



William A. Shaw  
Prothonotary/Clerk of Courts

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

CSB BANK,	:	
Plaintiff	:	No. 06 - - CD
	:	
-vs-	:	IN MORTGAGE FORECLOSURE
	:	
MICHAEL J. BLY and KAREN M.	:	
BLY, 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 this plaintiff. You may lose money or property or other rights important to you.

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

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

David S. Meholick, Court Administrator  
CLEARFIELD COUNTY COURTHOUSE  
Clearfield, PA 16830  
(814) 765-2641, Extension 5982

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

CSB BANK,	:	
Plaintiff	:	No. 06 - 890 - CD
	:	
-vs-	:	IN MORTGAGE FORECLOSURE
	:	
MICHAEL J. BLY and KAREN M.	:	
BLY, Defendants	:	

C O M P L A I N T

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

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

2. Defendants, MICHAEL J. BLY and KAREN M. BLY, husband and wife, are adult individuals whose last known address and whereabouts is 1280 Treasure Lake, DuBois (Sandy Township, Clearfield County), Pennsylvania 15801.

3. The Plaintiff brings this action to foreclose a Purchase Money Mortgage (hereafter "Mortgage") dated July 7, 2004 between Defendants, Michael J. Bly and Karen M. Bly (Grantors/Mortgagors), and CSB Bank (Mortgagee), which Mortgage secures the payment of a Promissory Note, also dated July 7, 2004 in the principal amount of \$235,000.00 and which Mortgage covers commercial real estate, situate in Sandy Township, Clearfield County, Pennsylvania and which Mortgage is recorded in the Office

of the Recorder of Deeds of Clearfield County, Pennsylvania as Clearfield County Instrument No. 200411080. A photocopy of said Mortgage is attached hereto and made a part hereof as Exhibit "A".

4. The parcels subject to the Mortgage are situate in Sandy Township, Clearfield County, Pennsylvania and are more fully described in Exhibit "B" which is attached hereto and made a part hereof.

5. The Mortgage described in Paragraph 3 hereof secured Defendants' indebtedness to Plaintiff, CSB Bank, which was evidenced by a Promissory Note in the principal amount of \$235,000.00, also dated July 7, 2004. A photocopy of said Promissory Note is attached hereto and made a part hereof as Exhibit "C".

6. Said Promissory Note and Mortgage both set forth that CSB BANK may accelerate Defendants' repayment of all outstanding principal and accrued interest in the case of Defendants' breach of any covenant under the aforementioned Mortgage, and/or Promissory Note which specifically includes Defendants' failure to pay any amount when due.

7. The Mortgage is in serious default because the Defendants have failed to make payment of the payments due for the months of May 2005 through May 2006.

8. The Defendants are also in default under the terms of the aforementioned Mortgage since they have failed to pay the annual real estate taxes for 2005, all of which remain delinquent

as of May 22, 2006.

9. By letter dated September 15, 2005 and addressed to Defendant, Michael J. Bly, 1280 Treasure Lake, DuBois, PA 15801 and mailed the same date by First Class Mail, postage prepaid, and also by Certified Mail No. 7003 1010 0001 6349 9819, postage prepaid, Plaintiff informed said Defendant it was demanding payment of all arrearages, within thirty (30) days, and in the event all arrearages were not paid in said thirty (30) day period, then all outstanding principal and accrued interest became immediately due and payable. True and correct copies of the aforesaid letter of September 15, 2005, the U. S. Postal Service Certificate of Mailing (Form 3817), U. S. Postal Service Certificate for Certified Mail (Form 3800), and P. S. Form 3811 signed by Karen Bly are attached hereto and made a part hereof, collectively, as Exhibit "D".

