form and substance satisfactory to Lender, providing that issuer will comply with instructions originated by Lender without further consent of the registered owner and issuer will not follow instructions originated by Debtor without the Lender's written consent. (c) If the Collateral includes security entitlements, security accounts, or commodity accounts, cause the Lender to become the holder of the entitlements or accounts or cause the securities intermediary and/or the commodity intermediary to enter into and deliver to Lender an agreement with Debtor and Lender, in a form and substance satisfactory to Lender, providing that said intermediary will comply with entitlements or orders originated by Lender without further consent by Debtor and will not comply with orders originated by Debtor without Lender's written consent. (d) If the Collateral includes commodity contracts, cause the commodity intermediary to enter into and deliver to Lender an agreement with Debtor and Lender, in a form and substance satisfactory to Lender, that said intermediary will apply any value distributed on account of the commodity contract as directed by Lender without further consent by the commodity customer and will not comply with orders originated by Debtor without Lender's written consent.

Upon demand by Lender, Debtor shall execute, assign, and endorse all proxies, applications, acceptances, stock powers, chattel paper, documents, instruments, or other evidence of payment or writing constituting or relating to any of the Collateral, all in such form and substance as may be satisfactory to Lender.

By initialing, I acknowledge this is page 6 of 10 of the
Commercial Security Agreement.

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charges related to the Collateral; or (c) take any other action to preserve and protect the Collateral or Lender's rights and remedies under this Agreement, as Lender may deem necessary or appropriate from time to time. Debtor agrees that Lender is not obligated and has no duty whatsoever to take the foregoing actions. Debtor further agrees to reimburse Lender, promptly upon demand for any payment made or any expenses incurred by Lender pursuant to this authorization. Payments and expenditures made by Lender under this authorization shall constitute additional Obligations, shall be secured by this Agreement, and shall bear interest thereon from the date incurred at the maximum rate of interest, including any default rate, if one is provided, as set forth in the notes secured by this obligation.

10. INFORMATION AND REPORTING - The Debtor agrees to supply to the Lender such financial and other information concerning its affairs and the status of any of its assets as the Lender, from time to time, may reasonably request. The Debtor further agrees to permit the Lender, its employees, and agents, to have access to the Collateral for the purpose of inspecting it, together with all of the Debtor's other physical assets, if any, and to permit the Lender, from time to time, to verify Accounts as well as to inspect, copy, and to examine the books, records, and files of the Debtor.

11. ACCOUNTS - The following provisions shall apply to all accounts included in the Collateral and all accounts arising from the sale of inventory included in the Collateral:

As of the time any account becomes subject to the security interest (or pledge or assignment as applicable) granted hereby, Debtor shall be deemed further to have warranted as to each and all of such accounts as follows: (a) Each account and all papers and documents relating thereto are genuine and in all respects what they purport to be; (b) each account is valid and subsisting and arises out of a bona fide sale of goods sold and delivered to, or out of and for services theretofore actually rendered by Debtor to, the account debtor named in the account or other bona fide transaction; (c) the amount of the account represented as owing is the correct amount actually and unconditionally owing except for normal cash discounts and is not subject to any setoffs, credits, defenses, or countercharges; and (d) Debtor is the owner thereof free and clear of any charges, liens, security interests, adverse claims, and encumbrances of any and every nature whatsoever.

Lender shall have the right in its own name or in the name of the Debtor, whether before or after default, to require Debtor forthwith to transmit all proceeds of collection of accounts to Lender; to notify any and all account debtors to make payments of the accounts directly to Lender; to demand, collect, receive, receipt for, sue for, compound, and give acquittal for, any and all amounts due or to become due on the accounts and to endorse the name of the Debtor on all commercial paper given in payment or part payment thereof; and in Lender's discretion, to file any claim or take any other action or proceeding that Lender may deem necessary or appropriate to protect and preserve and realize upon the accounts and related Collateral. Unless and until Lender elects to collect accounts, and the privilege of Debtor to collect accounts is revoked by Lender in writing, Debtor shall continue to collect accounts, account for same to Lender, shall not commingle the proceeds of collection of accounts with any funds of the Debtor, and shall deposit such proceeds in an account with Lender. In order to assure collection of accounts in which Lender has an interest hereunder, Lender may notify the post office authorities to change the address for delivery of mail addressed to Debtor to such address as Lender may designate, open and dispose of such mail, and receive the collections of accounts included therewith. Lender shall have no duty or obligation whatsoever to collect any account or to take any other action or preserve or protect the Collateral; however, should Lender elect to collect any account or take possession of the Collateral, Debtor releases Lender from any claim or claims for loss or damage arising from any act or omission in connection therewith, and costs of collection incurred by Lender shall be an obligation secured hereby and constitute a portion of the Obligations.

Upon request by Lender, whether before or after default, Debtor shall take such action and execute and deliver such documents as Lender may reasonably request in order to identify, confirm, mark, segregate, and assign accounts and to evidence Lender's interest in same. Without limiting the foregoing, Debtor, upon request, agrees to assign accounts to Lender, identify and mark accounts as being subject to the security interest (or pledge or assignment as applicable) granted hereby, mark Debtor's books and records to reflect such assignments, and forthwith to transmit to Lender in the form as received by Debtor any and all proceeds of collection of such accounts.

Debtor will deliver to Lender, prior to the 10th day of each month, or with such other frequency as Lender may request, a written report in form and content satisfactory to Lender, showing a listing and aging of accounts and such other information as Lender may request from time to time. Debtor shall immediately notify Lender of the assertion by any account debtor of any setoff, defense, or claim regarding an account or any other matter adversely affecting an account.

Returned or repossessed goods arising from or relating to any accounts included within the Collateral shall, if requested by Lender, be held separate and apart from any other property. Debtor, on request by Lender, but not less than weekly even though no request has been made, shall report to Lender identifying information with respect to any such goods relating to accounts included in transactions under this Agreement.

12. INVENTORY - The following provisions shall apply to all inventory included in the Collateral:

Debtor will deliver to Lender prior to the 10th day of each month, or on such other frequency as Lender may request, a written report in form and content satisfactory to Lender, with respect to the preceding month or other applicable period, showing Debtor's opening inventory, inventory acquired, inventory sold, inventory returned, inventory used in Debtor's business, closing inventory, and other inventory not with the preceding categories, and such other information as Lender may request from time to time. Debtor shall immediately notify Lender of any matter adversely affecting the inventory, including, without limitation, any event causing loss or depreciation in the value of the inventory and the amount of such possible loss or depreciation.

Debtor will promptly notify Lender in writing of any addition to, change in, or discontinuance of its place(s) of business as shown in this Agreement, and the location of the office where it keeps its records. All Collateral will be located at the place(s) of business shown herein, as modified by any written notice(s) given pursuant hereto.

By initialing, I acknowledge this is page 5 of 10 of the
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ITEM 304BALS (0105) Page 5 of 10

5. WARRANTIES - The Debtor warrants the following: it has or will acquire free and clear title to all of the Collateral, unless otherwise provided herein; the security interest granted to the Lender shall be a first security interest, and the Debtor will defend same to the Lender against the claims and demands of all persons; the Debtor will fully cooperate in placing or maintaining Lender's lien or security interest; the Debtor agrees not to allow or permit any lien, security interest, adverse claim, charge, or encumbrance of any kind against the collateral or any part thereof, without the Lender's prior written consent; all of the Collateral is located in the state of the Debtor's address specified on page one hereof, unless otherwise certified to and agreed to by the Lender, or, alternatively, is in possession of the Lender; the Debtor will not remove or change the location of any Collateral without the Lender's prior written consent; the Debtor will use the Collateral only in the conduct of its own business, in a careful and proper manner; the Debtor will not use the Collateral or permit it to be used for any unlawful purpose; except as otherwise provided in this Agreement with respect to Inventory, Debtor will not, without the Lender's prior written consent, sell, assign, transfer, lease, charter, encumber, hypothecate, or dispose of the Collateral, or any part thereof, or any interest therein, nor will Debtor offer to sell, assign, transfer, lease, charter, encumber, hypothecate, or dispose of the Collateral, or any part thereof, or any interest therein; the Debtor will not conduct business under any name other than that given on page one hereof, nor change, nor reorganize the type of business entity as described, except upon the prior written approval of the Lender, in which event the Debtor agrees to execute any documentation of whatsoever character or nature demanded by the Lender for filing or recording, at the Debtor's expense, before such change occurs; the information regarding Debtor's state of organization or formation as set forth on page 1 hereof is correct, and Debtor further warrants that Debtor will not change Debtor's state of organization or formation without Lender's prior written consent and will assist Lender with any changes to any documents, filings, or other records resulting or required therefrom; the Debtor will keep all records of account, documents, evidence of title, and all other documentation regarding its business and the Collateral at the address specified on page 1 hereof, unless notice thereof is given to the Lender at least ten (10) days prior to the change of any address for the keeping of such records; the Debtor will, at all times, maintain the Collateral in good condition and repair and will not sell or remove same except as to inventory in the ordinary course of business; the Debtor is a legally created business entity, as described before, and it has the power, and the person signing is duly authorized, to enter into this Agreement; the execution of this Agreement will not create any breach of any provision of the Debtor's organizational documents (Articles of Incorporation and By-Laws if the Debtor is a corporation, Articles of Organization and Operating Agreement if the Debtor is a limited liability company, or Certificate of Limited Partnership (if applicable) or Partnership Agreement if the Debtor is a partnership), or any other agreement to which the Debtor is or may become a party; all financial information and statements delivered by the Debtor to the Lender to obtain loans and extensions of credit are true and correct and are prepared in accordance with generally accepted accounting principles; there has been no material adverse change in the financial condition of the Debtor since it last submitted any financial information to the Lender; there are no actions or proceedings, including set-off or counterclaim, which are threatened or pending against the Debtor which may result in any material adverse change in the Debtor's financial condition or which might materially affect any of the Debtor's assets; and the Debtor has duly filed all federal, state, municipal, and other governmental tax returns, and has obtained all licenses, permits, and the like which the Debtor is required by law to file or obtain, and all such taxes and fees for such licenses and permits required to be paid, have been paid in full.

6. INSURANCE - The Debtor agrees that it will, at its own expense, fully insure the Collateral against all loss or damage for any risk of whatsoever nature in such amounts, with such companies, and under such policies as shall be satisfactory to the Lender. All policies shall expressly provide that the Lender shall be the loss payee or, alternatively, if requested by Lender, mortgagee. The Lender is granted a security interest in the proceeds of such insurance and may apply such proceeds as it may receive toward the payment of the Obligations, whether or not due, in such order as the Lender may in its sole discretion determine. The Debtor agrees to maintain, at its own expense, public liability and property damage insurance upon all its other property, to provide such policies in such form as the Lender may approve, and to furnish the Lender with copies of other evidence of such policies and evidence of the payments of the premiums thereon. All policies of insurance shall provide for a minimum 10 days' written notice of cancellation to Lender. At the request of Lender, such policies of insurance shall be delivered to and held by Lender. Debtor agrees that Lender is authorized to act as attorney for Debtor in obtaining, adjusting, settling, and canceling such insurance and endorsing any drafts or instruments issued or connected with such insurance. Debtor specifically authorizes Lender to disclose information obtained in conjunction with this Agreement and from policies of insurance to prospective insurers of the Collateral. If the Debtor at any time fails to obtain or to maintain any of the insurance required above or pay any premium in whole or in part relating thereto, the Lender, without waiving any default hereunder, may make such payment or obtain such policies as the Lender, in its sole discretion, deems advisable to protect the Debtor's property. All costs incurred by the Lender, including reasonable attorneys' fees, court costs, expenses, and other charges thereby incurred, shall become a part of the Obligations and shall be payable on demand.

7. **TAXES, LIENS, ETC.** - The Debtor agrees to pay all taxes, levies, judgments, assessments, and charges of any nature whatsoever relating to the Collateral or to the Debtor's business. If the Debtor fails to pay such taxes or other charges, the Lender, at its sole discretion, may pay such charges on behalf of the Debtor; and all sums so dispensed by the Lender, including reasonable attorneys' fees, court costs, expenses, and other charges relating thereto, shall become a part of the Obligations and shall be payable on demand.

8. ENVIRONMENTAL LAWS - Debtor certifies that as to any real estate which has been, is now, or will be in the future owned or occupied by Debtor, that such real estate has not in the past, nor will now or in the future be allowed in any manner to be exposed to or contain hazardous or environmentally harmful substances as may be defined or regulated by any state or federal law or regulation which impacts, in any way, such substances, except to the extent the existence of such substances has been presently disclosed in writing to Lender, and Debtor will immediately notify Lender in writing of any assertion made by any party to the contrary. Debtor indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense of whatsoever nature, including reasonable attorneys' fees, incurred directly or indirectly as a result of Debtor's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any state or federal law or regulation.

9. PROTECTION OF COLLATERAL - Debtor agrees that Lender may, at Lender's sole option, whether before or after any event of default, and without prior notice to Debtor, take the following actions to protect Lender's interest in the Collateral: (a) pay for the maintenance, preservation, repair, improvement, or testing of the Collateral; (b) pay any filing, recording, registration, licensing, certification, or other fees and

By initialing, I acknowledge this is page 4 of 10 of the
Commercial Security Agreement.

J. TITLED VEHICLE - "Titled vehicle" shall consist of any and all vehicle(s) described below, wherever located, now owned or hereafter acquired by Debtor, and all additions and accessions thereto, replacements thereof, and substitutions therefor; and all documents of title evidencing or representing any part thereof, and all products, rents, and proceeds thereof.

K. LETTER OF CREDIT RIGHTS - "Letter of Credit Rights" shall consist of a right to payment or performance under a Letter of Credit, whether or not the beneficiary(ies) has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit. Debtor agrees to cooperate with Lender in obtaining the Letter of Credit issuer or its nominated persons' consent to assignment of the proceeds of the Letter of Credit.

L. AS-EXTRACTED COLLATERAL - "As-extracted collateral" shall consist of all oil, gas, and other minerals which are to be extracted from the real property described below upon which Debtor has granted to Lender a security interest evidenced by a mortgage, trust deed, deed of trust, security deed or similar security instrument conveying rights to the real property, including rights to such oil, gas, or other minerals. As-Extracted Collateral includes all accounts arising out of the sale at the wellhead or at the minehead of such oil, gas, or other minerals. The terms "at the wellhead" and "at the minehead" encompass arrangements based on the sale of the oil, gas, or other minerals at the moment that it issues from the ground and is measured, without technical distinctions as to whether title passes at the "Christmas tree" of a well, the far side of a gathering tank, or at some other point.

M. GOVERNMENT PROGRAM PAYMENTS - "Government Program Payments" shall consist of all Debtor's right to payment of a monetary obligation, accounts, general intangibles, and other benefits, now held or hereafter acquired, that arise under or as a result of Debtor's participation in any prior, contemporaneous, or future state or federal governmental program, including any such program offered by a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a State, or a foreign country, or any organization having a separate corporate existence from such governmental entities if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States. Government Program Payments include, but are not limited to, letters of entitlement, deficiency payments, diversion payments, payments in kind, emergency assistance payments, production flexibility contracts, conservation reserve payments, warehouse receipts, and storage payments.

N. DEPOSIT ACCOUNTS - "Deposit Accounts" shall consist of all demand, time, savings, passbook, and similar deposit accounts which are now or are hereafter held by Debtor in Lender's institution, or maintained in another bank ("Bank") and for which Debtor, Lender and the Bank have entered into a duly executed Control Agreement (as used herein, the term Bank means an organization that is engaged in the business of banking, and includes banks, savings banks, savings and loan associations, credit unions, and trust companies), unless the deposit is an Individual Retirement Account (IRA), Keogh Account, or other tax-deferred retirement account, or Debtor's right of withdrawal arises only in a representative capacity.

O. SPECIFIC - "Specific" refers to the specific property, together with all related rights shown below.

The term Obligations is limited to the extension of credit Lender is providing Borrower, the proceeds of which are to purchase the specific property shown below, including any extensions and renewals thereof; plus related interest, costs, expenses, and attorneys' fees as called for in Provision 2, debt unrelated to purchase proceeds being excluded regardless of words to the contrary in Provision 2.

SPECIFIC COLLATERAL DESCRIPTION. The properties and interest in properties described below and also described in the applicable paragraph(s) above are sometimes hereinafter individually and collectively referred to as the "Collateral."

601 NICHOLS ST., CLEARFIELD, PA 16830-1539 COUNTY:
1994 FREIGHTLINER TRUCK VIN#2FUYDKYB9RA458183

REAL PROPERTY DESCRIPTION, if Collateral includes Fixtures, Standing Timber, or As-Extracted Collateral:

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rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy or charge card or information contained on or for use with the card, (vii) arising out of the use of a credit card sponsored by a State, governmental unit of a State, or person licensed or authorized to operate the game by a State or governmental unit of a State, or (ix) for health-care-insurance receivables.

B. INVENTORY - "Inventory" shall consist of all inventory and goods, other than farm products, which (a) are leased by Debtor as lessor, (b) are held by Debtor for sale or lease or to be furnished under a contract of service, (c) are furnished by Debtor under a contract of service, or (d) consist of raw materials, work in process, or materials used or consumed in business.

C. EQUIPMENT - "Equipment" shall consist of all of Debtor's goods other than inventory, farm products or consumer goods. Equipment includes, but is not limited to, all equipment and fixtures of every nature and description whatsoever, now owned or hereafter acquired by Debtor, wherever located, including all machinery, manufacturing equipment, shop equipment, furnishings, furniture, record keeping equipment, and vehicles, together with all accessions, parts, imbedded software, attachments, accessories, tools, and dies, or appurtenances thereto intended for use in connection therewith, and all substitutions, betterments, and replacements thereof and additions thereto.

D. INSTRUMENTS - "Instruments" shall consist of all negotiable instruments and other writings that are now owned or hereafter acquired by Debtor that evidence a right to the payment of a monetary obligation, are not themselves security agreements or leases, and are of a type that in the ordinary course of business are transferred by delivery with any necessary endorsements or assignments. Instruments shall not include investment property, letters of credit, or writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

E. FIXTURES - "Fixtures" shall consist of all Debtor's goods that have or will become so related to the real property described below that an interest in them arises under real property law. Fixtures include, but are not limited to, any fixtures and appurtenances thereto now owned or hereafter acquired by Debtor, and such other goods, chattels, equipment, and personal property affixed or in any manner attached to the real property and/or building(s) or structure(s), including all additions and accessions thereto, and replacements, substitutions, insurance benefits, and proceeds thereof.

F. GENERAL INTANGIBLES - "General Intangibles" shall consist of all personal property now owned or hereafter acquired by Debtor, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. General Intangibles shall also include all payment intangibles now held or hereafter acquired by Debtor and all software now owned or hereafter acquired by Debtor, which is not encompassed by the term "Goods," and all supporting information pertaining or relating thereto. General Intangibles include, but are not limited to, intellectual property, rights that arise under a license of intellectual property, including the right to exploit the intellectual property without liability for infringement, and the right to payment of a loan of funds that is not evidenced by chattel paper or an instrument.

G. INVESTMENT PROPERTY - "Investment Property" shall consist of all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodities contracts, and commodities accounts, now held or hereafter acquired by Debtor, together with all contracts, instruments, and general intangibles related thereto and all monies, income, proceeds, and benefits attributable or accruing to said property, including, but not limited to, all stock rights, options, rights to subscribe, dividends, liquidating dividends, stock dividends, dividends paid in stock, new securities, and the properties and benefits to which the Debtor is, or may hereafter become, entitled to receive on account of said property.