10. By letter dated September 15, 2005 and addressed to Defendant, Karen M. Bly, 1280 Treasure Lake, DuBois, PA 15801 and mailed the same date by First Class Mail, postage prepaid, and also by Certified Mail No. 7003 1010 0001 6349 9802, postage prepaid, Plaintiff informed said Defendant it was demanding payment of all arrearages, within thirty (30) days, and in the event all arrearages were not paid in said thirty (30) day period, then all outstanding principal and accrued interest became immediately due and payable. True and correct copies of the aforesaid letter of September 15, 2005, the U. S. Postal Service

Certificate of Mailing (Form 3817), U. S. Postal Service Certificate for Certified Mail (Form 3800), and P. S. Form 3811 signed by Karen Bly are attached and made a part hereof, collectively, as Exhibit "E".

11. The aforesaid Mortgage of July 7, 2004 does not represent a "residential mortgage" as said term is defined under Act #6 of 1974, as amended (41 P.S. §101 et seq.) and thus no Notice of Intention to Foreclose had to be given by Plaintiff to Defendants as provided for by 41 P.S. §403.

12. Since the real estate subject to the aforesaid Mortgage of July 7, 2004 is not the principal residence of the Defendants, nor a one or two family owner-occupied residence, Plaintiff did not have to give Defendants notice as provided for under the Homeowners Emergency Assistance Act (35 P.S. §1680.401 (et seq.)).

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

(a) Outstanding principal balance	\$233,321.02
(b) Accrued interest through 5/23/06*	\$ 17,114.09
(c) Accrued late fees through 5/23/06	\$ 1,357.72
(d) Reasonable attorneys' fees	<u>\$ 1,000.00</u>
TOTAL	\$252,792.83*

\*Plus per diem interest of \$43.7476 from May 23, 2006

WHEREFORE, the Plaintiff demands judgment in Mortgage Foreclosure against the Defendants, Michael J. Bly and Karen M. Bly, in the sum of \$252,792.83, plus costs of suit and per diem

interest of \$43.7476 per day accruing on the loan from May 23,  
2006.

GATES & SEAMAN

By

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

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



# 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:**

HOPKINS HELTZEL L L P  
900 BEAVER DRIVE  
DUBOIS, PA 15801

Instrument Number - 200411080

Recorded On 7/8/2004 At 3:57:21 PM

\* Instrument Type - MORTGAGE

\* Total Pages - 9

Invoice Number - 113921

\* Mortgagor - BLY, MICHAEL J

\* Mortgagee - CSB BANK

\* Customer - HOPKINS HELTZEL L L P

**\* FEES**

STATE WRIT TAX	\$0.50
JCS/ACCESS TO JUSTICE	\$10.00
RECORDING FEES -	\$21.00
RECORDER	
RECORDER IMPROVEMENT	\$3.00
FUND	
COUNTY IMPROVEMENT FUND	\$2.00
TOTAL	\$36.50

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



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.

INFORMATION REQUESTED BY:  
CSB BANK  
DuBois Office  
P.O. Box 465  
DuBois, PA 15801

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

## MORTGAGE THIS IS A PURCHASE MONEY MORTGAGE

**THIS MORTGAGE** dated July 7, 2004, is made and executed between Michael J. Bly and Karen M. Bly, whose address is 1280 Treasure Lake, DuBois, PA 15801 (referred to below as "Grantor") and CSB BANK, whose address is P.O. Box 465, DuBois, PA 15801 (referred to below as "Lender").

**GRANT OF MORTGAGE.** For valuable consideration, Grantor grants, bargains, sells, conveys, assigns, transfers, releases, confirms and mortgages to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all streets, lanes, alleys, passages, and ways; all easements, rights of way, all liberties, privileges, tenements, hereditaments, and appurtenances thereunto belonging or anyway made appurtenant hereafter, and the reversions and remainders with respect thereto; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Clearfield County, Commonwealth of Pennsylvania:

See Exhibit "A", which is attached to this Mortgage and made a part of this Mortgage as if fully set forth herein.

**The Real Property or its address is commonly known as Route 255, Sandy Township, DuBois, PA 15801.**

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

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

**THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE NOTE IN THE ORIGINAL PRINCIPAL AMOUNT OF \$235,000.00, THE RELATED DOCUMENTS, AND THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:**

**PURCHASE MONEY MORTGAGE.** If any of the debt secured by this Mortgage is lent to Grantor to acquire title to the Real Property, this Mortgage shall be a purchase money mortgage under 42 P.S. Section 8141.