H. CHATTEL PAPER - "Chattel Paper" shall consist of all records now held or hereafter acquired by Debtor that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include (i) charters or other contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit card or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper. The definition of chattel paper includes electronic chattel paper. Debtor agrees that it will assist Lender in obtaining control of the electronic chattel paper by (i) creating a single authoritative copy of the record(s) existing which is unique and identifiable, (ii) ensuring that the authoritative copy identifies the Lender as the assignee of the record(s), and (iii) ensuring that the authoritative copy is communicated to and maintained by the Lender or its designated custodian. Copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the participation of the Lender. Debtor agrees that each copy or authoritative copy and any copy of a copy shall be readily identifiable as a copy that is not the authoritative copy, and any revision of any authoritative copy is readily identifiable as an authorized or unauthorized revision.

I. STANDING TIMBER - "Standing timber" shall consist of all of the standing timber to be cut and removed from the real property described below upon which Debtor has granted to Lender a security interest evidenced by a mortgage, trust deed, deed of trust, security deed, or similar security instrument conveying rights to the real property, including rights to the standing timber. Standing timber includes all accounts arising out of the sale such standing timber, including all products thereof in whatever form, and encompasses arrangements based on the sale of the timber at the moment that it is severed from the ground and is measured.

By initialing, I acknowledge this is page 2 of 10 of the
Commercial Security Agreement.

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**COMMERCIAL SECURITY AGREEMENT
("Agreement")**

NAME(S) / ADDRESS(S) OF OBLIGOR(S) / OBLIGOR-DEBTOR(S) ("Borrower") John M Davis Laurie L Davis 601 Nichols St. Clearfield, PA 16830-1539	NAME / ADDRESS OF SECURED PARTY ("Lender") County National Bank PO Box 42 1 South Second St Clearfield, PA 16830-0042
BORROWER'S TYPE OF BUSINESS ORGANIZATION (Corporation, Partnership, L.L.C., Assumed Name, etc.) Sole proprietorship	BORROWER'S STATE OF ORGANIZATION / FORMATION PA
NAME(S) OF DEBTOR(S) OTHER THAN BORROWER ("Non-Borrower Debtor") (If Applicable)	ADDRESS(S) OF NON-BORROWER DEBTOR(S)
NON-BORROWER DEBTOR'S TYPE OF BUSINESS ORGANIZATION (Corporation, Partnership, L.L.C., Assumed Name, etc.) (If Applicable)	NON-BORROWER DEBTOR'S STATE OF ORGANIZATION / FORMATION / RESIDENCE (If a natural person)
AGREEMENT DATE 10/07/2004	

Words, phrases, or the text of a paragraph following a are only applicable if the is marked, e.g.

1. DEBTOR - For purposes of this Agreement, the term "Debtor" refers to any party who has an interest in the Collateral defined in Provision 4 below. Unless otherwise indicated with a mark in one of the boxes below, the Debtor is the Borrower identified above.

"Debtor" includes the Borrower and the Non-Borrower Debtor identified above.
 "Debtor" is the Collateral owner identified above as Non-Borrower Debtor.
 "Debtor" is a guarantor and also the Collateral owner, and is identified above as Non-Borrower Debtor.

Throughout this Agreement, references to Debtor are to be construed as set forth in this Provision 1, and as more specifically defined by Article 9 of the Uniform Commercial Code.

2. SECURITY INTEREST GRANT - Debtor, in consideration of the Obligations to Lender, as defined in Provision 3 below, hereby agrees to all of the terms of this Agreement and further hereby specifically grants Lender a continuing security interest in the collateral described in the paragraph(s) following any box(es) marked in Provision 4 below, including any collateral described under paragraph O of Provision 4 ("Specific"). Debtor further grants Lender a security interest in the proceeds of said collateral, the proceeds of hazard insurance and eminent domain or condemnation awards involving the collateral, all products of, and accessions to, such collateral or interests therein, any and all deposits or other sums at any time credited by or due from Lender to Debtor, and any and all instruments, documents, policies, and certificates of insurance, securities, goods, accounts receivable, choses in action, chattel paper, cash, property, and the proceeds thereof (whether or not the same are Collateral or proceeds thereof hereunder) owned by Debtor or in which Debtor has an interest which are now or at any time hereafter in possession or control of Lender or in transit by mail or carrier to or from Lender or in possession of any third party acting on Lender's behalf, without regard to whether Lender received the same in pledge, for safekeeping, as agent or otherwise, or whether Lender has conditionally released the same. Debtor's grant of a continuing security interest in the foregoing described collateral secures to Lender the payment of all loans, advances, and extensions of credit from Lender to Borrower, including all renewals and extensions thereof and any and all obligations of every kind whatsoever, whether heretofore, now, or hereafter existing or arising between Lender and Borrower and howsoever incurred or evidenced, whether primary, secondary, contingent, or otherwise.

3. OBLIGATIONS - As used in this Agreement, the term "Obligations" shall mean any and all of Borrower's and/or Debtor's obligations to Lender, whether they arise under this Agreement or the Note, Loan Agreement, Guarantee, or other evidence of debt executed in connection with this Agreement, or under any other mortgage, trust deed, deed of trust, security deed, security agreement, note, lease, instrument, contract, document, or other similar writing heretofore, now, or hereafter executed by the Borrower and/or Debtor to Lender, including any renewals, extensions and modifications thereof, and including oral agreements and obligations arising by operation of law. The Obligations shall also include all expenditures that Lender may make under the terms of this Agreement or for the benefit of Borrower and/or Debtor, all interest, costs, expenses, and attorneys' fees accruing to or incurred by Lender in enforcing the Obligations or in the protection, maintenance, preservation, or liquidation of the Collateral, and any of the foregoing that may arise after the filing of any petition by or against Borrower and/or Debtor under the Bankruptcy Code, irrespective of whether the obligations do not accrue because of the automatic stay under Bankruptcy Code § 362 or otherwise.

4. DESCRIPTION OF COLLATERAL - The collateral covered by this Agreement (the "Collateral") is all of the Debtor's property described below, with regard to which a mark has been placed in the applicable box, which the Debtor now owns or may hereafter acquire or create and which may include, but shall not be limited to, any items listed on any schedule or list attached hereto.

By initialing, I acknowledge this is page 1 of 10 of the Commercial Security Agreement.	Initials	Initials	Initials	Initials
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ITEM 304BAL1 (D105) Page 1 of 10

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800-868-8522 Fax 816-856-1868

EXHIBIT C

ADDITIONAL PROVISIONS

If this Note is secured by a security agreement, mortgage, or loan agreement of even or previous date, it is subject to all the terms thereof. Additionally, the Lender may, upon deeming itself insecure or upon Borrower's default in payment or in the terms of this or any other agreement Borrower may have with Lender declare the entire principal amount due and payable. The Borrower severally waives demand, notice, and protest and to any defense due to extensions of time or other indulgence by Lender or to any substitution or release of collateral.

The Default Rate shown on page one will be applied to all periods of time in which a default exists. If the interest rate on this note is tied to an Index stated on page one, that Index is used solely to establish a base from which the actual rate of interest payable under this Note will be figured, and is not a reference to any actual rate of interest charged by any lender to any particular borrower. If the interest rate varies in accordance with a selected Index, if that Index ceases to exist, Lender may substitute a similar index which will become the Index.

If this Note is payable in installments, each installment payment will be due on the same day of the installment period as the day upon which payments commence, unless otherwise specified. Failure to pay this Note according to specified terms shall constitute a default.

The Lender shall have the right to hold or apply its own indebtedness or liability to Borrower in payment of, or to provide collateral security for the payment of this Note either prior to or after Maturity Date. If legal proceedings are instituted to enforce the terms of this Note, Borrower agrees to pay all costs of the Lender in connection therewith, including reasonable attorney fees. If this Note is secured, then upon default in payment or in the terms of this agreement, the Lender shall have all rights of a secured party under the Uniform Commercial Code and/or other law(s) governing secured transactions. If permitted by law, Borrower waives any otherwise required notice of: presentment, demand, acceleration, and intent to accelerate.

This Note is governed by the laws of the state in which it is written except to the extent that federal law controls.

SIGNATURES

The Borrower expressly agrees to all of the provisions hereof and signifies assent thereto by the signature below.

IN WITNESS WHEREOF, the Borrower has executed this Note on the date and year shown below.

By John M Davis
John M Davis
Its
Date

By Laurie L Davis
Laurie L Davis
Its
Date

By
Its
Date

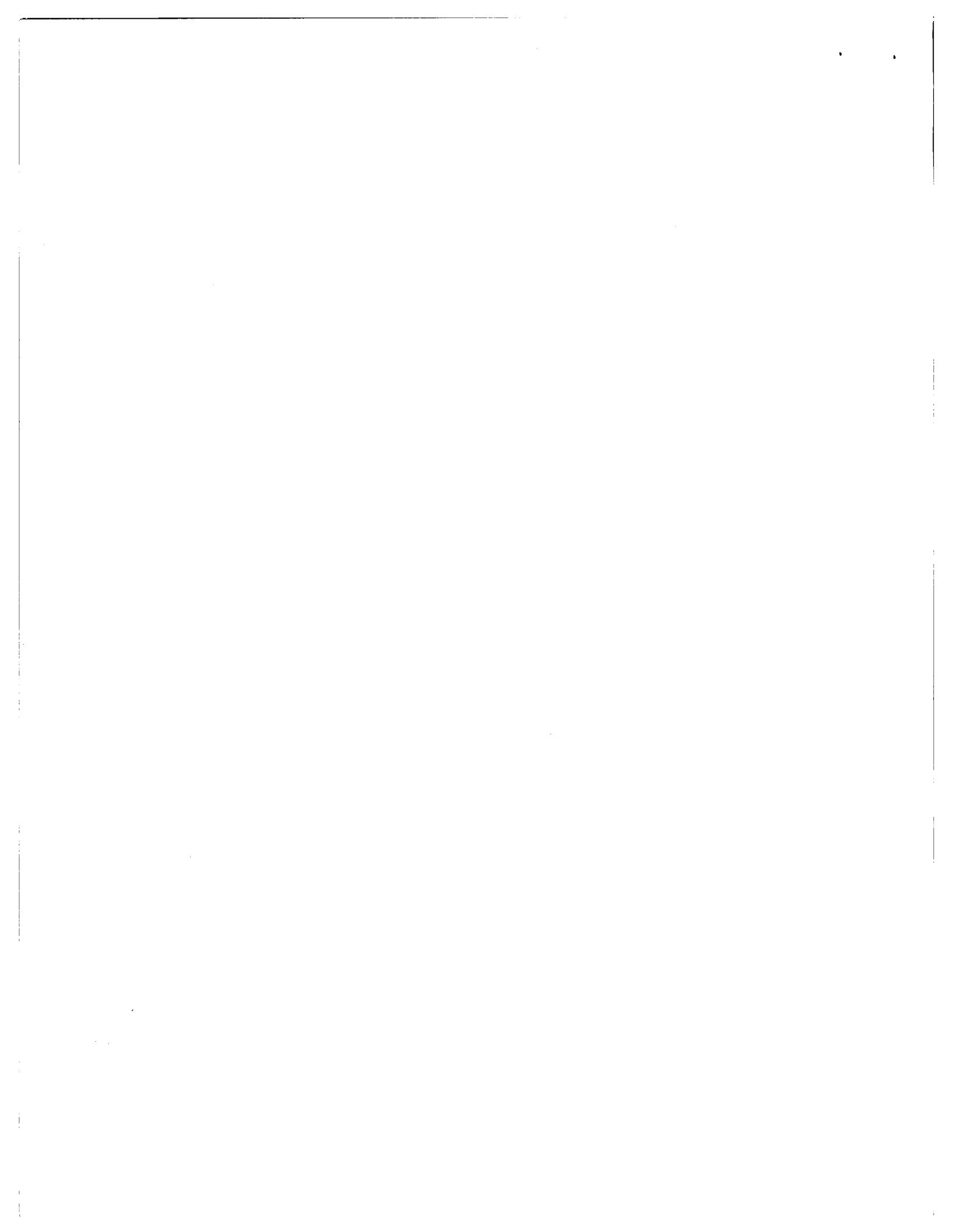
Date

LOAN - COLLATERAL



\$003180252824553232 BULK FILE
ID: 22475 - 1 SHORT NAME: Davis, John M
LOAN NUMBER: 12852825 NEW NOTE NUMBER:
DOC CODE: L-RECOM-1 DOC: Commercial Note
USER: RBANNON Date: 10/20/2004 01:52:08 PM

EXHIBIT B



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

Witnesses:

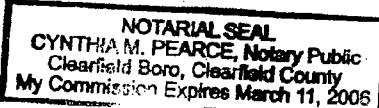
John M. Davis (Seal)
John M. Davis -Borrower
Laurie L. Davis (Seal)
Laurie L. Davis -Borrower
Laurie L. Davis (Seal)
Laurie L. Davis -Borrower
Laurie L. Davis (Seal)
Laurie L. Davis -Borrower

COMMONWEALTH OF Pennsylvania

Clearfield County ss:

On this 7th day of October 2004, before me, the undersigned officer, personally appeared John M. Davis and Laurie L. Davis, known to me (or satisfactorily proven) to be the person(s) whose name(s) are subscribed to the within instrument and acknowledge that they executed the same for the purposes therein contained.

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



CNB-Notary Public

Title of Officer

Cynthia M. Pearce



CERTIFICATE OF RESIDENCE

I hereby certify that the precise address of the Lender herein, County National Bank 1 South Second St PO Box 42 Clearfield, Pennsylvania 16830-0042

Attorney or Agent for Lender

This instrument was prepared by:
Lori Trumbull
County National Bank
1 South Second St
PO Box 42
Clearfield, PA 16830-0042

After recording return to:
County National Bank
Attn: Consumer Loan Department
1 South Second Street
PO Box 42
Clearfield, PA 16830

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

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

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

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

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

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

27.

NOTICE TO BORROWER: THIS DOCUMENT CONTAINS PROVISIONS FOR A VARIABLE INTEREST RATE.

By initialing, I acknowledge this is page 6 of 7
of the Mortgage.

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ITEM 111PAL6 (0012) Page 6 of 7

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

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) unless the Note shows that Borrower's loan is assumable, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. If the Note shows that Borrower's loan is assumable, Borrower must obtain Lender's written permission for an assumption and follow any other requirements of Lender related to an assumption. If Borrower does not do so, Lender may require immediate payment in full of all sums secured by this Security Instrument.

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

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

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

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

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

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

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ITEM 111PALS (0012) Page 5 of 7

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LOAS - COLLATERAL



500315023200594
ID: 22475 - 1 SHORT NAME: Davis, John M
LOAN_NUMBER: 12862926 NEW_NOTE_NUMBER:
DOC_CODE: L-RECOM-1 DOC: Mortgage
USER: KMAGNUSON Date: 11/04/2004 08:42:03 AM

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

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

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

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

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

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

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

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

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

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

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of the Mortgage.

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ITEM 111PAL4 (0012) Page 4 of 7

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

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

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

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

6. Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

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

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

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

By initialing, I acknowledge this is page 3 of 7
of the Mortgage.

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

Borrower and Lender covenant and agree as follows:

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

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

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

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

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

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

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

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

By initialing, I acknowledge this is page 2 of 7
of the Mortgage.

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ITEM 111PAL2 (0012) Page 2 of 7

Initials	Initials	Initials	Initials
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(Space Above This Line For Recording Data)

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on October 7, 2004

The mortgagor is John M Davis and Laurie L. Davis whose address is 601 Nichols St., Clearfield, PA 16830-1539 ("Borrower"). This Security Instrument is given to County National Bank, which is organized and existing under the laws of United States of America, and whose address is 1 South Second Street, Clearfield, PA 16830-0042 ("Lender"). Borrower owes Lender the principal sum of TWENTY SEVEN THOUSAND FOUR HUNDRED SIXTY SIX DOLLARS AND SIXTY SIX CENTS Dollars (U.S. \$27,466.66). This debt is evidenced by Borrower's note, consumer loan agreement, or similar writing dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on October 7, 2014. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower in consideration of this debt does hereby grant and convey to Lender and Lender's successors and assigns the following described property located in

County, Pennsylvania:
All that certain lot of land situate in the Borough of Clearfield, County of Clearfield, Commonwealth of Pennsylvania, being the same premises conveyed to John M. Davis and Laurie L. Davis recorded on 03/31/2004 in Clearfield Recorder of Deeds, Instrument #200404871. Map Ref: 4:3-K8-206-62

which has the address of 601 Nichols St
(Street)
Clearfield
(City) , Pennsylvania 16830-1539 ("Property Address");
(Zip Code)

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

By initialing, I acknowledge this is page 1 of 7
of the Mortgage.

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ITEM 111PAL1 (0012) Page 1 of 2

Compliance Systems, Inc.
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CLEARFIELD COUNTY RECORDER OF DEEDS

Karen L. Starck, Recorder
Maurene Inlow - Chief Deputy
P.O. Box 361
1 North Second Street, Suite 103
Clearfield, Pennsylvania 16830

Instrument Number - 200416618
Recorded On 10/12/2004 At 10:16:08 AM
* Instrument Type - MORTGAGE
* Total Pages - 8
* Invoice Number - 119006
* Mortgagor - DAVIS, JOHN M
* Mortgagee - COUNTY NATIONAL BANK
* Customer - COUNTY NATIONAL BANK

* FEES
STATE WRIT TAX \$0.50
JCS/ACCESS TO JUSTICE \$10.00
RECORDING FEES - \$19.00
RECORDER
RECORDER IMPROVEMENT \$3.00
FUND
COUNTY IMPROVEMENT FUND \$2.00
TOTAL \$34.50

***RETURN DOCUMENT TO:**
COUNTY NATIONAL BANK

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



Karen J. Starck
Karen L. Starck
Recorder of Deeds

THIS IS A CERTIFICATION PAGE

Do Not Detach

THIS PAGE IS NOW PART OF THIS LEGAL DOCUMENT

* - Information denoted by an asterisk may change during the verification process and may not be reflected on this page.

בגדרה מושב יתיר בדרכון עירוני

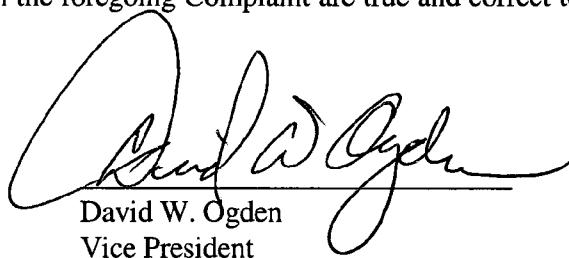
בגדרה מושב יתיר בדרכון עירוני	בגדרה מושב יתיר בדרכון עירוני
בגדרה מושב יתיר בדרכון עירוני	בגדרה מושב יתיר בדרכון עירוני
בגדרה מושב יתיר בדרכון עירוני	בגדרה מושב יתיר בדרכון עירוני
בגדרה מושב יתיר בדרכון עירוני	בגדרה מושב יתיר בדרכון עירוני



AFFIDAVIT

STATE OF PENNSYLVANIA :
: SS
COUNTY OF CLEARFIELD :

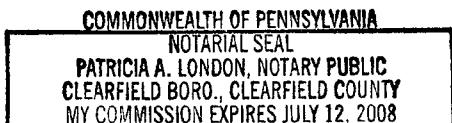
DAVID W. OGDEN, being duly sworn according to law, deposes and says that he is a Vice President for COUNTY NATIONAL BANK, and, as such, is duly authorized to make this Affidavit, and further, that the facts set forth in the foregoing Complaint are true and correct to the best of his knowledge, information and belief.

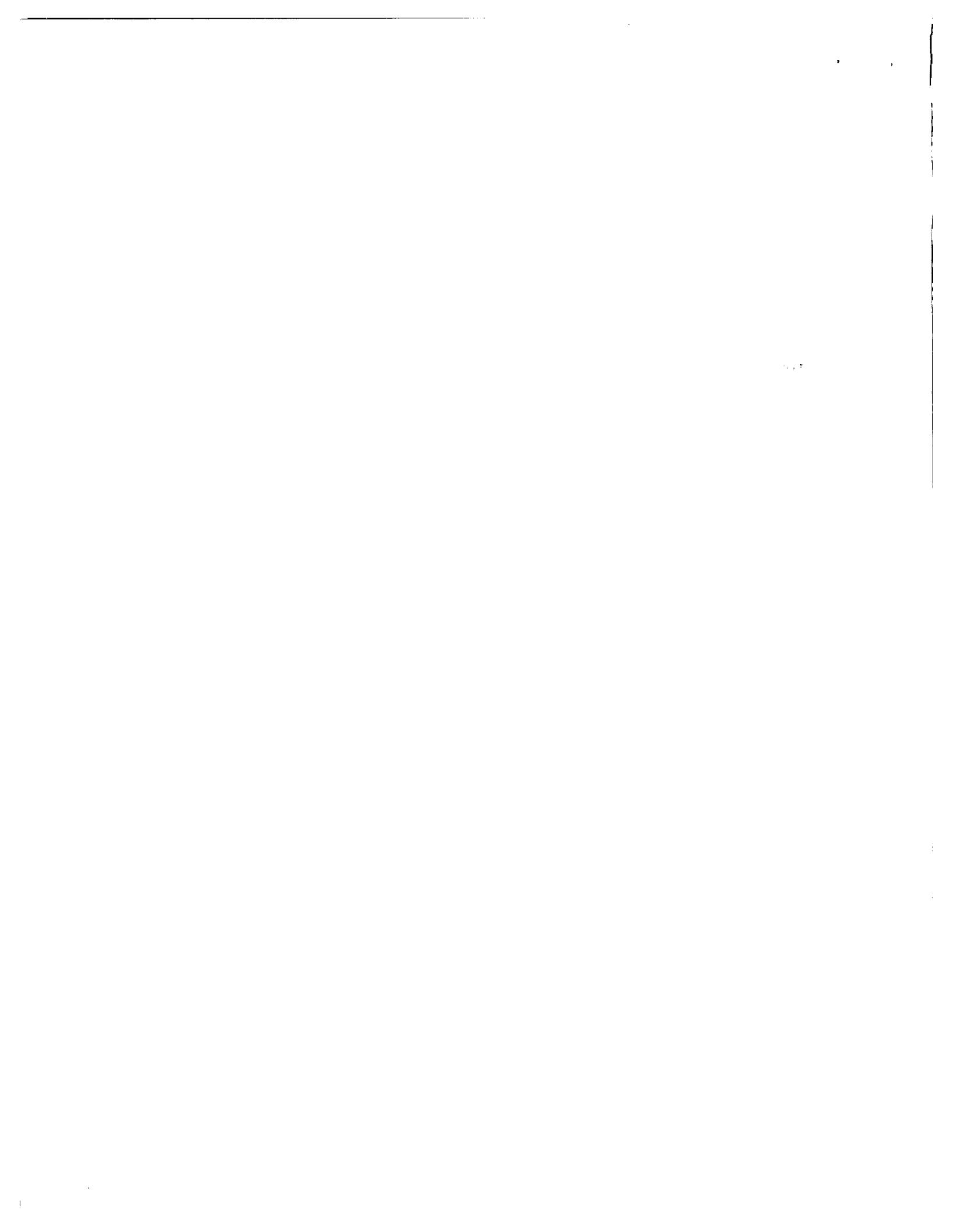


David W. Ogden
Vice President

SWORN TO AND SUBSCRIBED
before me this 25th
day of September, 2006.

Patricia A. London
Notary Public





Neither Plaintiff nor Plaintiff's counsel have received notice that the Defendants have asserted their rights under said acceleration letter.

WHEREFORE, Plaintiff demands judgment in its favor as specified in paragraph 17 above, authority to foreclose its mortgage against the real estate and such other relief as the court deems just.

Respectfully submitted,



Peter F. Smith, Esquire
Attorney for Plaintiff

Date: September 27, 2006

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

COUNTY NATIONAL BANK,
Plaintiff

vs.

JOHN M. DAVIS and
LAURIE L. DAVIS,
Defendants

No. 2006-858-CD

Type of Case:
FORECLOSURE

Type of Pleading:
AMENDED COMPLAINT

Filed on Behalf of:
PLAINTIFF

Attorney for this party:
Peter F. Smith, Esquire
Supreme Court ID #34291
P.O. Box 130
30 South Second Street
Clearfield, PA 16830
(814) 765-5595

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

SEP 28 2006

Attest.

Wm. L. Davis
Prothonotary/
Clerk of Courts

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

COUNTY NATIONAL BANK,
Plaintiff

No. 2006-858-CD

vs.

JOHN M. DAVIS and
LAURIE L. DAVIS,
Defendants

NOTICE TO DEFEND

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

COURT ADMINISTRATOR
Clearfield County Courthouse
Market and Second Streets
Clearfield, PA 16830
(814) 765-2641

AMERICANS WITH DISABILITIES ACT OF 1990

The Court of Common Pleas of Clearfield County is required by law to comply with the Americans with Disabilities Act of 1990. For information about accessible facilities and reasonable accommodations available to disabled individuals having business before the Court, please contact our office. All arrangements must be made at least 72 hours prior to any hearing or business before the Court. You must attend the scheduled conference or hearing.

Clearfield County Court Administrator
Clearfield County Courthouse
Market and Second Streets
Clearfield, PA 16830
(814) 765-2641

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

COUNTY NATIONAL BANK, :
Plaintiff : No. 2006-858-CD
:
vs. :
:
JOHN M. DAVIS and :
LAURIE L. DAVIS, :
Defendants :
:
:

AMENDED COMPLAINT TO FORECLOSE MORTGAGE

COMES NOW, COUNTY NATIONAL BANK, by its attorney, Peter F. Smith, who pursuant to Pa.R.C.P. 1147, pleads:

1. The Plaintiff is **COUNTY NATIONAL BANK**, a national banking institution, with principal offices at One South Second Street, Clearfield, PA 16830 (hereinafter "CNB").
2. The name of the first Defendant is **JOHN M. DAVIS**, whose last known address is 314 S. Fourth Street, Clearfield, Clearfield County, Pennsylvania 16830.
3. The name of the second Defendant is **LAURIE L. DAVIS**, whose last known address is 110 Linda Road, New Smyrna Beach, Florida 32168.
4. The parcel of real estate subject to this action has an assessed address of 601 Nichols Street, Clearfield, PA 16830 and is also identified as Clearfield County Tax Map Number 4.3-K8-206-62. It consists of a 45' x 120' lot with a two-story frame house, one other house, a garage with an apartment above it and other improvements constructed thereon. The other house and garage/apartment are sometimes identified as 402 W. Fifth Street and 404 W. Fifth Street. The entire parcel is bounded and described as follows:

ALL that certain lot or piece of ground situate in the Third Ward of the Borough of Clearfield, County of Clearfield and State of Pennsylvania, bounded and described as follows:

BEGINNING at a post corner of Nichols and West Fifth Streets (formerly Schryver Street); thence North along said West Fifth Street (formerly Schryver Street) one hundred fifty (150) feet to an alley; thence West along the line of said alley forty-five (45) feet to the line of Lot No. 20; thence South along the line of the same one hundred fifty (150) feet; thence East forty-five (45) feet to the place of beginning and being known as Lot No. 19 in the plan of Schryver's Addition to the Borough of Clearfield.

BEING the same premises conveyed to John M. Davis and Laurie L. Davis by deed dated April 11, 1991 and recorded in Clearfield County Record Volume 1394 Page 445.

5. Laurie L. Davis subsequently conveyed her interest in the subject premises to the first Defendant John M. Davis by deed dated January 3, 2006 and recorded January 4, 2006 at Clearfield County Instrument Number 200600113. Mrs. Davis is named as a Defendant because she has not been released from the mortgage and bond upon which this suit is instituted.

6. Defendants mortgaged the property described above to County National Bank, Plaintiff, by instrument dated May 11, 2001, for a principal debt of \$82,000.00, together with interest. Said mortgage was recorded at Clearfield County Instrument Number 200107154. A true and correct copy of said mortgage is attached hereto and incorporated herein by reference as Exhibit A.

7. The second parcel encumbered by this mortgage was released by instrument dated May 11, 2001 and recorded at Clearfield County Instrument Number 200218753.

8. Defendants also executed a Note in favor of County National Bank together with the foregoing mortgage evidencing their personal obligation to pay the \$82,000.00 borrowed from Plaintiff, together with interest and other charges as specified therein. A true and correct copy of said note is attached hereto and incorporated herein by reference as Exhibit B.

9. On November 14, 2002, the Defendants executed a Mortgage Amendment Agreement to County National Bank. This amendment reduced the original principal amount stated in their mortgage and note referenced above to \$52,650.22. A true and correct copy of said Mortgage Amendment Agreement is attached hereto and incorporated herein by reference as Exhibit C.

10. The Defendants executed a Bi-Weekly Payment Rider on November 27, 2002. This rider authorized County National Bank to automatically deduct one-half of the Defendants' mortgage payments from their checking account on a bi-weekly basis. A true and correct copy of said Bi-Weekly Rider is attached hereto and incorporated herein as Exhibit D.

11. Plaintiff has not assigned this mortgage or note.

12. No judgment has been entered in any jurisdiction upon this mortgage or the underlying obligation to pay the note.

13. Defendants are entitled to no credits or set-offs.

14. On or about December 30, 2005, Defendants failed to make a payment of \$685.23, and at no time since then have all monthly payments been made which constitutes a default.

15. After crediting all amounts paid by Defendants to Plaintiff in reduction of this mortgage, there is a total past due of \$3,194.81 as of May 17, 2006.

16. Written and oral demand have been made upon the Defendants to make said payments to Plaintiff and correct their default, but they have failed to do so.

17. The exact amounts due under said mortgage and because of Defendants' default, after acceleration of the balance due pursuant to its terms as of May 17, 2006, are as follows:

a)	Balance	\$44,933.79
b)	Interest Due to 05/17/06	\$ 1,670.17
c)	Interest accruing after 5/17/06 at \$9.9852867 per day (to be added)	\$ _____
d)	Late charges	\$ 183.76
e)	Satisfaction Fee	\$ 30.50
f)	Escrow balance due	\$ 417.79
g)	Costs of Suit (to be added)	\$ _____
h)	Attorney's commission of amounts reasonably and actually incurred	\$ _____
i)	LESS: Unapplied balance	\$ 415.10
PRELIMINARY TOTAL		\$46,820.91
Prothonotary Costs		\$ _____
FINAL TOTAL		\$

18. The Defendants have abandoned the property subject to this action. Therefore, the Defendants are not entitled to the notices required by Act No. 6 of 1974, 41 Pa.C.S.A. Sections 101 *et seq.* Homeowner's Emergency Mortgage Assistance Act, 1959, Dec. 3, P.L. 1688, No. 621, art. IV-C, Section 402-C, added 1983, Dec. 23, P.L. 385, No. 91, Section 2, 35 P.S. Section 1680.401c *et seq.*

19. On March 27, 2006, Plaintiff sent to Defendants by Certified Mail and U.S. First Class Mail, Postage Prepaid an acceleration letter at their last known addresses advising them of their default. A true and correct copy of said letter is attached hereto and incorporated herein by reference as Exhibit E.

20. A copy of the certified mail receipts postmarked by the U.S. Postal Service are attached hereto and incorporated herein by reference as Exhibit F.

21. More than thirty (30) days have elapsed since the mailing of said acceleration letter.

Neither Plaintiff nor Plaintiff's counsel have received notice that the Defendants have asserted their rights under said acceleration letter.

WHEREFORE, Plaintiff demands judgment in its favor as specified in paragraph 17 above, authority to foreclose its mortgage against the real estate and such other relief as the court deems just.

Respectfully submitted,



Peter F. Smith, Esquire
Attorney for Plaintiff

Date: September 27, 2006

In The Court of Common Pleas of Clearfield County, Pennsylvania

Service # 1 of 3 Services

Sheriff Docket # 101971

COUNTY NATIONAL BANK

Case # 06-858-CD

vs.

JOHN M. DAVIS and LAURIE L. DAVIS

TYPE OF SERVICE AMENDED COMPLAINT IN MORTGAGE FORECLOSURE

SHERIFF RETURNS

NOW January 10, 2007 AFTER DILIGENT SEARCH IN MY BAILIWICK I RETURNED THE WITHIN AMENDED COMPLAINT IN MORTGAGE FORECLOSURE "NOT FOUND" AS TO JOHN M. DAVIS, DEFENDANT. SEVERAL ATTEMPTS, NOT HOME.

SERVED BY: /

FILED
018-5061
JAN 11 2007
WAS
William A. Shaw
Prothonotary/Clerk of Courts

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 101971
NO: 06-858-CD
SERVICE # 2 OF 3
AMENDED COMPLAINT IN MORTGAGE

FORECLOSURE

PLAINTIFF: COUNTY NATIONAL BANK
vs.
DEFENDANT: JOHN M. DAVIS and LAURIE L. DAVIS

SHERIFF RETURN

NOW, September 29, 2006, SHERIFF OF VOLUSIA CO., FL. COUNTY WAS DEPUTIZED BY CHESTER A. HAWKINS,
SHERIFF OF CLEARFIELD COUNTY TO SERVE THE WITHIN AMENDED COMPLAINT IN MORTGAGE
FORECLOSURE ON JOHN M. DAVIS.

NOW, October 03, 2006 AT 10:16 AM SERVED THE WITHIN AMENDED COMPLAINT IN MORTGAGE
FORECLOSURE ON JOHN M. DAVIS, DEFENDANT. THE RETURN OF VOLUSIA CO., FL. COUNTY IS HERETO
ATTACHED AND MADE PART OF THIS RETURN.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 101971
NO: 06-858-CD
SERVICE # 3 OF 3
AMENDED COMPLAINT IN MORTGAGE

FORECLOSURE

PLAINTIFF: COUNTY NATIONAL BANK
vs.
DEFENDANT: JOHN M. DAVIS and LAURIE L. DAVIS

SHERIFF RETURN

NOW, September 29, 2006, SHERIFF OF VOLUSIA CO., FL. COUNTY WAS DEPUTIZED BY CHESTER A. HAWKINS, SHERIFF OF CLEARFIELD COUNTY TO SERVE THE WITHIN AMENDED COMPLAINT IN MORTGAGE FORECLOSURE ON LAURIE L. DAVIS.

NOW, October 03, 2006 AT 10:16 AM SERVED THE WITHIN AMENDED COMPLAINT IN MORTGAGE FORECLOSURE ON LAURIE L. DAVIS, DEFENDANT. THE RETURN OF VOLUSIA CO., FL. COUNTY IS HERETO ATTACHED AND MADE PART OF THIS RETURN.

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 101971
NO: 06-858-CD
SERVICES 3
AMENDED COMPLAINT IN MORTGAGE

FORECLOSURE

PLAINTIFF: COUNTY NATIONAL BANK
vs.
DEFENDANT: JOHN M. DAVIS and LAURIE L. DAVIS

SHERIFF RETURN

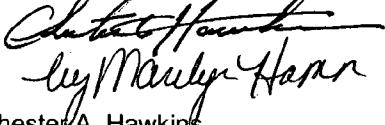
RETURN COSTS

Description	Paid By	CHECK #	AMOUNT
SURCHARGE	CNB	337832	30.00
SHERIFF HAWKINS	CNB	337832	39.00
VOLUSIA CO.,FL	CNB	337833	40.00

Sworn to Before Me This

So Answers,

____ Day of _____ 2007


Chester A. Hawkins
Sheriff

DUPLICATE

Service Sheet Number: NEORDR-06040094-001

Attorney or Depositor:
 SMITH, PETER F
 30 S SECOND ST
 CLEARFIELD, PA 16830

Name and Address of Court:
 COURT OF COMMON PLEAS

Org Documents 1

Plaintiff: COUNTY NATIONAL BANK

Defendant: JOHN M DAVIS & LAURIE L DAVIS

TYPE OF SERVICE (ORDER)	Hearing Date 0/00/00	Time	Case Number 2006-858CD
----------------------------	-------------------------	------	---------------------------

I, BEN F. JOHNSON, SHERIFF in and for said County and State, do hereby certify that I have received:

ORDER/NOTICE/AMENDED COMPLAINT

on the 2nd day of OCTOBER, 2006, and that I served the same on the 3rd day of OCTOBER, 2006, at the hour of 10:16 AM within the County of VOLUSIA, State of FLORIDA, as follows on:

PERSON SERVED: DAVIS, JOHN M TITLE:

INDIVIDUAL SERVICE: BY SERVING THE WITHIN NAMED PERSON A TRUE COPY OF THE WRIT, WITH THE DATE AND HOUR OF SERVICE ENDORSED THEREON BY ME, AND AT THE SAME TIME DELIVERING TO THE ABOVE NAMED PERSON A COPY OF THE COMPLAINT, PETITION OR INITIAL PLEADING, IF ANY.

Address Served: 110 LINDA RD
 NEW SMYRNA BCH, FL 32168

Service By BROWN, RICHARD 4165

Deputy

<u>SHERIFF'S FEES</u>	<u>Charges</u>	** PAID IN FULL
SERVICE FEE	20.00	

** TOTALS **	20.00	I am a FLORIDA SHERIFF, and I certify that the foregoing is true and correct.
--------------	-------	---

VOLUSIA COUNTY SHERIFF'S DEPARTMENT
 P O BOX 2658
 DAYTONA BEACH, FL 32115

BEN F. JOHNSON, SHERIFF
 COUNTY OF VOLUSIA
 STATE OF FLORIDA

DATE: 10/31/06
 ENT PER: LINDA_M

BY BROWN, RICHARD 4165

Deputy

DUPLICATE

Service Sheet Number: NEDRDR-06040094-002

Attorney or Depositor:
SMITH, PETER F
30 S SECOND ST
CLEARFIELD, PA 16830

Name and Address of Court:
COURT OF COMMON PLEAS

Org Documents 1

Plaintiff: COUNTY NATIONAL BANK

Defendant: JOHN M DAVIS & LAURIE L DAVIS

TYPE OF SERVICE (ORDER)	Hearing Date 0/00/00	Time	Case Number 2006-858CD
----------------------------	-------------------------	------	---------------------------

I, BEN F. JOHNSON, SHERIFF in and for said County and State, do hereby certify that I have received:

ORDER/NOTICE/AMENDED COMPLAINT

on the 2nd day of OCTOBER, 2006, and that I served the same on the 3rd day of OCTOBER, 2006, at the hour of 10:16 AM within the County of VOLUSIA, State of FLORIDA, as follows on:

PERSON SERVED: DAVIS, LAURIE L TITLE:

INDIVIDUAL SERVICE: BY SERVING THE WITHIN NAMED PERSON A TRUE COPY OF THE WRIT, WITH THE DATE AND HOUR OF SERVICE ENDORSED THEREON BY ME, AND AT THE SAME TIME DELIVERING TO THE ABOVE NAMED PERSON A COPY OF THE COMPLAINT, PETITION OR INITIAL PLEADING, IF ANY.

Address Served: 110 LINDA RD
NEW SMYRNA BEACH, FL 32168

Service By: BROWN, RICHARD 4165

Deputy

SHERIFF'S FEES
SERVICE FEE 20.00

** TOTALS ** 20.00

I am a FLORIDA SHERIFF,
and I certify that the foregoing
is true and correct.

VOLUSIA COUNTY SHERIFF'S DEPARTMENT
P O BOX 2658
DAYTONA BEACH, FL 32115

BEN F. JOHNSON, SHERIFF
COUNTY OF VOLUSIA
STATE OF FLORIDA

DATE: 10/31/06
ENT PER: LINDA_M

BY BROWN, RICHARD 4165


Deputy

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

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) unless the Note shows that Borrower's loan is assumable, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. If the Note shows that Borrower's loan is assumable, Borrower must obtain Lender's written permission for an assumption and follow any other requirements of Lender related to an assumption. If Borrower does not do so, Lender may require immediate payment in full of all sums secured by this Security Instrument.