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due and shall strictly perform all of Grantor's obligations under this Mortgage.

**POSSESSION AND MAINTENANCE OF THE PROPERTY.** Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

**Possession and Use.** Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

**Duty to Maintain.** Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

**Compliance With Environmental Laws.** Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for Hazardous Substances. Grantor hereby (1) releases and

**MORTGAGE  
(Continued)**

waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under such laws; and (2) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

**Nuisance, Waste.** Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

**Removal of Improvements.** Grantor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

**Lender's Right to Enter.** Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

**Compliance with Governmental Requirements.** Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

**Duty to Protect.** Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

**Payment.** Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

**Right to Contest.** Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

**Evidence of Payment.** Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

**Notice of Construction.** Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

**PROPERTY DAMAGE INSURANCE.** The following provisions relating to insuring the Property are a part of this Mortgage:

**Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of thirty (30) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

**Application of Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed Improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Exhibit A

Sandy Township, Clearfield County, PA

Tax I.D. #128.0-E04-00038

All those certain pieces or parcels of land situate, lying and being in the Township of Sandy, Clearfield county, Pennsylvania, bounded and described as follows, to-wit:

**Parcel No. 1:** Beginning at a tack in the centerline of State Highway Route No. 255 leading from DuBois to Penfield, said tack being the extreme Southern corner of land now or formerly of John Maleszewski, of which this is a part; Thence by the centerline of Old Route No. 402 the following courses and distances: north 9 degrees 20 minutes West 72.8 feet to a spike; Thence North 8 degrees 32 minutes West 95.3 feet to a tack; thence North 12 degrees 20 minutes West 189.1 feet, more or less to a point; thence by land of former grantor, South 68 degrees 49 minutes East 158 feet, more or less, to a point in the centerline of State Highway Route NO. 255; Thence by said centerline the following courses and distances: South 21 degrees 11 minutes west 33 feet, more or less, to a tack; thence South 18 degrees 55 minutes West 100 feet to a tack; thence South 16 degrees 45 minutes West 100 feet to a tack; thence South 14 degrees 48 minutes West 75 feet to a tack and the place of beginning. Containing 0.55 acres, more or less.

**Parcel No. 2:** Beginning in the center of Route 255 at the Northeast corner of a lot conveyed to Carl A. Calliari, et ux, by deed of Merritt C. Bundy, et ux, dated the 25<sup>th</sup> day of November 1967, with such lot thereafter being conveyed by Carl A. Calliari, et ux, to Larry R. Reed by deed which appears in Deed Book Volume 1348, page 562; From thence along the said lot, North 60 degrees 20 minutes West, a distance of 158 feet to a point; from thence, along the centerline of Township Road 854 (old Route 402), North 2 degrees 55 minutes West, a distance of 89 feet to a point; From thence, through other lands of the former Grantors of which this is a part, South 60 degrees, 20 minutes East, a distance of 207 feet to a point in the center of Route 255; From thence along the center of Route 255, South 29 degrees 35 minutes West, a distance of 75 feet to a point, and the place of beginning, and containing 0.2 acres.

The above described premises being the "75 foot strip of land" as referred to in the deed of Carl A. Calliari, et ux, to Larry R. Reed, dated June 15, 1990, as recorded in Volume 1348, page 562, with the parcel herein described being one and the same as previously conveyed.

Subject to all exceptions, reservations, conditions, restrictions, easements and rights of way as fully as the same are contained in all prior deeds, instruments or writings or in any other manner touching or affecting the premises hereby conveyed.

Being the same premises conveyed to Bly Brothers, Inc., by deed of James K. Brown and Tanis A. Brown, his wife, dated May 3, 1999, and recorded in the Office of the Recorder of Clearfield County as Instrument #199907108.

And Also Being the same premises conveyed to Bly Brothers, Inc. Pension Plan by deed of Bly Brothers, Inc., dated August 20, 2002, and recorded in the Office of the Recorder of Clearfield County as Instrument #200216658.

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

**WARRANTY; DEFENSE OF TITLE.** The following provisions relating to ownership of the Property are a part of this Mortgage:

**Title.** Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

**Defense of Title.** Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

**Compliance With Laws.** Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

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

**CONDEMNATION.** The following provisions relating to condemnation proceedings are a part of this Mortgage:

**Proceedings.** If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

**Application of Net Proceeds.** If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all actual costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

**IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES.** The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

**Current Taxes, Fees and Charges.** Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

**Taxes.** The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the Indebtedness secured by this Mortgage; (2) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the Indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Grantor.

**Subsequent Taxes.** If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

**SECURITY AGREEMENT; FINANCING STATEMENTS.** The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

**Security Agreement.** This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

**Security Interest.** Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

**Addresses.** The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

**FURTHER ASSURANCES; ADDITIONAL AUTHORIZATIONS.** The following provisions relating to further assurances and additional authorizations are a part of this Mortgage:

# **MORTGAGE (Continued)**

**Further Assurances.** At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgage deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

**Additional Authorizations.** If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably authorizes Lender to make, execute, deliver, file, record and do all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph. It is understood that nothing set forth herein shall require Lender to take any such actions.

**FULL PERFORMANCE.** If Grantor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

**EVENTS OF DEFAULT.** Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

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

**Default on Other Payments.** Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

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

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

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

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

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

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

**Breach of Other Agreement.** Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

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

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

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

**Right to Cure.** If such a failure is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Grantor, after Lender sends written notice demanding cure of such failure: (a) cures the failure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

**Accelerate Indebtedness.** Lender shall have the right at its option, after giving such notices as required by applicable law, to declare the entire Indebtedness immediately due and payable.

**UCC Remedies.** With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

**Collect Rents.** Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts

**Possession of the Property.** For the purpose of procuring possession of the Property, Grantor hereby authorizes and empowers any attorney of any court of record in the Commonwealth of Pennsylvania or elsewhere, as attorney for Lender and all persons claiming under or through Lender, to sign an agreement for entering in any competent court an amicable action in ejectment for possession of the Property and to appear for and confess judgment against Grantor, and against all persons claiming under or through Grantor, for the recovery by Lender of possession of the Property, without any stay of execution, for which this Mortgage, or a copy of this Mortgage verified by affidavit, shall be a sufficient warrant; and thereupon a writ of possession may be issued forthwith, without any prior writ or proceeding whatsoever.

**Nonjudicial Sale.** If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by non-judicial sale.

**Deficiency Judgment.** Lender may obtain a judgment for any deficiency remaining in the indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

**Tenancy at Sufferance.** If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

**Other Remedies.** Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

**Sale of the Property.** To the extent permitted by applicable law, Grantor hereby waives any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

**Notice of Sale.** Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Unless otherwise required by applicable law, reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

**Election of Remedies.** Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the indebtedness.

**Attorneys' Fees; Expenses.** If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

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

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

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

**Annual Reports.** If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

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

**MORTGAGE  
(Continued)**

provisions of this Mortgage.

**Joint and Several Liability.** All obligations of Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each Grantor signing below is responsible for all obligations in this Mortgage.

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

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

**Merger.** There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

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

**Time is of the Essence.** Time is of the essence in the performance of this Mortgage.

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

**Borrower.** The word "Borrower" means Michael J. Bly and Karen M. Bly and includes all co-signers and co-makers signing the Note.

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

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

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

**Grantor.** The word "Grantor" means Michael J. Bly and Karen M. Bly.

**Guaranty.** The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

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

**Improvements.** The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

**Indebtedness.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage. Specifically, without limitation, Indebtedness includes all amounts that may be indirectly secured by the Cross-Collateralization provision of this Mortgage.