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

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

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

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

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

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

By initialing, I acknowledge this is page 5 of 7
of the Mortgage.

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ITEM 111PALS (00121) Page 5 of 7

Initials Initials Initials Initials

Compliance Systems, Inc.
To Order: Call 800-868-8522 Fax 618-956-1868

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

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

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

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

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

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

27.



NOTICE TO BORROWER: THIS DOCUMENT CONTAINS PROVISIONS FOR A VARIABLE INTEREST RATE.

By initialing, I acknowledge this is page 6 of 7
of the Mortgage.

Initials	Initials	Initials	Initials
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ITEM 111PA16 (0017) Page 6 of 7

Compliance Systems, Inc.
To Order: Call 800-968-0522 Fax 616-856-1868

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

Witnesses:

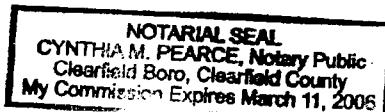
Robert L. Davis *John M. Davis* (Seal)
John M. Davis -Borrower
Laurie L. Davis *Laurie L. Davis* (Seal)
Laurie L. Davis -Borrower
(Seal)
-Borrower
(Seal)
-Borrower

COMMONWEALTH OF Pennsylvania

Clearfield County ss:

On this 7th day of October 2004, before me, the undersigned officer, personally appeared John M. Davis and Laurie L. Davis known to me (or satisfactorily proven) to be the person(s) whose name(s) are subscribed to the within instrument and acknowledge that they executed the same for the purposes therein contained.

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



CNB-Notary Public

Title of Officer

Cynthia M. Pearce



CERTIFICATE OF RESIDENCE

I hereby certify that the precise address of the Lender herein, County National Bank 1 South Second St PO Box 42 Clearfield, Pennsylvania 16830-0042

is as follows:

Attorney or Agent for Lender

This instrument was prepared by:
Lori Trumbull
County National Bank
1 South Second St
PO Box 42
Clearfield, PA 16830-0042

After recording return to:
County National Bank
Attn: Consumer Loan Department
1 South Second Street
PO Box 42
Clearfield, PA 16830

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ITEM 111PAL7 (0012) Page 7 of 7

Compliance Systems, Inc.
To Order: Call 800-988-8522 Fax 816-856-1868

COMMERCIAL PROMISSORY NOTE

• NAME(S) / ADDRESS(ES) OF BORROWER(S) ("Borrower, I, My or Me")

John M Davis
Laurie L Davis
601 Nichols St

Clearfield, PA 16830-1539

NAME / ADDRESS OF LENDER (CREDITOR) ("Lender, You, or Your")

County National Bank
PO Box 42
1 South Second St
Clearfield, PA 16830-0042

NOTE NUMBER

TRANSACTION DATE

MATURITY DATE

OFFICE

1285292/5

10/07/2004

10/07/2014

0000001

For value received, on or before the Maturity Date, the undersigned Borrower promises to pay the principal amount, together with interest, and any other charges, including service charges, to the order of the Lender at its office at the address noted above or holder, all in lawful money of the United States of America. The undersigned further agrees to the terms below and on page two of this Note. Words, numbers or phrases preceded by a are applicable only if the is marked.

\$ 27,466.66

PRINCIPAL AMOUNT:

TWENTY SEVEN THOUSAND FOUR HUNDRED SIXTY SIX DOLLARS AND SIXTY SIX CENTS

PAYMENT SCHEDULE: In 120 installments of \$ 357.47 plus interest including interest starting 11/07/2004
 interest only starting

 interest, principal and other charges due on Maturity Date.
 other payment schedule

This loan is subject to A fixed interest rate of 9.500% per annum. A variable simple interest rate, which is % greater than: equal to:

% less than: the following Index:

Initial Variable Simple Interest Rate	Present Variable Index Rate	Minimum Interest Rate	Maximum Interest Rate	Interest Rate Changes Will Occur:
%	%	%	%	Same day

Interest will be calculated on the unpaid balance for the actual days outstanding on a: 365/365 Day Basis. Actual / 360 Day Basis.DEFAULT RATE: If in default the interest rate shall be: % per annum. % in excess of the Index.

LATE CHARGE: If Borrower is more than 15 days late in making any payment, in addition to such payment, Borrower will pay a late charge of:

 the lesser of the greater of an amount equal to \$ or 5.00 % of the payment in default.PAYABLE ON DEMAND: Payment is due upon demand. Payment is due upon demand, but in any event, not later than Maturity Date.LINE OF CREDIT: If this Note is not in default, Lender may make advances and readvances (lend and relend) on a continuing basis up to the Principal Amount. Additional Note Provisions:

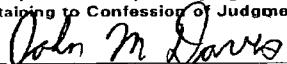
Origination Fee: \$250.00; Title Search Fee: \$20.00

Recording Fee: \$36.50

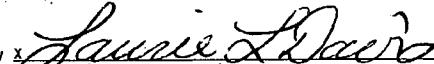
Post Maturity Rate of 11.50%

WARRANTY OF ATTORNEY/CONFESSION OF JUDGMENT

This warranty of attorney/confession of judgment may be exercised from time to time for separate sums as or after they become due. Borrower knowingly, voluntarily and intentionally waives any and all rights Borrower may have to notice and hearing under state and federal laws prior to entry of a judgment, but retains any rights to subsequent notice and hearing under Pennsylvania's rules of Civil Procedure pertaining to Confession of Judgment for Money.

By 
John M Davis

Date

By 
Laurie L Davis

Date

Its

Its

By

Date

Date

Its

Its

Security for this Note, if any, (the "Collateral") is granted pursuant to the following document(s) executed on the date(s) noted below:

 security agreement dated 10/07/2004 mortgage, deed of trust, trust deed or security deed dated 10/07/2004 other

By initialing, I acknowledge this is page 1 of 2 of the Commercial Promissory Note and Security Agreement.

Initials Initials Initials Initials

ADDITIONAL PROVISIONS

If this Note is secured by a security agreement, mortgage, or loan agreement of even or previous date, it is subject to all the terms thereof. Additionally, the Lender may, upon deeming itself insecure or upon Borrower's default in payment or in the terms of this or any other agreement Borrower may have with Lender declare the entire principal amount due and payable. The Borrower severally waives demand, notice, and protest and to any defense due to extensions of time or other indulgence by Lender or to any substitution or release of collateral.

The Default Rate shown on page one will be applied to all periods of time in which a default exists. If the interest rate on this note is tied to an Index stated on page one, that Index is used solely to establish a base from which the actual rate of interest payable under this Note will be figured, and is not a reference to any actual rate of interest charged by any lender to any particular borrower. If the interest rate varies in accordance with a selected Index, if that Index ceases to exist, Lender may substitute a similar index which will become the Index.

If this Note is payable in installments, each installment payment will be due on the same day of the installment period as the day upon which payments commence, unless otherwise specified. Failure to pay this Note according to specified terms shall constitute a default.

The Lender shall have the right to hold or apply its own indebtedness or liability to Borrower in payment of, or to provide collateral security for the payment of this Note either prior to or after Maturity Date. If legal proceedings are instituted to enforce the terms of this Note, Borrower agrees to pay all costs of the Lender in connection therewith, including reasonable attorney fees. If this Note is secured, then upon default in payment or in the terms of this agreement, the Lender shall have all rights of a secured party under the Uniform Commercial Code and/or other law(s) governing secured transactions. If permitted by law, Borrower waives any otherwise required notice of: presentment, demand, acceleration, and intent to accelerate.

This Note is governed by the laws of the state in which it is written except to the extent that federal law controls.

SIGNATURES

The Borrower expressly agrees to all of the provisions hereof and signifies assent thereto by the signature below.

IN WITNESS WHEREOF, the Borrower has executed this Note on the date and year shown below.

By X John M Davis _____ Date _____
John M Davis
Its _____

By X Barbie L Davis _____ Date _____
Barbie L Davis
Its _____

By X _____ Date _____
Its _____

Date

LCAS - COLLATERAL



60031024520244585232 BULK FILE
ID: 22475 - 1 SHORT NAME: Davis, John M
LOAN_NUMBER: 12852925 NEW_NOTE_NUMBER:
DOC_CODE: L-RECOM-1 DOC: Commercial Note
USER: RBANNON Date: 10/20/2004 01:52:08 PM

COMMERCIAL SECURITY AGREEMENT
("Agreement")

NAME(S) / ADDRESS(ES) OF OBLIGOR(S) / OBLIGOR-DEBTOR(S) ("Borrower") John M Davis Laurie L Davis 601 Nichols St. Clearfield, PA 16830-1539		NAME / ADDRESS OF SECURED PARTY ("Lender") County National Bank PO Box 42 1 South Second St Clearfield, PA 16830-0042	
BORROWER'S TYPE OF BUSINESS ORGANIZATION (Corporation, Partnership, L.L.C., Assumed Name, etc.) Sole proprietorship		BORROWER'S STATE OF ORGANIZATION / FORMATION PA	
NAME(S) OF DEBTOR(S) OTHER THAN BORROWER ("Non-Borrower Debtor") (If Applicable)		ADDRESS(ES) OF NON-BORROWER DEBTOR(S)	
NON-BORROWER DEBTOR'S TYPE OF BUSINESS ORGANIZATION (Corporation, Partnership, L.L.C., Assumed Name, etc.) (If Applicable)		NON-BORROWER DEBTOR'S STATE OF ORGANIZATION / FORMATION / RESIDENCE (If a natural person)	
AGREEMENT DATE 10/07/2004			

Words, phrases, or the text of a paragraph following a are only applicable if the is marked, e.g.

1. DEBTOR - For purposes of this Agreement, the term "Debtor" refers to any party who has an interest in the Collateral defined in Provision 4 below. Unless otherwise indicated with a mark in one of the boxes below, the Debtor is the Borrower identified above.

"Debtor" includes the Borrower and the Non-Borrower Debtor identified above.
 "Debtor" is the Collateral owner identified above as Non-Borrower Debtor.
 "Debtor" is a guarantor and also the Collateral owner, and is identified above as Non-Borrower Debtor.

Throughout this Agreement, references to Debtor are to be construed as set forth in this Provision 1, and as more specifically defined by Article 9 of the Uniform Commercial Code.

2. SECURITY INTEREST GRANT - Debtor, in consideration of the Obligations to Lender, as defined in Provision 3 below, hereby agrees to all of the terms of this Agreement and further hereby specifically grants Lender a continuing security interest in the collateral described in the paragraph(s) following any box(es) marked in Provision 4 below, including any collateral described under paragraph O of Provision 4 ("Specific"). Debtor further grants Lender a security interest in the proceeds of said collateral, the proceeds of hazard insurance and eminent domain or condemnation awards involving the collateral, all products of, and accessions to, such collateral or interests therein, any and all deposits or other sums at any time credited by or due from Lender to Debtor, and any and all instruments, documents, policies, and certificates of insurance, securities, goods, accounts receivable, choses in action, chattel paper, cash, property, and the proceeds thereof (whether or not the same are Collateral or proceeds thereof hereunder) owned by Debtor or in which Debtor has an interest which are now or at any time hereafter in possession or control of Lender or in transit by mail or carrier to or from Lender or in possession of any third party acting on Lender's behalf, without regard to whether Lender received the same in pledge, for safekeeping, as agent or otherwise, or whether Lender has conditionally released the same. Debtor's grant of a continuing security interest in the foregoing described collateral secures to Lender the payment of all loans, advances, and extensions of credit from Lender to Borrower, including all renewals and extensions thereof and any and all obligations of every kind whatsoever, whether heretofore, now, or hereafter existing or arising between Lender and Borrower and howsoever incurred or evidenced, whether primary, secondary, contingent, or otherwise.

3. OBLIGATIONS - As used in this Agreement, the term "Obligations" shall mean any and all of Borrower's and/or Debtor's obligations to Lender, whether they arise under this Agreement or the Note, Loan Agreement, Guarantee, or other evidence of debt executed in connection with this Agreement, or under any other mortgage, trust deed, deed of trust, security deed, security agreement, note, lease, instrument, contract, document, or other similar writing heretofore, now, or hereafter executed by the Borrower and/or Debtor to Lender, including any renewals, extensions and modifications thereof, and including oral agreements and obligations arising by operation of law. The Obligations shall also include all expenditures that Lender may make under the terms of this Agreement or for the benefit of Borrower and/or Debtor, all interest, costs, expenses, and attorneys' fees accruing to or incurred by Lender in enforcing the Obligations or in the protection, maintenance, preservation, or liquidation of the Collateral, and any of the foregoing that may arise after the filing of any petition by or against Borrower and/or Debtor under the Bankruptcy Code, irrespective of whether the obligations do not accrue because of the automatic stay under Bankruptcy Code § 362 or otherwise.

4. DESCRIPTION OF COLLATERAL - The collateral covered by this Agreement (the "Collateral") is all of the Debtor's property described below, with regard to which a mark has been placed in the applicable box, which the Debtor now owns or may hereafter acquire or create and which may include, but shall not be limited to, any items listed on any schedule or list attached hereto.

By initialing, I acknowledge this is page 1 of 10 of the Commercial Security Agreement.	Initials	Initials	Initials	Initials
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 ITEM 304BAL1 (0105) Page 1 of 10

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 800-988-8522 Fax 616-856-1868

(v) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (vi) for services rendered or to be provided or to be provided, (vii) for the use or hire of a vessel under a charter or other contract, (viii) arising out of the use of a credit card or charge card or information contained on or for use with the card, (ix) as winnings in a lottery or other game of chance operated or sponsored by a State, governmental unit of a State, or person licensed or authorized to operate the game by a State or governmental unit of a State, or (x) for health-care-insurance receivables.

B. INVENTORY - "Inventory" shall consist of all inventory and goods, other than farm products, which (a) are leased by Debtor as lessor, (b) are held by Debtor for sale or lease or to be furnished under a contract of service, (c) are furnished by Debtor under a contract of service, or (d) consist of raw materials, work in process, or materials used or consumed in business.

C. EQUIPMENT - "Equipment" shall consist of all of Debtor's goods other than inventory, farm products or consumer goods. Equipment includes, but is not limited to, all equipment and fixtures of every nature and description whatsoever, now owned or hereafter acquired by Debtor, wherever located, including all machinery, manufacturing equipment, shop equipment, furnishings, furniture, record keeping equipment, and vehicles, together with all accessions, parts, imbedded software, attachments, accessories, tools, and dies, or appurtenances thereto intended for use in connection therewith, and all substitutions, betterments, and replacements thereof and additions thereto.

D. INSTRUMENTS - "Instruments" shall consist of all negotiable instruments and other writings that are now owned or hereafter acquired by Debtor that evidence a right to the payment of a monetary obligation, are not themselves security agreements or leases, and are of a type that in the ordinary course of business are transferred by delivery with any necessary endorsements or assignments. Instruments shall not include investment property, letters of credit, or writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

E. FIXTURES - "Fixtures" shall consist of all Debtor's goods that have or will become so related to the real property described below that an interest in them arises under real property law. Fixtures include, but are not limited to, any fixtures and appurtenances thereto now owned or hereafter acquired by Debtor, and such other goods, chattels, equipment, and personal property affixed or in any manner attached to the real property and/or building(s) or structure(s), including all additions and accessions thereto, and replacements, substitutions, insurance benefits, and proceeds thereof.

F. GENERAL INTANGIBLES - "General Intangibles" shall consist of all personal property now owned or hereafter acquired by Debtor, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction. General Intangibles shall also include all payment intangibles now held or hereafter acquired by Debtor and all software now owned or hereafter acquired by Debtor, which is not encompassed by the term "Goods," and all supporting information pertaining or relating thereto. General Intangibles include, but are not limited to, intellectual property, rights that arise under a license of intellectual property, including the right to exploit the intellectual property without liability for infringement, and the right to payment of a loan of funds that is not evidenced by chattel paper or an instrument.

G. INVESTMENT PROPERTY - "Investment Property" shall consist of all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodities contracts, and commodities accounts, now held or hereafter acquired by Debtor, together with all contracts, instruments, and general intangibles related thereto and all monies, income, proceeds, and benefits attributable or accruing to said property, including, but not limited to, all stock rights, options, rights to subscribe, dividends, liquidating dividends, stock dividends, dividends paid in stock, new securities, and the properties and benefits to which the Debtor is, or may hereafter become, entitled to receive on account of said property.

H. CHATTEL PAPER - "Chattel Paper" shall consist of all records now held or hereafter acquired by Debtor that evidence both a monetary obligation and a security interest in specific goods, a security interest in specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of contracts involving the use or hire of a vessel or (ii) records that evidence a right to payment arising out of the use of a credit card or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper. The definition of chattel paper includes electronic chattel paper. Debtor agrees that it will assist Lender in obtaining control of the electronic chattel paper by (i) creating a single authoritative copy of the record(s) existing which is unique and identifiable, (ii) ensuring that the authoritative copy identifies the Lender as the assignee of the record(s), and (iii) ensuring that the authoritative copy is communicated to and maintained by the Lender or its designated custodian. Copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the participation of the Lender. Debtor agrees that each copy or authoritative copy and any copy of a copy shall be readily identifiable as a copy that is not the authoritative copy, and any revision of any authoritative copy is readily identifiable as an authorized or unauthorized revision.

I. STANDING TIMBER - "Standing timber" shall consist of all of the standing timber to be cut and removed from the real property described below upon which Debtor has granted to Lender a security interest evidenced by a mortgage, trust deed, deed of trust, security deed, or similar security instrument conveying rights to the real property, including rights to the standing timber. Standing timber includes all accounts arising out of the sale such standing timber, including all products thereof in whatever form, and encompasses arrangements based on the sale of the timber at the moment that it is severed from the ground and is measured.

By initialing, I acknowledge this is page 2 of 10 of the
Commercial Security Agreement.

Initials Initials Initials Initials

J. TITLED VEHICLE - "Titled vehicle" shall consist of any and all vehicle(s) described below, wherever located, now owned or hereafter acquired by Debtor, and all additions and accessions thereto, replacements thereof, and substitutions therefor; and all documents of title evidencing or representing any part thereof, and all products, rents, and proceeds thereof.

K. LETTER OF CREDIT RIGHTS - "Letter of Credit Rights" shall consist of a right to payment or performance under a Letter of Credit, whether or not the beneficiary(ies) has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit. Debtor agrees to cooperate with Lender in obtaining the Letter of Credit issuer or its nominated persons' consent to assignment of the proceeds of the Letter of Credit.

L. AS-EXTRACTED COLLATERAL - "As-extracted collateral" shall consist of all oil, gas, and other minerals which are to be extracted from the real property described below upon which Debtor has granted to Lender a security interest evidenced by a mortgage, trust deed, deed of trust, security deed or similar security instrument conveying rights to the real property, including rights to such oil, gas, or other minerals. As-Extracted Collateral includes all accounts arising out of the sale at the wellhead or at the minehead of such oil, gas, or other minerals. The terms "at the wellhead" and "at the minehead" encompass arrangements based on the sale of the oil, gas, or other minerals at the moment that it issues from the ground and is measured, without technical distinctions as to whether title passes at the "Christmas tree" of a well, the far side of a gathering tank, or at some other point.

M. GOVERNMENT PROGRAM PAYMENTS - "Government Program Payments" shall consist of all Debtor's right to payment of a monetary obligation, accounts, general intangibles, and other benefits, now held or hereafter acquired, that arise under or as a result of Debtor's participation in any prior, contemporaneous, or future state or federal governmental program, including any such program offered by a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a State, or a foreign country, or any organization having a separate corporate existence from such governmental entities if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States. Government Program Payments include, but are not limited to, letters of entitlement, deficiency payments, diversion payments, payments in kind, emergency assistance payments, production flexibility contracts, conservation reserve payments, warehouse receipts, and storage payments.

N. DEPOSIT ACCOUNTS - "Deposit Accounts" shall consist of all demand, time, savings, passbook, and similar deposit accounts which are now or are hereafter held by Debtor in Lender's institution, or maintained in another bank ("Bank") and for which Debtor, Lender and the Bank have entered into a duly executed Control Agreement (as used herein, the term Bank means an organization that is engaged in the business of banking, and includes banks, savings banks, savings and loan associations, credit unions, and trust companies), unless the deposit is an Individual Retirement Account (IRA), Keogh Account, or other tax-deferred retirement account, or Debtor's right of withdrawal arises only in a representative capacity.

O. SPECIFIC - "Specific" refers to the specific property, together with all related rights shown below.

The term Obligations is limited to the extension of credit Lender is providing Borrower, the proceeds of which are to purchase the specific property shown below, including any extensions and renewals thereof; plus related interest, costs, expenses, and attorneys' fees as called for in Provision 2, debt unrelated to purchase proceeds being excluded regardless of words to the contrary in Provision 2.

SPECIFIC COLLATERAL DESCRIPTION. The properties and interest in properties described below and also described in the applicable paragraph(s) above are sometimes hereinafter individually and collectively referred to as the "Collateral."

601 NICHOLS ST., CLEARFIELD, PA 16830-1539 COUNTY:
1994 FREIGHTLINER TRUCK VIN#2FUYDKYB9RA458183

REAL PROPERTY DESCRIPTION, if Collateral includes Fixtures, Standing Timber, or As-Extracted Collateral:

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Commercial Security Agreement.

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5. WARRANTIES - The Debtor warrants the following: it has or will acquire free and clear title to all of the Collateral, unless otherwise provided herein; the security interest granted to the Lender shall be a first security interest, and the Debtor will defend same to the Lender against the claims and demands of all persons; the Debtor will fully cooperate in placing or maintaining Lender's lien or security interest; the Debtor agrees not to allow or permit any lien, security interest, adverse claim, charge, or encumbrance of any kind against the collateral or any part thereof, without the Lender's prior written consent; all of the Collateral is located in the state of the Debtor's address specified on page one hereof, unless otherwise certified to and agreed to by the Lender, or, alternatively, is in possession of the Lender; the Debtor will not remove or change the location of any Collateral without the Lender's prior written consent; the Debtor will use the Collateral only in the conduct of its own business, in a careful and proper manner; the Debtor will not use the Collateral or permit it to be used for any unlawful purpose; except as otherwise provided in this Agreement with respect to inventory, Debtor will not, without the Lender's prior written consent, sell, assign, transfer, lease, charter, lease, charter, encumber, hypothecate, or dispose of the Collateral, or any part thereof, or any interest therein, nor will Debtor offer to sell, assign, transfer, business under any name other than that given on page one hereof, nor change, nor reorganize the type of business entity as described, except upon the prior written approval of the Lender, in which event the Debtor agrees to execute any documentation of whatsoever character or nature demanded by the Lender for filing or recording, at the Debtor's expense, before such change occurs; the information regarding Debtor's state of organization or formation as set forth on page 1 hereof is correct, and Debtor further warrants that Debtor will not change Debtor's state of organization or formation without Lender's prior written consent and will assist Lender with any changes to any documents, filings, or other records resulting or required therefrom; the Debtor will keep all records of account, documents, evidence of title, and all other documentation regarding its business and the Collateral at the address specified on page 1 hereof, unless notice thereof is given to the Lender at least ten (10) days prior to the change of any address for the keeping of such records; the Debtor will, at all times, maintain the Collateral in good condition and repair and will not sell or remove same except as to inventory in the ordinary course of business; the Debtor is a legally created business entity, as described before; and it has the power, and the person signing is duly authorized, to enter into this Agreement; the execution of this Agreement will not create any breach of any provision of the Debtor's organizational documents (Articles of Incorporation and By-Laws if the Debtor is a corporation, Articles of Organization and Operating Agreement if the Debtor is a limited liability company, or Certificate of Limited Partnership (if applicable) or Partnership Agreement if the Debtor is a partnership), or any other agreement to which the Debtor is or may become a party; all financial information and statements delivered by the Debtor to the Lender to obtain loans and extensions of credit are true and correct and are prepared in accordance with generally accepted accounting principles; there has been no material adverse change in the financial condition of the Debtor since it last submitted any financial information to the Lender; there are no actions or proceedings, including set-off or counterclaim, which are threatened or pending against the Debtor which may result in any material adverse change in the Debtor's financial condition or which might materially affect any of the Debtor's assets; and the Debtor has duly filed all federal, state, municipal, and other governmental tax returns, and has obtained all licenses, permits, and the like which the Debtor is required by law to file or obtain, and all such taxes and fees for such licenses and permits required to be paid, have been paid in full.

6. INSURANCE - The Debtor agrees that it will, at its own expense, fully insure the Collateral against all loss or damage for any risk of whatsoever nature in such amounts, with such companies, and under such policies as shall be satisfactory to the Lender. All policies shall expressly provide that the Lender shall be the loss payee or, alternatively, if requested by Lender, mortgagee. The Lender is granted a security interest in the proceeds of such insurance and may apply such proceeds as it may receive toward the payment of the Obligations, whether or not due, in such order as the Lender may in its sole discretion determine. The Debtor agrees to maintain, at its own expense, public liability and property damage insurance upon all its other property, to provide such policies in such form as the Lender may approve, and to furnish the Lender with copies of other evidence of such policies and evidence of the payments of the premiums thereon. All policies of insurance shall provide for a minimum 10 days' written notice of cancellation to Lender. At the request of Lender, such policies of insurance shall be delivered to and held by Lender. Debtor agrees that Lender is authorized to act as attorney for Debtor in obtaining, adjusting, settling, and canceling such insurance and endorsing any drafts or instruments issued or connected with such insurance. Debtor specifically authorizes Lender to disclose information obtained in conjunction with this Agreement and from policies of insurance to prospective insurers of the Collateral. If the Debtor at any time fails to obtain or to maintain any of the insurance required above or pay any premium in whole or in part relating thereto, the Lender, without waiving any default hereunder, may make such payment or obtain such policies as the Lender, in its sole discretion, deems advisable to protect the Debtor's property. All costs incurred by the Lender, including reasonable attorneys' fees, court costs, expenses, and other charges thereby incurred, shall become a part of the Obligations and shall be payable on demand.

7. TAXES, LIENS, ETC. - The Debtor agrees to pay all taxes, levies, judgments, assessments, and charges of any nature whatsoever relating to the Collateral or to the Debtor's business. If the Debtor fails to pay such taxes or other charges, the Lender, at its sole discretion, may pay such charges on behalf of the Debtor; and all sums so dispensed by the Lender, including reasonable attorneys' fees, court costs, expenses, and other charges relating thereto, shall become a part of the Obligations and shall be payable on demand.

8. ENVIRONMENTAL LAWS - Debtor certifies that as to any real estate which has been, is now, or will be in the future owned or occupied by Debtor, that such real estate has not in the past, nor will now or in the future be allowed in any manner to be exposed to or contain hazardous or environmentally harmful substances as may be defined or regulated by any state or federal law or regulation which impacts, in any way, such substances, except to the extent the existence of such substances has been presently disclosed in writing to Lender, and Debtor will immediately notify Lender in writing of any assertion made by any party to the contrary. Debtor indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense of whatsoever nature, including reasonable attorneys' fees, incurred directly or indirectly as a result of Debtor's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any state or federal law or regulation.

9. PROTECTION OF COLLATERAL - Debtor agrees that Lender may, at Lender's sole option, whether before or after any event of default, and without prior notice to Debtor, take the following actions to protect Lender's interest in the Collateral: (a) pay for the maintenance, preservation, repair, improvement, or testing of the Collateral; (b) pay any filing, recording, re-recording, or other fees or expenses in connection with the Collateral; (c) remove, store, or otherwise handle the Collateral; (d) make any other reasonable action to protect the Collateral.

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Commercial Security Agreement.

• charged related to the Collateral; or (c) take any other action to preserve and protect the Collateral or Lender's rights and remedies under this Agreement, as Lender may deem necessary or appropriate from time to time. Debtor agrees that Lender is not obligated and has no duty whatsoever to take the foregoing actions. Debtor further agrees to reimburse Lender promptly upon demand for any payment made or any expenses incurred by Lender pursuant to this authorization. Payments and expenditures made by Lender under this authorization shall constitute additional Obligations, shall be secured by this Agreement, and shall bear interest thereon from the date incurred at the maximum rate of interest, including any default rate, if one is provided, as set forth in the notes secured by this obligation.

10. INFORMATION AND REPORTING - The Debtor agrees to supply to the Lender such financial and other information concerning its affairs and the status of any of its assets as the Lender, from time to time, may reasonably request. The Debtor further agrees to permit the Lender, its employees, and agents, to have access to the Collateral for the purpose of inspecting it, together with all of the Debtor's other physical assets, if any, and to permit the Lender, from time to time, to verify Accounts as well as to inspect, copy, and to examine the books, records, and files of the Debtor.

11. ACCOUNTS - The following provisions shall apply to all accounts included in the Collateral and all accounts arising from the sale of inventory included in the Collateral:

As of the time any account becomes subject to the security interest (or pledge or assignment as applicable) granted hereby, Debtor shall be deemed further to have warranted as to each and all of such accounts as follows: (a) Each account and all papers and documents relating thereto are genuine and in all respects what they purport to be; (b) each account is valid and subsisting and arises out of a bona fide sale of goods sold and delivered to, or out of and for services theretofore actually rendered by Debtor to, the account debtor named in the account or other bona fide transaction; (c) the amount of the account represented as owing is the correct amount actually and unconditionally owing except for normal cash discounts and is not subject to any setoffs, credits, defenses, or countercharges; and (d) Debtor is the owner thereof free and clear of any charges, liens, security interests, adverse claims, and encumbrances of any and every nature whatsoever.

Lender shall have the right in its own name or in the name of the Debtor, whether before or after default, to require Debtor forthwith to transmit all proceeds of collection of accounts to Lender; to notify any and all account debtors to make payments of the accounts directly to Lender; to demand, collect, receive, receipt for, sue for, compound, and give acquittal for, any and all amounts due or to become due on the accounts and to endorse the name of the Debtor on all commercial paper given in payment or part payment thereof; and in Lender's discretion, to file any claim or take any other action or proceeding that Lender may deem necessary or appropriate to protect and preserve and realize upon the accounts and related Collateral. Unless and until Lender elects to collect accounts, and the privilege of Debtor to collect accounts is revoked by Lender in writing, Debtor shall continue to collect accounts, account for same to Lender, shall not commingle the proceeds of collection of accounts with any funds of the Debtor, and shall deposit such proceeds in an account with Lender. In order to assure collection of accounts in which Lender has an interest hereunder, Lender may notify the post office authorities to change the address for delivery of mail addressed to Debtor to such address as Lender may designate, open and dispose of such mail, and receive the collections of accounts included therewith. Lender shall have no duty or obligation whatsoever to collect any account or to take any other action or preserve or protect the Collateral; however, should Lender elect to collect any account or take possession of the Collateral, Debtor releases Lender from any claim or claims for loss or damage arising from any act or omission in connection therewith, and costs of collection incurred by Lender shall be an obligation secured hereby and constitute a portion of the Obligations.

Upon request by Lender, whether before or after default, Debtor shall take such action and execute and deliver such documents as Lender may reasonably request in order to identify, confirm, mark, segregate, and assign accounts and to evidence Lender's interest in same. Without limiting the foregoing, Debtor, upon request, agrees to assign accounts to Lender, identify and mark accounts as being subject to the security interest (or pledge or assignment as applicable) granted hereby, mark Debtor's books and records to reflect such assignments, and forthwith to transmit to Lender in the form as received by Debtor any and all proceeds of collection of such accounts.

Debtor will deliver to Lender, prior to the 10th day of each month, or with such other frequency as Lender may request, a written report in form and content satisfactory to Lender, showing a listing and aging of accounts and such other information as Lender may request from time to time. Debtor shall immediately notify Lender of the assertion by any account debtor of any setoff, defense, or claim regarding an account or any other matter adversely affecting an account.

Returned or repossessed goods arising from or relating to any accounts included within the Collateral shall, if requested by Lender, be held separate and apart from any other property. Debtor, on request by Lender, but not less than weekly even though no request has been made, shall report to Lender identifying information with respect to any such goods relating to accounts included in transactions under this Agreement.

12. INVENTORY - The following provisions shall apply to all inventory included in the Collateral:

Debtor will deliver to Lender prior to the 10th day of each month, or on such other frequency as Lender may request, a written report in form and content satisfactory to Lender, with respect to the preceding month or other applicable period, showing Debtor's opening inventory, inventory acquired, inventory sold, inventory returned, inventory used in Debtor's business, closing inventory, and other inventory not with the preceding categories, and such other information as Lender may request from time to time. Debtor shall immediately notify Lender of any matter adversely affecting the inventory, including, without limitation, any event causing loss or depreciation in the value of the inventory and the amount of such possible loss or depreciation.

Debtor will promptly notify Lender in writing of any addition to, change in, or discontinuance of its place(s) of business as shown in this Agreement, and the location of the office where it keeps its records. All Collateral will be located at the place(s) of business shown herein, as modified by any written notice(s) given pursuant hereto.

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Commercial Security Agreement.

Initials Initials Initials Initials

Unless and until the privilege of Debtor to use inventory in the ordinary course of Debtor's business is revoked by Lender in the event of default or if Lender deems itself insecure, Debtor may use the inventory in any manner not inconsistent with this Agreement, may sell that part of the Collateral consisting of inventory provided that all such sales are in the ordinary course of business, and may use and consume any raw materials or supplies that are necessary in order to carry on Debtor's business. A sale in the ordinary course of business does not include a transfer in partial or total satisfaction of a debt.

All accounts that arise from the sale of the inventory included within the Collateral shall be subject to all of the terms and provisions hereof pertaining to accounts.

Debtor shall take all action necessary to protect and preserve the inventory.

13. INSTRUMENTS - The following provisions shall apply to instruments included in the Collateral.

Debtor shall immediately deliver to Lender all instruments included in the Collateral. Negotiable instruments shall be endorsed to the order of Lender. With respect to other writing(s) evidencing a right to the payment of money that, in the ordinary course of business, is transferred by delivery with any necessary endorsement or assignment, Debtor shall deliver to Lender and to any third-party issuer a document of assignment in a form and content satisfactory to Lender assigning the Debtor's rights in the said writing(s), and the third-party issuer shall acknowledge receipt of notice of the assignment.

Debtor agrees that Lender may, at any time (whether before or after default) and in its sole discretion, surrender for payment and obtain payment of any portion of the Collateral.

Any and all replacement instruments and other benefits and proceeds related to the Collateral that are received by the Debtor shall be held by Debtor in trust for Lender and immediately delivered to Lender to be held as part of the Collateral.

14. DEPOSIT ACCOUNTS - The following provisions shall apply to deposit accounts included in the Collateral.

Debtor shall immediately deliver to Lender all certificated certificates of deposit included in the Collateral. Negotiable certificates of deposit shall be endorsed to the order of Lender. Debtor shall execute any and all other documents necessary to provide an appropriate security interest in any account with Lender. With respect to deposit accounts held in another Bank, Debtor shall deliver to Lender a control agreement ("Control Agreement") in a form and content satisfactory to Lender assigning the Debtor's rights in the deposit account to Lender and the Bank shall acknowledge receipt of the Control Agreement. The Control Agreement must be in a form that provides that the Bank will comply with any instruction originated by the Lender directing disposition of funds in the Deposit Account without further consent of the Debtor. The form of Control Agreement must be in a form satisfactory to the Lender, and must provide that said Bank will comply with a directive originated by the Lender and will not comply with any directive of the Debtor without the additional written consent of the Lender.

Debtor agrees that Lender may, at any time (whether before or after default) and in its sole discretion, surrender for payment and obtain payment of any portion of the Collateral, whether such have matured or the exercise of the Lender's rights results in a loss of interest or principal or other penalty on such deposits, and, in connection therewith, cause payments to be made directly to Lender.

Any and all replacement or renewal certificates and other benefits and proceeds related to the Collateral that are received by the Debtor shall be held by Debtor in trust for Lender and immediately delivered to Lender to be held as part of the Collateral.

Without limiting the foregoing, it is specifically understood and agreed that Lender shall have no responsibility for ascertaining any maturities or similar matters relating to any of the Collateral or for informing Debtor with respect to any such matters (irrespective of whether Lender actually has, or may be deemed to have, knowledge thereof).

15. INVESTMENT PROPERTY - The following provisions apply to investment property included in the Settlement:

Immediately upon the execution of this Agreement or Debtor's acquiring rights in the Collateral, Debtor shall: (a) If the Collateral includes certificated securities, deliver such certificated securities to Lender; if the certificate is in registered form, register it in the name of Lender or deliver to Lender with the certificate a stock power satisfactory in form and substance to Lender. (b) If the Collateral includes uncertificated securities directly held by Debtor, transfer such securities from Debtor to Lender on the books of the issuer or cause the issuer to enter into and deliver to Lender a control agreement with Debtor and Lender, having a form and substance satisfactory to Lender, providing that issuer will comply with instructions originated by Lender without further consent of the registered owner and issuer will not follow instructions originated by Debtor without the Lender's written consent. (c) If the Collateral includes security entitlements, security accounts, or commodity accounts, cause the Lender to become the holder of the entitlements or accounts or cause the securities intermediary and/or the commodity intermediary to enter into and deliver to Lender an agreement with Debtor and Lender, in a form and substance satisfactory to Lender, providing that said intermediary will comply with entitlements or orders originated by Lender without further consent by Debtor and will not comply with orders originated by Debtor without Lender's written consent. (d) If the Collateral includes commodity contracts, cause the commodity intermediary to enter into and deliver to Lender an agreement with Debtor and Lender, in a form and substance satisfactory to Lender, that said intermediary will apply any value distributed on account of the commodity contract as directed by Lender without further consent by the commodity customer and will not comply with orders originated by Debtor without Lender's written consent.

Upon demand by Lender, Debtor shall execute, assign, and endorse all proxies, applications, acceptances, stock powers, chattel paper, documents, instruments, or other evidence of payment or writing constituting or relating to any of the Collateral, all in such form and substance as may be satisfactory to Lender.

By initialing, I acknowledge this is page 6 of 10 of the
Commercial Security Agreement.

ANALYSTS' PREDICTIONS OF 1994 EARNINGS

Lender shall also have a security interest in all investment property, rights, and interests of every description at any time issued or issuable as an addition to, in substitution or exchange for, or with respect to the Collateral, including, without limitation, shares issued as dividends or as the result of any reclassifications, merger, spin-off, or other reorganization. Debtor shall deliver promptly to Lender in the exact form received, any such securities or other property which come into the possession, custody, or control of Debtor, and shall with respect to such property transfer control to Lender in accord with the paragraphs above.

In its discretion and without notice to Debtor, the Lender may take any one or more of the following actions, without liability except to account for the property actually received: (a) Transfer or register in its name or the name of its nominee any of the Collateral, with or without liability except to account for the property actually received; (b) Transfer or register in its name or the name of its nominee any of the Collateral, with or without identification of the security interest herein created, and whether or not so transferred or registered, receive the income, dividends and other distributions thereon and hold them to apply them to the Obligations in any order of priority; (c) To the fullest extent possible under applicable law, exercise or cause to be exercised all voting and corporate powers with respect to any of the Collateral, including all rights of conversion, exchange, subscription, and any other rights, privileges, or options pertaining to such Collateral, as if the absolute owner thereof; (d) Exchange any of the Collateral for other property upon a reorganization, recapitalization, or other readjustment and, in connection therewith, deposit any of the Collateral with any committee or depository upon such terms as the Lender may determine; and (d) in its absolute discretion to exercise or to withhold the exercise of any of the rights, powers, privileges, and options expressly or implicitly granted to the Lender in this Agreement, without duty to do so and without responsibility for any failure to do so or to delay in so doing.