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

**Mortgage.** The word "Mortgage" means this Mortgage between Grantor and Lender.

**Note.** The word "Note" means the promissory note dated July 7, 2004, in the original principal amount of \$235,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of the Note is July 7, 2019. **NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.**

**Personal Property.** The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

**Property.** The word "Property" means collectively the Real Property and the Personal Property.

**Real Property.** The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

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



**MORTGAGE  
(Continued)**

ents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.

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

GRANTOR:

X Michael J. Bly (Seal)

X Karen M. Bly (Seal)

**CERTIFICATE OF RESIDENCE**

I hereby certify, that the precise address of the mortgagee, CSB BANK, herein is as follows:

DuBois Office, P.O: Box 465, DuBois, PA 15801

[Signature]  
Attorney or Agent for Mortgagee

**INDIVIDUAL ACKNOWLEDGMENT**

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF Clearfield

)  
) SS  
)

On this, the 7<sup>th</sup> day of July, 20 04, before me Jacqueline S. Ciamacco, the undersigned Notary Public, personally appeared Michael J. Bly and Karen M. Bly, known to me (or satisfactorily proven) to be the person whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

Notarial Seal  
Jacqueline S. Ciamacco, Notary Public  
Curwensville Boro, Clearfield County  
My Commission Expires Mar. 14, 2005

[Signature]  
Notary Public in and for the State of

Exhibit A

Sandy Township, Clearfield County, PA

Tax I. D. #128.0-E04-00038

All those certain pieces or parcels of land situate, lying and being in the Township of Sandy, Clearfield county, Pennsylvania, bounded and described as follows, to-wit:

**Parcel No. 1:** Beginning at a tack in the centerline of State Highway Route No. 255 leading from DuBois to Penfield, said tack being the extreme Southern corner of land now or formerly of John Maleszewski, of which this is a part; Thence by the centerline of Old Route No. 402 the following courses and distances: north 9 degrees 20 minutes West 72.8 feet to a spike; Thence North 8 degrees 32 minutes West 95.3 feet to a tack; thence North 12 degrees 20 minutes West 189.1 feet, more or less to a point; thence by land of former grantor, South 68 degrees 49 minutes East 158 feet, more or less, to a point in the centerline of State Highway Route NO. 255; Thence by said centerline the following courses and distances: South 21 degrees 11 minutes west 33 feet, more or less, to a tack; thence South 18 degrees 55 minutes West 100 feet to a tack; thence South 16 degrees 45 minutes West 100 feet to a tack; thence South 14 degrees 48 minutes West 75 feet to a tack and the place of beginning. Containing 0.55 acres, more or less.

**Parcel No. 2:** Beginning in the center of Route 255 at the Northeast corner of a lot conveyed to Carl A. Calliari, et ux, by deed of Merritt C. Bundy, et ux, dated the 25<sup>th</sup> day of November 1967, with such lot thereafter being conveyed by Carl A. Calliari, et ux, to Larry R. Reed by deed which appears in Deed Book Volume 1348, page 562; From thence along the said lot, North 60 degrees 20 minutes West, a distance of 158 feet to a point; from thence, along the centerline of Township Road 854 (old Route 402), North 2 degrees 55 minutes West, a distance of 89 feet to a point; From thence, through other lands of the former Grantors of which this is a part, South 60 degrees, 20 minutes East, a distance of 207 feet to a point in the center of Route 255; From thence along the center of Route 255, South 29 degrees 35 minutes West, a distance of 75 feet to a point, and the place of beginning, and containing 0.2 acres.

The above described premises being the "75 foot strip of land" as referred to in the deed of Carl A. Calliari, et ux, to Larry R. Reed, dated June 15, 1990, as recorded in Volume 1348, page 562, with the parcel herein described being one and the same as previously conveyed.

Subject to all exceptions, reservations, conditions, restrictions, easements and rights of way as fully as the same are contained in all prior deeds, instruments or writings or in any other manner touching or affecting the premises hereby conveyed.