Without limiting any other right of Lender, on default the Lender may, to the fullest extent permitted by applicable law, without notice, advertisement, hearing, or process of law of any kind, sell any or all of the Collateral, free of all rights and claims of the Debtor therein or thereto, on any recognized market or exchange at any price reasonably consistent with the market price occurring at the time of the sale of the Collateral and, notwithstanding any recent or current decreases or increases in that market price, the sale of the Collateral on such recognized market or exchange shall be deemed reasonable if conducted under ordinary terms regardless of how soon after default the Lender sells such Collateral.

16. POSSESSION OF COLLATERAL BY LENDER - The following paragraphs shall apply when possession of the Collateral by the Lender is required to perfect Lender's security interest, or when Lender requests delivery of the Collateral. Debtor shall deliver to the Lender all certificates of deposit, notes and drafts, instruments, and certificated securities which now or hereafter constitute Collateral under this Agreement. In addition, at the request of Lender from time to time, and at any time, Debtor shall deliver to Lender other Collateral. All such Collateral is hereinafter referred to as Delivered Property. Lender shall have the duty to exercise reasonable care with respect to the Delivered Property. In exercise of the duty: (a) Lender shall never be liable for its failure to give notice to Debtor of default in the payment of or upon the Delivered Property. Lender shall have no duty to fix or preserve the rights against prior parties to the Delivered Property and shall never be liable for its failure to use diligence to collect any amount payable in respect to the Delivered Property, but shall be liable only to account to Debtor for what it may actually collect or receive thereon. (b) Without limiting the foregoing, it is specifically understood and agreed that Lender shall have no responsibility for ascertaining any maturities, calls, conversions, exchanges, offers, tenders, or similar matters relating to any of such matters (irrespective of whether Lender actually has, or may be deemed to have, knowledge thereof). The foregoing provisions of this paragraph shall be applicable to all notes, certificates of deposit, securities, or similar Delivered Property held hereunder, irrespective of whether such property is held in the name of Lender, Debtor, or other person. (c) Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Delivered Property if it takes such action for that purpose as Debtor (or if more than one, any one or more of the Debtors) shall request in writing, but failure of the Lender to comply with any such request shall not of itself be deemed a failure to exercise reasonable care. (d) No failure of Lender to preserve or protect any rights with respect to the Delivered Property against prior parties or to do any act with respect to preservation of the Delivered Property shall be deemed a failure to exercise reasonable care in the custody or preservation of Delivered Property, unless such act was requested in writing by Debtor and received by Lender in sufficient time to permit the Lender to take the requested action in the ordinary course of its business. (e) Notwithstanding any other fact or duty or written request by the Debtor, Lender shall have no duty to release possession of any of the Delivered Property to the Debtor or otherwise, unless at the time of such request for release, the Debtor (1) tenders fulfillment of all Obligations secured by such Delivered Property, or (2) tenders replacement Delivered Property or other collateral deemed adequate by Lender.

In its discretion, either before or after maturity, default, or acceleration of the Obligations and without notice to Debtor, the Lender may take any one or more of the following actions, without liability except to account for the property actually received by it: (a) insure any of the Delivered Property; (b) in its name or in the name of the Debtor, demand, sue for, collect, or receive any money or property at any time payable or receivable on account of or in exchange for any of the Delivered Property and, in connection therewith, endorse notes, checks, drafts, money orders, documents of title, or other evidence of payment, shipment, or storage in the name of the Debtor; (c) make any compromise or settlement deemed advisable with respect to any of the Delivered Property; and (d) renew, extend, or otherwise change the terms and conditions of any of the Delivered Property. The Lender shall be under no duty to exercise, or to withhold the exercise of, any of the rights, powers, privileges, and options expressly or implicitly granted to the Lender in this Agreement, and shall not be responsible for any failure to do so or to delay in doing so.

17. ADDITIONAL COLLATERAL - In the event that Lender should, at any time, determine that the Collateral or Lender's security interest in the Collateral is impaired, insufficient, or has declined or may decline in value, or if Lender should deem that payment of the Obligations is insecure, time being of the very essence, then Lender may require, and Debtor agrees to furnish, additional Collateral that is satisfactory to Lender. Lender's request for additional collateral may be oral or in writing delivered by United States mail addressed to Debtor and shall not affect any other subsequent right of Lender to request additional Collateral.

18. FINANCING STATEMENT(S) AND LIEN PERFECTION - Lender is authorized to file a conforming financing statement or statements to perfect its security interest in the Collateral, as provided in Revised Article 9, Uniform Commercial Code - Secured Transactions. Debtor agrees to

By initiating, I acknowledge this is page 7 of 10 of the
Commercial Security Agreement.

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provide such information, supplements, and other documents as Lender may from time to time require to supplement or amend such financing statement filings, in order to comply with applicable state or federal law and to preserve and protect the Lender's rights in the Collateral. The Debtor further grants the Lender a power of attorney to execute any and all documents necessary for the Lender to perfect or maintain perfection of its security interest in the Collateral, and to change or correct any error on any financing statement or any other document necessary for proper placement of a lien on any Collateral which is subject to this Agreement.

19. LANDLORD'S WAIVER - Upon request, Debtor shall furnish to Lender, in a form and upon such terms as are acceptable to Lender, a landlord's waiver of all liens with respect to any Collateral covered by this Agreement that is or may be located upon leased premises.

20. NOTICES - Any notice or demand given by Lender to Borrower and/or Debtor in connection with this Agreement, the Collateral, or the Obligations, shall be deemed given and effective upon deposit in the United States mail, postage prepaid, addressed to Borrower and/or Debtor at the address Borrower and/or Debtor designated at the beginning of this Agreement, or such other address as Borrower and/or Debtor may provide to Lender in writing from time to time for such purposes. Actual notice to Borrower and/or Debtor shall always be effective no matter how such notice is given or received.

21. RELATIONSHIP TO OTHER AGREEMENTS - This Agreement and the security interests (and pledges and assignments, as applicable) herein granted are in addition to (and not in substitution, novation or discharge of) any and all prior or contemporaneous security agreements, security interests, pledges, assignments, mortgages, liens, rights, titles, or other interests in favor of Lender or assigned to Lender by others in connection with the Obligations. All rights and remedies of Lender in all such agreements are cumulative.

22. CROSS-COLLATERALIZATION / CROSS-DEFAULT - Borrower and/or Debtor agrees that any security interest provided in collateral under this Agreement or any and all other indebtedness of Borrower and/or Debtor to Lender, whether or not such indebtedness is related by class or claim and whether or not contemplated by the parties at the time of executing each evidence of indebtedness, shall act as collateral for all said indebtedness. Any default of the Borrower and/or Debtor in the terms of any indebtedness to Lender shall constitute a default under this Agreement.

23. DEFAULT - The occurrence of any of the following events shall constitute a default of this Agreement: (a) the non-payment, when due (whether by acceleration of maturity or otherwise), of any amount payable on any of the Obligations or any extension or renewal thereof; (b) the failure to perform any agreement of the Borrower and/or Debtor contained herein or in any other agreement Borrower and/or Debtor has or may have with Lender; (c) the failure to perform any agreement of any Guarantor or Non-Borrower Debtor contained herein or in any other agreement said Guarantor or Non-Borrower Debtor has or may have with Lender; (d) the publication of any statement, representation, or warranty, whether written or oral, by the Borrower and/or Debtor to the Lender, which at any time is untrue in any respect as of the date made; (e) the publication of any statement, representation, or warranty, whether written or oral, by any Guarantor or Non-Borrower Debtor to the Lender, which at any time is untrue in any respect as of the date made; (f) the condition that any Obligor (which term, as used herein, shall mean the Borrower and each party primarily or secondarily liable on any of the Obligations) becomes insolvent or unable to pay debts as they mature, or makes an assignment for the benefit of the Obligor's creditors, or conveys substantially all of its assets, or in the event of any proceedings instituted by or against any Obligor alleging that such Obligor is insolvent or unable to pay debts as they mature (failure to pay being conclusive evidence of inability to pay), or makes application for appointment of a receiver or any other legal custodian, or in the event that a petition of any kind is filed under the Federal Bankruptcy Act by or against such Obligor; (g) the entry of any judgment against any Obligor, or the issue of any order of attachment, execution, sequestration, claim and delivery, or other order in the nature of a writ levied against the Collateral; (h) the death of any Obligor who is a natural person, or of any partner of the Obligor which is a partnership; (i) the dissolution, liquidation, termination or partnership; (j) the Collateral or any part of the Collateral declines in value in excess of normal wear, tear, and depreciation or becomes, in the judgment of Lender, impaired, unsatisfactory, or insufficient in character or value, including but not limited to the filing of a competing financing statement; breach of warranty that the Obligor is the owner of the Collateral free and clear of any encumbrances (other than those encumbrances disclosed by Obligor or otherwise made known to Lender, and which were acceptable to Lender at that time); sale of the Collateral (except in the ordinary course of business) without Lender's express written consent; failure to keep the Collateral insured as provided herein; failure to allow Lender to inspect the Collateral upon demand or at reasonable time; failure to make prompt payment of taxes on the Collateral; loss, theft, substantial damage, or destruction of the Collateral; and, when Collateral includes inventory, accounts, chattel paper, or instruments, failure of account debtors to pay their obligations in due course; or (k) the Lender in good faith, believes the Debtor's ability to repay the Debtor's indebtedness secured by this Agreement, any Collateral, or the Lender's ability to resort to any Collateral, is or soon will be impaired, time being of the very essence.

24. REMEDY - Upon the occurrence of an event of default, Lender, at its option, shall be entitled to exercise any one or more of the remedies described in this Agreement, in all documents evidencing the Obligations, in any other agreements executed by or delivered by Borrower and/or Debtor for benefit of Lender, in any third-party security agreement, mortgage, pledge, or guaranty relating to the Obligations, in the Uniform Commercial Code of the state in which Lender is located, and all remedies at law and equity, all of which shall be deemed cumulative. The Debtor agrees that, whenever a default exists, all Obligations may (notwithstanding any provision in any other agreement), at the sole option and discretion of the Lender and without demand or notice of any kind, be declared, and thereupon immediately shall become due and payable; and the Lender may exercise, from time to time, any rights and remedies, including the right to immediate possession of the Collateral, available to it under applicable law. The Debtor agrees, in the case of default, to assemble, at its own expense, all Collateral at a convenient place acceptable to the Lender. The Lender shall, in the event of any default, have the right to take possession of and remove the Collateral, with or without process of law, and in doing so, may peacefully enter any premises where the Collateral may be located for such purpose. Debtor waives any right that Debtor may have, in such instance, to a judicial hearing prior to such retaking. The Lender shall have the right to hold any property then in or upon said Collateral at the time of repossession not covered by the security agreement until return is demanded in writing by Debtor. Borrower and/or Debtor agrees to pay all reasonable costs of the Lender in connection with the collecting of the Obligations and

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enforcement of any rights connected with retaking, holding, testing, repairing, improving, selling, leasing, or disposing of the Collateral, or like expenses. These expenses, together with interest thereon from the date incurred until paid by Debtor at the maximum post-default rate stated in the notes secured hereby, which Debtor agrees to pay, shall constitute additional Obligations and shall be secured by and entitled to the benefits of this Agreement. The Lender may sell, lease, or otherwise dispose of the Collateral, by public or private proceedings, for cash or credit, without assumption of credit risk. Unless the Collateral is perishable or threatens to decline speedily in value or of a type customarily sold on a recognized market, Lender will send Debtor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition will be made. Any notification of intended disposition of the Collateral by the Lender shall be deemed to be reasonable and proper if sent postage prepaid, by regular mail, to the Debtor at least ten (10) days before such disposition, and addressed to the Debtor either at the address shown herein or at any other address provided to Lender in writing for the purpose of providing notice. Proceeds received by Lender from disposition of the Collateral may be applied toward Lender's expenses and other obligations in such order or manner as Lender may elect. Debtor shall be entitled to any surplus if one results after lawful application of the proceeds. If the proceeds from a sale of the Collateral are insufficient to extinguish the Obligations of the Debtor hereunder, Debtor shall be liable for a deficiency. Lender shall have the right, whether before or after default, to collect and receipt for, compound, compromise, and settle, and give releases, discharges, and acquittances with respect to, any and all amounts owed by any person or entity with respect to the Collateral. Lender may remedy any default and may waive any default without waiving the default remedied and without waiving any other prior or subsequent default. The rights and remedies of the Lender are cumulative, and the exercise of any one or more of the rights or remedies shall not be deemed an election of rights or remedies or a waiver of any other right or remedy.

25. FORBEARANCE NOT A WAIVER - Any delay on the part of the Lender in exercising any power, privilege, or right hereunder, or under any other document executed by Borrower and/or Debtor to the Lender in connection herewith, shall not operate as a waiver thereof, and no single or partial exercise thereof or any other power, privilege, or right shall preclude other or further exercise thereof. The waiver by the Lender of any default of the Borrower and/or Debtor shall not constitute a waiver of subsequent default.

26. CONTINUING AGREEMENT - This is a continuing agreement, and shall remain in full force and effect until the Obligations are paid in full. In the event that Lender should take additional Collateral, or enter into other security agreements, mortgages, guarantees, assignments, or similar documents with respect to the Obligations, or should Lender enter into other such agreements with respect to other obligations of Debtor, such agreements shall not discharge this Agreement, which shall be construed as cumulative and continuing and not alternative and exclusive.

The security interest (and pledge and assignment as applicable), hereby granted and all of the terms and provisions of this Agreement shall be deemed a continuing agreement and shall continue in full force and effect until the Obligations are paid in full. Any such revocation or termination shall only be effective if explicitly confirmed in a signed writing issued by Lender to such effect and shall in no way impair or affect any transactions entered into or rights created or liabilities incurred or arising prior to such revocation or termination, as to which this Agreement shall be truly operative until same are repaid and discharged in full. Unless otherwise required by applicable law, Lender shall be under no obligation to issue a termination statement or similar document unless Debtor requests same in writing, and providing further, that all Obligations have been repaid and discharged in full and there are no commitments to make advances, incur any obligations, or otherwise give value.

27. ABSENCE OF CONDITIONS OF LIABILITY - This Agreement is unconditional. Lender shall not be required to exhaust its remedies against Debtor, other collateral, or guarantors, or pursue any other remedies within Lender's power before being entitled to exercise its remedies hereunder. Lender's rights to the Collateral shall not be altered by the lack of validity or enforceability of the Obligations against Borrower, and this Agreement shall be fully enforceable irrespective of any counterclaim which the Borrower may assert on the underlying debt and notwithstanding any stay, modification, discharge, or extension of Borrower's Obligation arising by virtue of Debtor's insolvency, bankruptcy, or reorganization, whether occurring with or without Lender's consent.

28. WAIVERS - Debtor waives notice of Lender's acceptance of this Agreement, defenses based on suretyship, and to the fullest extent permitted by law, any defense arising as a result of any election by Lender under the Bankruptcy Code and the Uniform Commercial Code. Debtor and any maker, endorser, guarantor, surety, third-party pledgor, and other party executing this Agreement that is liable in any capacity with respect to the Obligations hereby waive demand, notice of intention to accelerate, notice of acceleration, notice of nonpayment, presentment, protest, notice of dishonor, and any other similar notice whatsoever.

29. WAIVER OF JURY TRIAL - All parties to this Agreement hereby waive to the fullest extent permitted by law any right to trial by jury with respect to any disputes, whether in contract, tort, or otherwise, arising out of, in connection with, related to, or incidental to the relationship established between them in this Agreement or any note or other instrument, document, or agreement executed or delivered in connection herewith or the transactions related hereto.

30. JOINT AND SEVERAL LIABILITY - If this Agreement is executed by more than one Debtor, it is understood and agreed that each such Debtor shall be jointly and severally bound and the word "Debtor" as used herein shall be construed to be of such number as circumstances require.

31. SEVERABILITY - Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law; but, in the event any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity and shall be severed from the rest of this Agreement without invalidating the remainder of such provision or the remaining provisions of this Agreement.

32. SURVIVAL - The rights and privileges of the Lender hereunder shall inure to the benefits of its successors and assigns, and this Agreement shall be binding on all heirs, executors, administrators, assigns, and successors of Debtor.

By initialing, I acknowledge this is page 9 of 10 of the Commercial Security Agreement.	Initials	Initials	Initials	Initials
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33. ASSIGNABILITY - Lender may assign, pledge, or otherwise transfer this Agreement or any of its rights and powers under this Agreement without notice, with all or any of the Obligations, and in such event the assignee shall have the same rights as if originally named herein in place of Lender. Debtor may not assign this Agreement or any benefit accruing to it hereunder without the express written consent of the Lender.

34. AUTHORIZATIONS - Debtor authorizes Lender, without notice or demand and without altering Debtor's liability or Lender's rights hereunder, from time to time to take acts which may alter the obligation of Borrower to Lender and/or Debtor's right to restitution or subrogation, including: (a) to renew, compromise, extend, or otherwise change the time for payment of, or otherwise change the terms of the Obligations or any part thereof, including increasing the rate of interest; (b) to extend additional credit to Borrower in any manner for any purpose; (c) to incur costs, including attorneys' fees, with respect to enforcing its rights with respect to the Obligations and collateral securing the Obligations; (d) to exchange, enforce, waive, or release (whether intentionally or unintentionally) any security for the Obligations or any part thereof or purchase such security at private or public sale; (e) to settle, release, compromise with, or substitute any one or more endorsers, guarantors, or other obligors or the Obligations; (f) to impair the value of Lender's interest in Collateral through failure to obtain or maintain protection, failure to obtain or maintain recordation of an interest, or through failure to perform a duty owed to Debtor to preserve the Collateral; and (g) to apply all monies received from Debtor and others or from Collateral in Lender's discretion without in any way being required to marshall assets.

35. AMENDMENT · This is the final expression of the agreement between the parties and may not be contradicted by evidence of any prior or contemporaneous oral agreement. This Agreement may not be amended except by written agreement signed by the parties.

36. GOVERNING LAW - This Agreement has been delivered in the state where the Lender is located and shall be construed in accordance with the laws of that state.

37. HEADINGS AND GENDER - The headings preceding text in this Agreement are for general convenience in identifying subject matter, but have no limiting impact on the text which follows any particular heading. All words used in this Agreement shall be construed to be of such gender or number as the circumstances require.

38. MISCELLANEOUS - Time is of the essence of this Agreement. Except as otherwise defined in this Agreement, all terms herein shall have the meanings provided by the Uniform Commercial Code as it has been adopted in the state where the Lender is located. All rights, remedies, and powers of the Lender hereunder are irrevocable and cumulative, and not alternative or exclusive, and shall be in addition to all rights, remedies, and powers given hereunder or in or by any other instruments or by the provision of the Uniform Commercial Code as adopted in the state where the Lender is located, or any other laws, now existing or hereafter enacted. The Debtor specifically agrees that, if it has heretofore or hereafter executed any loan agreement in conjunction with this Agreement, any ambiguities between this Agreement and any such loan agreement shall be construed under the provisions of the loan agreement, to the extent that it may be necessary to eliminate any such ambiguity. Debtor releases Lender from any liability which might otherwise exist for any act or omission of Lender related to the collection of any debt secured by this Agreement or the disposal of any Collateral, except for Lender's wilful misconduct.