Being the same premises conveyed to Bly Brothers, Inc., by deed of James K. Brown and Tanis A. Brown, his wife, dated May 3, 1999, and recorded in the Office of the Recorder of Clearfield County as Instrument #199907108.

And Also Being the same premises conveyed to Bly Brothers, Inc. Pension Plan by deed of Bly Brothers, Inc., dated August 20, 2002, and recorded in the Office of the Recorder of Clearfield County as Instrument #200216658.

# PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$235,000.00	07-07-2004	07-07-2019	504088			***	

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

**Borrower:** Michael J. Bly  
Karen M. Bly  
1280 Treasure Lake  
DuBois, PA 15801

**Lender:** CSB BANK  
DuBois Office  
P.O. Box 465  
DuBois, PA 15801

**Principal Amount: \$235,000.00**

**Date of Note: July 7, 2004**

**PROMISE TO PAY.** Michael J. Bly and Karen M. Bly ("Borrower") jointly and severally promise to pay to CSB BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Two Hundred Thirty-five Thousand & 00/100 Dollars (\$235,000.00), together with interest on the unpaid principal balance from July 7, 2004, until paid in full.

**PAYMENT.** Subject to any payment changes resulting from changes in the Index, Borrower will pay this loan in accordance with the following payment schedule: 36 monthly consecutive principal and interest payments in the initial amount of \$2,088.95 each, beginning August 7, 2004, with interest calculated on the unpaid principal balances at an interest rate of 6.750% per annum; 143 monthly consecutive principal and interest payments in the initial amount of \$1,904.21 each, beginning August 7, 2007, with interest calculated on the unpaid principal balances at an interest rate based on the prevailing Prime Rate as quoted in the "Money Rates" section of the Wall Street Journal (currently 4.000%), plus a margin of 1.000 percentage points, resulting in an initial interest rate of 5.000%; and one principal and interest payment of \$2,164.47 on July 7, 2019, with interest calculated on the unpaid principal balances at an interest rate based on the prevailing Prime Rate as quoted in the "Money Rates" section of the Wall Street Journal (currently 4.000%), plus a margin of 1.000 percentage points, resulting in an initial interest rate of 5.000%. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled and that the Index does not change; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

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

**PREPAYMENT; MINIMUM INTEREST CHARGE.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a **minimum interest charge of \$5.00**. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: CSB BANK, DuBois Office, P.O. Box 465, DuBois, PA 15801.

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

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

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

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

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

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

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

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

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help,

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

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

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

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

**Cure Provisions.** If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after receiving written notice from Lender demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

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

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

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

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

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

**GENERAL PROVISIONS.** Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Each Borrower understands and agrees that, with or without notice to Borrower, Lender may with respect to any other Borrower (a) make one or more additional secured or unsecured loans or otherwise extend additional credit; (b) alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of any indebtedness, including increases and decreases of the rate of interest on the indebtedness; (c) exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any security, with or without the substitution of new collateral; (d) apply such security and direct the order or manner of sale thereof, including without limitation, any non-judicial sale permitted by the terms of the controlling security agreements, as Lender in its discretion may determine; (e) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; and (f) determine how, when and what application of payments and credits shall be made on any other indebtedness owing by such other Borrower. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several. If any portion of this Note is for any reason determined to be unenforceable, it will not affect the enforceability of any other provisions of this Note.

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

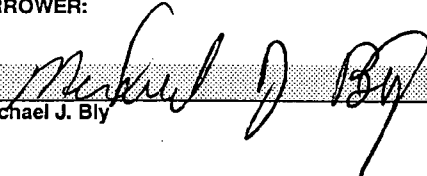
PROMISSORY NOTE  
(Continued)

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

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

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

BORROWER:

x  (Seal)  
Michael J. Bly

x  (Seal)  
Karen M. Bly



September 15, 2005

NOTICE OF INTENTION TO FORECLOSE MORTGAGE

Michael J. Bly  
1280 Treasure Lake  
DuBois, PA 15801

RE: Account 504088

Dear Mr. Bly,

The mortgage held by CSB Bank (hereinafter we, us or ours) on your property located along Rte. 255, DuBois, Clearfield County, PA, IS IN SERIOUS DEFAULT because you have not made the monthly payments for May, June, July, August, & September of 2005. Late charges and other charges have also accrued to this date in the amount of \$417.76. The total amount now required to cure this default, or in other words, get caught up in your payments, as of the date of this letter, is \$10,862.51 (Ten Thousand eight hundred sixty two dollars and fifty one cents).