ADDITIONAL PROVISIONS - If checked, the following Provisions are made a part of this Agreement:

Origination Fee: \$250.00; Title Search Fee: \$20.00
Recording Fee: \$36.50
Post Maturity Rate of 11.50%

ACKNOWLEDGMENT - The Debtor acknowledges that this is the entire agreement between the parties, except to the extent that writings signed by the party against whom enforcement is sought are specifically incorporated herein by reference either in this Agreement or in such writings, and acknowledges receipt of a true and complete copy of this Agreement including pages 1 through 10. The Debtor expressly agrees to all of the provisions of this Agreement and signifies assent by the signature(s) below.

IN WITNESS WHEREOF, the Debtor has executed this Agreement on the date and year shown below.

By x John M Davis

By Laurie L Davis Date 10/10/01

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F. General Agreements

1. The business of the Borrower shall be continued in its present form and at the address as shown on page one, and the Borrower will not enter into changes of its partnership agreement, limited liability company articles of organization, or, if a corporation, enter into a consolidation, merger, or permit a majority of its common stock to be transferred, or grant options which could result in such actions unless the Lender is first notified and consents in writing to any such change.

2. The proceeds of the loan or line of credit will be used lawfully and exclusively for the benefit of the Borrower's business and for the purpose set forth on page one.

3. All collateral security given to secure the loan or line of credit shall also secure all of the other obligations of the Borrower to the Lender of whatsoever nature, past, present, or future. All collateral security given for other obligations of the Borrower to the Lender, together with any debt from Lender to Borrower, (including, but not limited to checking, deposit accounts, certificates of deposit, savings accounts, and the like) shall, likewise, secure the loan or line of credit described on page one. It is the expressed intent to cross-collateralize all of the borrowings or other indebtedness of Borrower to the Lender. The breach of the terms of any note, security agreement, mortgage, pledge, or loan agreement of whatsoever nature between the Borrower and the Lender shall constitute default and breach of all such agreements, including this agreement.

4. The Borrower will at all times maintain in full force adequate liability and property insurance to protect its assets, the insurance to be in such form and such amounts as the Lender, at its sole discretion, may require.

5. This agreement shall pertain to and govern monies owed by Borrower to Lender, identified as loan(s) and/or line(s) of credit on page one, including all renewals, extensions and changes of form related thereto, until the same have been paid in full.

G. Borrower's Warranties

Borrower-Warrants:

1. All representations and statements of whatever nature made or delivered to the Lender at any time prior to, contemporaneous with, or subsequent to this agreement have been, are, or shall be true in all respects.

2. The Borrower has full and unencumbered title to all property relied upon by the Lender as security and to all assets set forth in any financial statement, unless otherwise indicated in such statement.

3. The Borrower will keep its books and records in accordance with generally accepted accounting principles and will deliver balance sheets as well as profit and loss statements from time to time in a form satisfactory to the Lender.

4. The Borrower agrees that the Lender may itself, or by its authorized representative, inspect the premises, books, and records of the Borrower during regular business hours and at reasonable intervals.

5. As to any real estate which has been, is now, or will be in the future owned or occupied by Borrower, that such real estate has not in the past, nor will now or in the future be allowed in any manner to be exposed to or contain hazardous or environmentally harmful substances as may be defined or regulated by any state or federal law or regulation which impacts, in any way, such substances, except to the extent the existence of such substances has been presently disclosed in writing to Lender, and Borrower will immediately notify Lender in writing of any assertion made by any party to the contrary. Borrower indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense of whatsoever nature, including reasonable attorney fees, incurred directly or indirectly as a result of Borrower's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any state or federal law or regulation.

6. If the Borrower is a corporation, it will not pay dividends or purchase or retire any of its capital stock without written permission of the Lender.

By initialing, I acknowledge this is page 2 of 3 of the
Business Loan Agreement.

7. The Borrower will not, during the term of this agreement, incur any other indebtedness for borrowed money, become a guarantor or surety for any third party, will not lend money, encumber any of its assets, or sell any asset, except in the ordinary course of Borrower's business, without the written permission of the Lender. For the purposes of this section, the sale of accounts is deemed to be borrowing money.

H. Events of Default

The Borrower agrees to pay all of the Lender's expenses incidental to perfecting Lender's security interests and liens, including all insurance premiums and title insurance costs, Uniform Commercial Code search fees, and all fees incurred by Lender for audits, inspection, and copying of Borrower's books and records. In addition, any costs associated with the closing of this loan, attorney fees and other incidental costs shall be paid by Borrower. The Borrower also agrees to pay all costs and expenses of Lender in connection with the enforcement of Lender's rights and remedies under this agreement, the Related Documents, and any other agreements between the Borrower and Lender in connection with any amendments, modifications, waiver of consent with respect to this agreement, including reasonable attorney fees.

Any failure of the Borrower to pay any interest, principal, or fee when due; any breach or default of any term, condition or warranty of this agreement or any other agreement between the Borrower and the Lender; any appointment of a receiver, trustee, or assignee for the benefit of creditors; any voluntary or involuntary bankruptcy insolvency proceeding; any assessment for taxes (other than real property taxes) levied by any government entity; or any lien, attachment, or garnishment by a creditor of the Borrower shall constitute a default hereof. Borrower shall also be in default if the Lender should, in good faith, believe the Borrower's ability to repay its indebtedness under this Agreement, any collateral, or the ability to resort to any collateral, is or soon will be impaired, time being of the very essence.

I. Remedies on Default

In addition to any other remedies upon an event of Default, Lender shall have the right to cease to make any further advances under this Agreement, or any other indebtedness which Borrower has with Lender. Upon such a default the Lender may, at its sole and absolute option, declare all sums due from the Borrower immediately due and payable regardless of the terms of any note or other evidence of indebtedness between the Borrower and the Lender. No indulgence or failure of the Lender to enforce any rights hereunder or under any other agreement between the Borrower and the Lender shall constitute a waiver of those terms by the Lender, and the Lender may enforce such terms upon subsequent or continuing default.

J. Definitions

1. Agreement shall mean this Business Loan Agreement.

2. Collateral shall mean the Property which Borrower and any other Obligor has pledged, mortgaged, or granted Lender a security interest in, wherever located and whether now ended or hereafter acquired, together with all replacements, substitutions, proceeds and products thereof.

3. Event of Default shall mean any of the events described in section H of this Agreement and in the Related Documents.

4. Financial Statements shall mean all balance sheets, earnings statements, and other financial information (whether of Borrower, or an Obligor) which have been, are now, or are in the future furnished to Lender.

5. Indebtedness shall mean the Loan(s) and all other loans and indebtedness of Borrower to Lender, including but not limited to Lender advances for payments of insurance, taxes, any amounts advanced by Lender to protect its interest in the Collateral, overdrafts in deposit accounts with Lender, and all other indebtedness, obligations and liabilities of Borrower to Lender, whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising.

Initials Initials Initials Initials

6. **Obligor** shall mean any person having any obligation to Lender, whether for the payment of money or otherwise, under this Agreement or under the Related Documents, including but not limited to Guarantor and any other guarantors of the Indebtedness.

7. **Property** shall mean all of Borrower's (and/or other Obligor's, as applicable) assets, whether tangible or intangible, real or personal.

8. **Related Documents** shall mean any and all documents, promissory notes, security agreements, leases, mortgages, guarantees, pledges and any other documents or agreements executed in connection with this Agreement. The term shall include both documents existing at the time of execution of this Agreement and documents executed after this date of this Agreement.

K. Miscellaneous

1. The Borrower will promptly inform the Lender of any fact or act which materially affects the Borrower's financial condition.

2. Either party may terminate this agreement upon thirty (30) days written notice. If the Borrower terminates, the Borrower agrees to pay the Lender all sums of principal, interest, fees, and penalties prior to the termination becoming effective.

3. Borrower warrants that no provision, warranty or promise made by Borrower in any document related to this transaction causes any conflict whatsoever with the terms of Borrower's articles of incorporation or organization, by-laws, partnership agreement, operating agreement, or any document related to any other transaction Borrower may be involved with, with any other person or entity.

4. If the Borrower is a corporation, partnership or limited liability company, the Borrower is duly organized, validly existing and in good standing (if applicable) under the laws of the state of its organization.

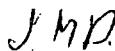
Additional Provisions

Origination Fee: \$250.00; Title Search Fee: \$20.00

Recording Fee: \$36.50

Post Maturity Rate of 11.50%

Both Parties
Must Initial:



Borrower's Initials



Lender's Initials

By initialing, I acknowledge this is page 3 of 3 of the
Business Loan Agreement.

Initials Initials Initials Initials

Compliance Systems, Inc.
800-988-8522 Fax 616-856-1868

"EXHIBIT I"
TO
BUSINESS LOAN AGREEMENT

***BORROWER(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Date of Fiscal Year End: 12/31

Financial Statements:

Type of Annual Financial Statement provided (with footnotes)

Audited Reviewed
 Internal Compiled

Annual Federal Income Tax Return for Business, including all schedules.

***GUARANTOR(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Personal Financial Statements (signed and dated)
 Complete Tax Return (with all schedules):

***The financials required above must be submitted to CNB by the end of the sixth month after fiscal year end. If these are not submitted on or before that time, CNB will assess a default interest rate of 1% higher than the current interest rate on Borrower's loans; said rate to begin the 1st of the seventh month and shall continue until said default is cured.**

Acknowledged by Borrower(s):

BY: John M. Davis 10/07/04
John M. Davis DATE

BUSINESS LOAN AGREEMENT

NAME(S) / ADDRESS(ES) OF BORROWER(S) ("Borrower, I, My or Me") Laurie L Davis 601 Nichols St Clearfield, PA 16830-1539		NAME / ADDRESS OF LENDER (CREDITOR) ("Lender, You, or Your") County National Bank PO Box 42 1 South Second St Clearfield, PA 16830-0042					
TYPE OF BUSINESS		<input type="checkbox"/> CORPORATION	<input type="checkbox"/> PARTNERSHIP	<input checked="" type="checkbox"/> PROPRIETORSHIP	<input type="checkbox"/> COMPANY	<input type="checkbox"/> LIMITED LIABILITY	<input type="checkbox"/> LIMITED LIABILITY PARTNERSHIP
AMOUNT AND TERM OF LOAN(S) OR LINE(S) OF CREDIT							
AMOUNT TWENTY SEVEN THOUSAND FOUR HUNDRED SIXTY SIX DOLLARS AND SIXTY SIX CENTS				→ 27,466.66			
TRANSACTION DATE 10/07/2004	MATURITY DATE 10/07/2014	ACCOUNT NUMBER 1285292/5	<input checked="" type="checkbox"/> LOAN		<input type="checkbox"/> LINE OF CREDIT		
INTEREST RATE 9.50000							
PURPOSE OF CREDIT Refinance							

The undersigned Borrower, in consideration of the Lender granting the loan(s) or line(s) of credit upon the terms described above, hereby agrees, warrants and represents as follows:

The Borrower(s) acknowledge(s) having read and understood the terms listed on page one as well as on pages two and three hereof and agrees to be bound by and to comply with them.

By Laurie L Davis

By x

Date

By X

1000

Copyright Compliance Systems, Inc. 1984, 1994.

18

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F. General Agreements

1. The business of the Borrower shall be continued in its present form and at the address as shown on page one, and the Borrower will not enter into changes of its partnership agreement, limited liability company articles of organization, or, if a corporation, enter into a consolidation, merger, or permit a majority of its common stock to be transferred, or grant options which could result in such actions unless the Lender is first notified and consents in writing to any such change.

2. The proceeds of the loan or line of credit will be used lawfully and exclusively for the benefit of the Borrower's business and for the purpose set forth on page one.

3. All collateral security given to secure the loan or line of credit shall also secure all of the other obligations of the Borrower to the Lender of whatsoever nature, past, present, or future. All collateral security given for other obligations of the Borrower to the Lender, together with any debt from Lender to Borrower, (including, but not limited to checking, deposit accounts, certificates of deposit, savings accounts, and the like) shall, likewise, secure the loan or line of credit described on page one. It is the expressed intent to cross-collateralize all of the borrowings or other indebtedness of Borrower to the Lender. The breach of the terms of any note, security agreement, mortgage, pledge, or loan agreement of whatsoever nature between the Borrower and the Lender shall constitute default and breach of all such agreements, including this agreement.

4. The Borrower will at all times maintain in full force adequate liability and property insurance to protect its assets, the insurance to be in such form and such amounts as the Lender, at its sole discretion, may require.

5. This agreement shall pertain to and govern monies owed by Borrower to Lender, identified as loan(s) and/or line(s) of credit on page one, including all renewals, extensions and changes of form related thereto, until the same have been paid in full.

G. Borrower's Warranties

Borrower Warrants:

1. All representations and statements of whatever nature made or delivered to the Lender at any time prior to, contemporaneous with, or subsequent to this agreement have been, are, or shall be true in all respects.

2. The Borrower has full and unencumbered title to all property relied upon by the Lender as security and to all assets set forth in any financial statement, unless otherwise indicated in such statement.

3. The Borrower will keep its books and records in accordance with generally accepted accounting principles and will deliver balance sheets as well as profit and loss statements from time to time in a form satisfactory to the Lender.

4. The Borrower agrees that the Lender may itself, or by its authorized representative, inspect the premises, books, and records of the Borrower during regular business hours and at reasonable intervals.

5. As to any real estate which has been, is now, or will be in the future owned or occupied by Borrower, that such real estate has not in the past, nor will now or in the future be allowed in any manner to be exposed to or contain hazardous or environmentally harmful substances as may be defined or regulated by any state or federal law or regulation which impacts, in any way, such substances, except to the extent the existence of such substances has been presently disclosed in writing to Lender, and Borrower will immediately notify Lender in writing of any assertion made by any party to the contrary. Borrower indemnifies and holds Lender and Lender's directors, officers, employees, and agents harmless from any liability or expense of whatsoever nature, including reasonable attorney fees, incurred directly or indirectly as a result of Borrower's involvement with hazardous or environmentally harmful substances as may be defined or regulated as such under any state or federal law or regulation.

6. If the Borrower is a corporation, it will not pay dividends or purchase or retire any of its capital stock without written permission of the Lender.

By initialing, I acknowledge this is page 2 of 3 of the Business Loan Agreement.

7. The Borrower will not, during the term of this agreement, incur any other indebtedness for borrowed money, become a guarantor or surety for any third party, will not lend money, encumber any of its assets, or sell any asset, except in the ordinary course of Borrower's business, without the written permission of the Lender. For the purposes of this section, the sale of accounts is deemed to be borrowing money.

H. Events of Default

The Borrower agrees to pay all of the Lender's expenses incidental to perfecting Lender's security interests and liens, including all insurance premiums and title insurance costs, Uniform Commercial Code search fees, and all fees incurred by Lender for audits, inspection, and copying of Borrower's books and records. In addition, any costs associated with the closing of this loan, attorney fees and other incidental costs shall be paid by Borrower. The Borrower also agrees to pay all costs and expenses of Lender in connection with the enforcement of Lender's rights and remedies under this agreement, the Related Documents, and any other agreements between the Borrower and Lender in connection with any amendments, modifications, waiver of consent with respect to this agreement, including reasonable attorney fees.

Any failure of the Borrower to pay any interest, principal, or fee when due; any breach or default of any term, condition or warranty of this agreement or any other agreement between the Borrower and the Lender; any appointment of a receiver, trustee, or assignee for the benefit of creditors; any voluntary or involuntary bankruptcy insolvency proceeding; any assessment for taxes (other than real property taxes) levied by any government entity; or any lien, attachment, or garnishment by a creditor of the Borrower shall constitute a default hereof. Borrower shall also be in default if the Lender should, in good faith, believe the Borrower's ability to repay its indebtedness under this Agreement, any collateral, or the ability to resort to any collateral, is or soon will be impaired, time being of the very essence.

I. Remedies on Default

In addition to any other remedies upon an event of Default, Lender shall have the right to cease to make any further advances under this Agreement, or any other indebtedness which Borrower has with Lender. Upon such a default the Lender may, at its sole and absolute option, declare all sums due from the Borrower immediately due and payable regardless of the terms of any note or other evidence of indebtedness between the Borrower and the Lender. No indulgence or failure of the Lender to enforce any rights hereunder or under any other agreement between the Borrower and the Lender shall constitute a waiver of those terms by the Lender, and the Lender may enforce such terms upon subsequent or continuing default.

J. Definitions

1. **"Agreement"** shall mean this Business Loan Agreement.

2. **"Collateral"** shall mean the Property which Borrower and any other Obligor has pledged, mortgaged, or granted Lender a security interest in, wherever located and whether now ended or hereafter acquired, together with all replacements, substitutions, proceeds and products thereof.

3. **"Event of Default"** shall mean any of the events described in section H of this Agreement and in the Related Documents.

4. **"Financial Statements"** shall mean all balance sheets, earnings statements, and other financial information (whether of Borrower, or an Obligor) which have been, are now, or are in the future furnished to Lender.

5. **"Indebtedness"** shall mean the Loan(s) and all other loans and indebtedness of Borrower to Lender, including but not limited to Lender advances for payments of insurance, taxes, any amounts advanced by Lender to protect its interest in the Collateral, overdrafts in deposit accounts with Lender, and all other indebtedness, obligations and liabilities of Borrower to Lender, whether matured or unmatured, liquidated or unliquidated, direct or indirect, absolute or contingent, joint or several, due or to become due, now existing or hereafter arising.

Initials	Initials	Initials	Initials
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6. **Obligor** shall mean any person having any obligation to Lender, whether for the payment of money or otherwise, under this Agreement or under the Related Documents, including but not limited to Guarantor and any other guarantors of the Indebtedness.

7. **Property** shall mean all of Borrower's (and/or other Obligor's, as applicable) assets, whether tangible or intangible, real or personal.

8. **Related Documents** shall mean any and all documents, promissory notes, security agreements, leases, mortgages, guarantees, pledges and any other documents or agreements executed in connection with this Agreement. The term shall include both documents existing at the time of execution of this Agreement and documents executed after this date of this Agreement.

K. Miscellaneous

1. The Borrower will promptly inform the Lender of any fact or act which materially affects the Borrower's financial condition.

2. Either party may terminate this agreement upon thirty (30) days written notice. If the Borrower terminates, the Borrower agrees to pay the Lender all sums of principal, interest, fees, and penalties prior to the termination becoming effective.

3. Borrower warrants that no provision, warranty or promise made by Borrower in any document related to this transaction causes any conflict whatsoever with the terms of Borrower's articles of incorporation or organization, by-laws, partnership agreement, operating agreement, or any document related to any other transaction Borrower may be involved with, with any other person or entity.

4. If the Borrower is a corporation, partnership or limited liability company, the Borrower is duly organized, validly existing and in good standing (if applicable) under the laws of the state of its organization.

The execution and delivery of this agreement and all documents related hereto, and the performance by the Borrower of its obligations hereunder and thereunder, are within its power, have been duly authorized by proper action on the part of the Borrower and are not in violation of any existing law, rule or regulation of any governmental agency or authority, or any order or decision of any court. This agreement and all documents related hereto to which the Borrower is a party, when executed and delivered, will constitute the valid and binding obligations of the Borrower enforceable in accordance with their terms, except as limited by bankruptcy, insolvency or similar laws of general application effecting the enforcement of creditors' rights and except to the extent that general principles of equity might affect the specific enforcement of such agreements.

5. This agreement and Related Documents shall be interpreted under the laws of the State of

Pennsylvania . Any action brought by either party must be brought in the State courts located in

Clearfield County, Pennsylvania . If no county is designated than

in the county and state where the Lender is domiciled. Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law; but, if any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or the invalidity without invalidating the remainder of such provision or the remaining provisions of this agreement.

6. The rights and privileges of the Lender hereunder shall inure to the benefit of its successors and assigns, and this agreement shall be binding on all heirs, executors, administrators, assigns, and successors of the Borrower. The Borrower may not assign this agreement or any benefits accruing to it hereunder without the express written consent of the Lender.

Additional Provisions

Origination Fee: \$250.00; Title Search Fee: \$20.00

Recording Fee: \$36.50

Post Maturity Rate of 11.50%

Both Parties
Must Initial:


Borrower's Initials


Lender's Initials

By initialing, I acknowledge this is page 3 of 3 of the
Business Loan Agreement.

Initials Initials Initials Initials

"EXHIBIT I"
TO
BUSINESS LOAN AGREEMENT

***BORROWER(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Date of Fiscal Year End: 12/31

Financial Statements:

Type of Annual Financial Statement provided (with footnotes)

Audited Reviewed
 Internal Compiled

Annual Federal Income Tax Return for Business, including all schedules.

***GUARANTOR(S) AGREES TO SUBMIT THE FOLLOWING FINANCIAL INFORMATION:**

Personal Financial Statements (signed and dated)
 Complete Tax Return (with all schedules):

***The financials required above must be submitted to CNB by the end of the sixth month after fiscal year end. If these are not submitted on or before that time, CNB will assess a default interest rate of 1% higher than the current interest rate on Borrower's loans; said rate to begin the 1st of the seventh month and shall continue until said default is cured.**

Acknowledged by Borrower(s):

BY:

Laurie L. Davis

10/07/04

DATE

March 27, 2006

CERTIFIED MAIL:
7160 3901 9842 7187 0832
7160 3901 9842 7187 0849

First Class Mail

JOHN M DAVIS
314 S 4TH ST
CLEARFIELD PA 16830

LAURIE L DAVIS
110 LINDA RD
NEW SMYRNA BEACH FL 32168-1712

Re: County National Bank
Delinquent Mortgage Account #1284602-8
#1285292-5

Dear Mr. and Mrs. Davis:

The Mortgage (1284602-8), executed on May 16, 2001, in favor of County National Bank for \$82,000.00, is in default. This Mortgage is recorded in Clearfield County Instrument Number 200107154, on May 16, 2001. This mortgage encumbers and places a lien upon your property known as 601 Nichols St, Clearfield, Clearfield County, Pennsylvania. 16830.

You have failed to make the full monthly payments, since December 30, 2005, and are in default. The total amount of default is \$2,441.06, which includes \$115.24 in late charges.

Pennsylvania law provides that you may cure this default anytime up to one hour prior to Sheriff Sale in the following manner:

1. First, you can bring your account current by paying County National Bank delinquent payments that total \$2,441.06; or,
2. Second, you can pay this mortgage off entirely by tendering \$45,865.30, which includes a balance of \$44,933.79; accrued interest through 03/30/2006 of \$1,200.87; late charges of \$115.24; and loan satisfaction fee of \$30.50; less unapplied balance of \$415.10.

Interest will accrue at the rate of 9.9852867 a day from March 30, 2006.

John M. and Laurie L. Davis
March 27, 2006
Page 2 of 3

The second Mortgage (1285292-5), executed on October 7, 2004, in favor of County National Bank for \$27,466.66, is in default. This Mortgage is recorded in Clearfield County, Instrument Number 200416618, on October 12, 2004. This mortgage encumbers and places a lien upon your property known as 601 Nichols St, Clearfield, Clearfield, Pennsylvania. 16830; along with your 1994 freightliner Truck.

You have failed to make the full monthly payments, since September 7, 2005, and are in default. The total amount of default is \$2,308.66, which includes \$53.61 in late charges.

Pennsylvania law provides that you may cure this default anytime up to one hour prior to Sheriff Sale in the following manner:

1. First, you can bring your account current by paying County National Bank delinquent payments that total \$2,308.66; or,
2. Second, you can pay this mortgage off entirely by tendering \$28,981.85, which includes a balance of \$27,728.86; accrued interest through 03/30/2006 of \$614.30; late charges of \$53.61; and other fees of \$585.08.

Interest will accrue at the rate of 7.3173381 a day from March 30, 2006.

If you chose to cure this default by the foregoing manner, the necessary payment should be made at the main office of County National Bank at the corner of Market and Second Streets in Clearfield. **PAYMENT SHOULD BE MADE BY CASH, CASHIER'S CHECK OR CERTIFIED CHECK.**

If you fail to cure this default within thirty (30) days, County National Bank will exercise its right to confess judgment against you. The bank will institute a foreclosure lawsuit against the real estate for that amount, i.e. \$74,847.15, plus interest, costs of suit and an attorney's commission of the amounts reasonably and actually incurred by County National Bank, but in no event exceeding eight (8%) percent of the total indebtedness. If CNB obtains judgment against you for those amounts, it can then execute against your property, which will result in loss of this property at Sheriff Sale. I estimate the earliest date on which such a sheriff sale could be held would be **Friday, June 30, 2006.**

John M. and Laurie L. Davis
March 27, 2006
Page 3 of 3

The Law provides that you may sell this real estate subject to your delinquent mortgage, and your buyer, or anyone else, has the right to cure this default as explained in the preceding paragraphs. You also have the right to refinance this debt with another lender if possible. You also have the right to have this default cured by a third party acting on your behalf.

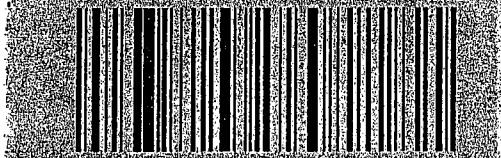
You have the right to assert in any foreclosure proceeding or any other lawsuit instituted under the mortgage documents, the nonexistence of a default or any other defense you believe you may have to any such actions against CNB.

If you make partial payments on the account of the delinquencies, we will accept them and apply them to the delinquencies. However, such partial payments will not cure your default or reinstate your loan unless we receive the entire amount required to cure the default.

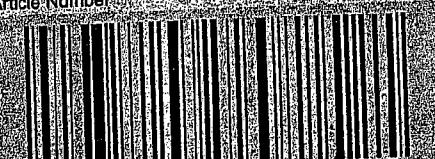
If you fail to cure your default within thirty (30) days, which is on or before April 30, 2006, the bank will confess judgment against you and institute Foreclosure proceedings against your real estate, which will result in your loss of this property at Sheriff Sale.

Sincerely,

David W. Ogden
Vice President
800-492-3221 extension 118

2. Article Number: 		COMPLETE THIS SECTION ON DELIVERY		
7150 3501 5842 7157 0837		A. Received by (Please Print Clearly) <i>John Davis</i>		B. Date of Delivery 12/21/00
		C. Signature <i>John Davis</i>		Agent Addressee
3. Service type: CERTIFIED MAIL		Is delivery address different from item 1? If YES, enter delivery address below:		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		<input type="checkbox"/> Yes <input type="checkbox"/> No		
1. Article Addressed to: JOHN M. DAVIS 314-6-478-01 CLARKSBURG, WV 26430				

PS Form 3811, January 2003 Domestic Return Receipt

2. Article Number: 		COMPLETE THIS SECTION ON DELIVERY		
7150 3501 5842 7157 0841		A. Received by (Please Print Clearly) <i>John Davis</i>		B. Date of Delivery 12/21/00
		C. Signature <i>John Davis</i>		Agent Addressee
3. Service type: CERTIFIED MAIL		Is delivery address different from item 1? If YES, enter delivery address below:		
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes		<input type="checkbox"/> Yes <input type="checkbox"/> No		
1. Article Addressed to: JOHN M. DAVIS 314-6-478-01 CLARKSBURG, WV 26430				

PS Form 3811, January 2003 Domestic Return Receipt

UNITED STATES POSTAL SERVICE

DAYTONA BEACH

FL 32114

• Print your name, address and ZIP+4 below •

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

ATTN: P London
COUNTY NATIONAL BANK
PO BOX 42
CLEARFIELD PA 16830-0042

FILED

JAN 11 2007

William A. Shaw
Prothonotary/Clerk of Courts

UNITED STATES POSTAL SERVICE

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Print your name, address and ZIP+4 below •

ATTN: P London
COUNTY NATIONAL BANK
PO BOX 42
CLEARFIELD PA 16830-0042

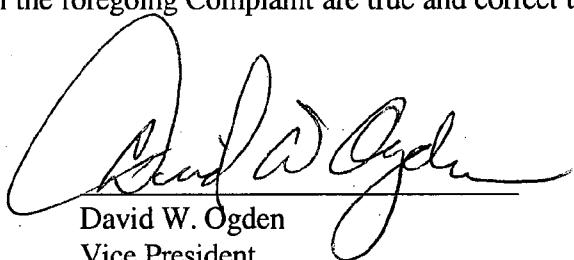
AFFIDAVIT

STATE OF PENNSYLVANIA

: SS

COUNTY OF CLEARFIELD

DAVID W. OGDEN, being duly sworn according to law, deposes and says that he is a Vice President for COUNTY NATIONAL BANK, and, as such, is duly authorized to make this Affidavit, and further, that the facts set forth in the foregoing Complaint are true and correct to the best of his knowledge, information and belief.



David W. Ogden
Vice President

SWORN TO AND SUBSCRIBED

before me this 25th
day of September, 2006.

Patricia A. London
Notary Public

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL

PATRICIA A. LONDON, NOTARY PUBLIC
CLEARFIELD BORO., CLEARFIELD COUNTY
MY COMMISSION EXPIRES JULY 12, 2008

CLEARFIELD COUNTY RECORDER OF DEEDS

Karen L. Starck, Recorder

Maurene Inlow - Chief Deputy

P.O. Box 361

1 North Second Street, Suite 103
Clearfield, Pennsylvania 16830

***RETURN DOCUMENT TO:**
COUNTY NATIONAL BANK

Instrument Number - 200416618

Recorded On 10/12/2004 At 10:16:08 AM

* Instrument Type - MORTGAGE

* Total Pages - 8

Invoice Number - 119006

* Mortgagor - DAVIS, JOHN M

* Mortgagee - COUNTY NATIONAL BANK

* Customer - COUNTY NATIONAL BANK

*** FEES**

STATE WRIT TAX	\$0.50
JCS/ACCESS TO JUSTICE	\$10.00
RECORDING FEES -	\$19.00
RECORDER	
RECORDER IMPROVEMENT	\$3.00
FUND	
COUNTY IMPROVEMENT FUND	\$2.00
TOTAL	\$34.50

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



Karen L. Starck

Karen L. Starck
Recorder of Deeds

THIS IS A CERTIFICATION PAGE

Do Not Detach

THIS PAGE IS NOW PART OF THIS LEGAL DOCUMENT

* - Information denoted by an asterisk may change during the verification process and may not be reflected on this page.

(Space Above This Line For Recording Data)

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on October 7, 2004

The mortgagor is

John M Davis and Laurie L. Davis
address is 601 Nichols St, Clearfield, PA 16830-1539
("Borrower"). This Security Instrument is given to

whose

County National Bank
laws of United States of America, and whose address is
1 South Second Street, Clearfield, PA 16830-0042
Borrower owes Lender the principal sum of
TWENTY SEVEN THOUSAND FOUR HUNDRED SIXTY SIX DOLLARS AND SIXTY SIX CENTS
Dollars (U.S. \$27,466.66). This debt is evidenced by Borrower's note, consumer loan agreement, or similar writing
dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due
and payable on October 7, 2014. This Security Instrument secures to Lender: (a) the
repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of
all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of
Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower in consideration of this
debt does hereby grant and convey to Lender and Lender's successors and assigns the following described property located in
County, Pennsylvania:

All that certain lot of land situate in the Borough of Clearfield,
County of Clearfield, Commonwealth of Pennsylvania, being the same
premises conveyed to John M. Davis and Laurie L. Davis recorded on
03/31/2004 in Clearfield Recorder of Deeds, Instrument #200404871.
Map Ref: 4:3-K8-206-62

which has the address of 601 Nichols St

(Street)

Clearfield
(City)

, Pennsylvania 16830-1539 ("Property Address");
(Zip Code)

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

By initialing, I acknowledge this is page 1 of 7
of the Mortgage.

Initials Initials Initials Initials

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ITEM 111PA1 (0012) Page 1 of 7

Compliance Systems, Inc.
To Order: Call 800-369-0522 Fax 616-956-1868

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

Borrower and Lender covenant and agree as follows:

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

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

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

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

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

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

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

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

By initialing, I acknowledge this is page 2 of 7
of the Mortgage.

Initials	Initials	Initials	Initials
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Compliance Systems, Inc.
To Order: Call 800-868-8522 Fax 616-956-1858

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

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

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

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

6. Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

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

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

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

By initialing, I acknowledge this is page 3 of 7
of the Mortgage.

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(ITEM 11)PAL3 (0012) Page 3 of 7

Compliance Systems, Inc.
To Order: Call 800-988-8522 Fax 616-956-1868

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

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

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

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

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

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

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

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

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

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

By initialing, I acknowledge this is page 4 of 7
of the Mortgage.

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ITEM 111PAL4 (0012) Page 4 of 7

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Compliance Systems, Inc.
To Order: Call 800-888-8522 Fax 616-856-1868

LOAN - COLLATERAL



500315002260594
ID: 22475 - 1 SHORT NAME: Davis, John M
LOAN NUMBER: 128522026 NEW_NOTE_NUMBER:
DOC CODE: L-RECOM-1 DOC: Mortgage
USER: KWAGNUSON Date: 11/04/2004 08:42:03 AM

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

COUNTY NATIONAL BANK,	:	
Plaintiff	:	No. 2006-858-CD
vs.	:	
JOHN M. DAVIS and	:	
LAURIE L. DAVIS,	:	
Defendants	:	

FILED Plff pd. 20.00
M 10/19/2011
JAN 18 2007 Notice to Dfts.
Statement
William A. Shaw
Notary/Clerk of Courts to Atty
(GR)

PRAEICE FOR ENTRY OF DEFAULT JUDGMENT

To: William A. Shaw, Sr., Prothonotary

Dear Sir:

1. I certify that on October 25, 2006, 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 Defendants. Attached hereto and incorporated herein is a true and correct copy of said Notice.

2. This Notice was sent to the Defendants at the following addresses:

John M. Davis John M. Davis Laurie L. Davis
314 S. Fourth Street 110 Linda Road 110 Linda Road
Clearfield, PA 16830 New Smyrna Beach, FL 32168 New Smyrna Beach, FL 32168

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

4. Please enter judgment in favor of the Plaintiff and against the Defendants in the amount of **\$29,350.96** plus interest and costs of suit.

a)	Balance	\$27,698.36
b)	Interest Due to 05/17/06	\$ 965.54
c)	Interest accruing after 5/17/06 at \$7.3173381 per day (to be added)	\$ _____
d)	Late charges	\$ 71.48
e)	Satisfaction Fee	\$ 30.50
f)	Other Fees	\$ 585.08

g)	Costs of Suit (to be added)	\$ _____
h)	Attorney's commission of amounts reasonably and actually incurred	\$ _____
	PRELIMINARY TOTAL	\$29,350.96
	Prothonotary Costs	\$ _____
	FINAL TOTAL	\$

Respectfully submitted:



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

Date: November 7, 2006

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

COUNTY NATIONAL BANK,
Plaintiff

No. 2006-858-CD

vs.

JOHN M. DAVIS and
LAURIE L. DAVIS,
Defendants

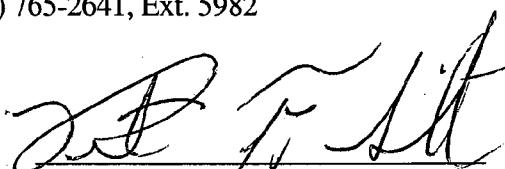
TO: **John M. Davis** **John M. Davis** **Laurie L. Davis**
314 S. Fourth Street **110 Linda Road** **110 Linda Road**
Clearfield, PA 16830 **New Smyrna Beach FL 32168** **New Smyrna Beach, FL 32168**

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 NOVEMBER 6, 2006.

COURT ADMINISTRATOR
Clearfield County Courthouse
One North Second Street
Clearfield, PA 16830
(814) 765-2641, Ext. 5982



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

Date: October 25, 2006

cc: County National Bank

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

COUNTY NATIONAL BANK, :
Plaintiff : No. 2006-858-CD
VS. :
JOHN M. DAVIS and :
LAURIE L. DAVIS, :
Defendants :
VS. :
:

Copy

Notice is given that a judgment has been entered of record in Clearfield County against JOHN M. DAVIS and LAURIE L. DAVIS, Defendants, and in favor of the Plaintiff in the amount of **\$29,350.96**, plus interest and costs.

Prothonotary

By William H. Bix 11/8/07, Deputy

Rule of Civil Procedure No. 236

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

COUNTY NATIONAL BANK,
Plaintiff

No. 2006-858-CD

vs.

JOHN M. DAVIS and
LAURIE L. DAVIS,
Defendants

Copy

Notice is given that a judgment has been entered of record in Clearfield County against JOHN M. DAVIS and LAURIE L. DAVIS, Defendants, and in favor of the Plaintiff in the amount of **\$29,350.96**, plus interest and costs.

Prothonotary

By Willie L. Shan 11/18/07, Deputy

Rule of Civil Procedure No. 236

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

COpy

County National Bank
Plaintiff(s)

No.: 2006-00858-CD

Real Debt: \$29,350.96

Atty's Comm: \$

Vs.

Costs: \$

Int. From: \$

John M. Davis
Laurie L. Davis
Defendant(s)

Entry: \$20.00

Instrument: Default Judgment

Date of Entry: January 18, 2007

Expires: January 18, 2012

Certified from the record this 18th day of January, 2007.



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

COUNTY NATIONAL BANK,
Plaintiff No. 2006-858-CD

VS.

JOHN M. DAVIS and
LAURIE L. DAVIS,
Defendants

No. 2006-858-CD

FILED
01/10/2007
JAN 18 2007
NO CC
(GK)

William A. Shaw
Prothonotary/Clerk of Courts

CERTIFICATE OF ADDRESS

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

Plaintiff: County National Bank
P. O. Box 42
Clearfield, PA 16830

Laurie L. Davis
110 Linda Road
New Smyrna Beach, FL 32168

Date: November 7, 2006



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

cc: County National Bank

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

CNB BANK, formerly known as
COUNTY NATIONAL BANK
Plaintiff
vs.
JOHN M. DAVIS and
LAURIE L. DAVIS,
Defendants
:

Type of Case:
CIVIL
:

Type of Pleading:
SUGGESTION OF NAME CHANGE
:

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 10:51 AM FEB 06 2007

William A. Shaw
Prothonotary/Clerk of Courts

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

CNB BANK, *formerly known as*
COUNTY NATIONAL BANK, :
Plaintiff : No. 2006-858-CD
:
vs. :
:
JOHN M. DAVIS and :
LAURIE L. DAVIS, :
Defendants :
:
:
:

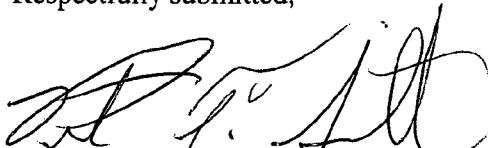
SUGGESTION OF NAME CHANGE

COUNTY NATIONAL BANK, the Plaintiff in the above-captioned matter converted to a state bank organized under the laws of the Commonwealth of Pennsylvania effective at 12:01 a.m. December 30, 2006. Articles of Incorporation have also been filed with the Pennsylvania Department of State.

The name of the new banking institution is "CNB BANK."

CNB BANK is the successor in interest to County National Bank, the original lender of the loan upon which this action is brought. County National Bank converted to a state bank by Articles of Conversion which have been filed with the Pennsylvania Department of Banking which became effective at 12:01 a.m. December 30, 2006. A Certificate of Conversion has been filed with the Clearfield County Recorder of Deeds as reference to which to which will more fully appear.

Respectfully submitted,



Peter F. Smith, Esquire
Attorney for Plaintiff
30 S. 2nd. St., P.O. Box 130
Clearfield, PA 16830
(814) 765-5595

Date: 2/5/07