You may cure this default within THIRTY (30) DAYS of the date of this letter, by paying to us the above amount of \$10,862.51 plus any additional monthly payments and late charges which may fall due during this period. Such payment must be made either by cash, cashier's check, certified check or money order, and made at any office of CSB Bank.

If you do not cure the default within THIRTY (30) DAYS, we intend to exercise our right to accelerate the mortgage payments. This means that whatever is owing on the original amount borrowed will be considered due immediately and you may lose the chance to pay off the original mortgage monthly installments. If full payment of the amount of default is not made within THIRTY (30) DAYS, we also intend to instruct our attorneys to start a lawsuit to foreclose your mortgaged property. If the mortgage is foreclosed, your mortgaged property will be sold by the Sheriff to pay off the mortgage debt. If we refer your case to our attorneys, but you cure the default before they begin legal proceedings against you, you will still have to pay the reasonable attorney's fees, actually incurred, up to \$50.00. However, if legal

EXHIBIT "D" - 3 pages

CURWENSVILLE - Main Office  
P.O. Box 29  
Curwensville, PA 16833-0029  
814-236-2550

TARGET SQUARE DRIVE THRU  
Route 879  
Clearfield, PA 16830

COALPORT OFFICE  
P.O. Box 354  
Coalport, PA 16627  
814-672-5396

K MART PLAZA OFFICE  
R.D. Box 257 A-1  
Clearfield, PA 16830  
814-765-1781

DuBOIS OFFICE  
P.O. Box 465  
DuBois, PA 15801  
814-371-3066

ST. MARYS OFFICE  
1379 Bucktail Village  
St. Marys, PA 15857  
814-834-4020

proceedings are started against you, you will have to pay the reasonable attorney's fees even if they are over \$50.00. Any attorney's fees will be added to whatever you owe us, which may also include our reasonable costs. If you cure the default within the thirty day period, you will not be required to pay attorney's fees.

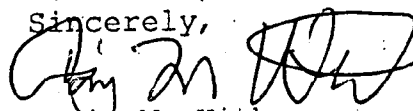
We may also sue you personally for the unpaid principal balance and all other sums due under the mortgage. You also have the right to assert in the foreclosure proceeding the non-existence of a default or any other defense you may have to acceleration and foreclosure. It is estimated that the earliest date that such a Sheriff's sale could be held would be approximately January of 2006. A notice of the date of the Sheriff's sale will be sent to you before the sale. You may find out at any time exactly what the required payment will be by calling us at the following number: 814-236-2550. This payment must be in cash, cashier's check, certified check or money order and made payable to us at the address stated above.

You should realize that a Sheriff's sale will end your ownership of the mortgaged property and your right to remain in it. If you continue to live in the property after the Sheriff's sale, a lawsuit could be started to evict you.

You have additional rights to help protect your interest in the property. YOU HAVE THE RIGHT TO SELL THE PROPERTY TO OBTAIN MONEY TO PAY OFF THE MORTGAGE DEBT, OR TO BORROW MONEY FROM ANOTHER LENDING INSTITUTION TO PAY OFF THIS DEBT. (YOU MAY HAVE THE RIGHT TO SELL OR TRANSFER THE PROPERTY SUBJECT TO THE MORTGAGE TO A BUYER OR TRANSFEREE WHO WILL ASSUME THE MORTGAGE DEBT, PROVIDED THAT ALL THE OUTSTANDING PAYMENTS, CHARGES AND ATTORNEY'S FEES AND COSTS ARE PAID PRIOR TO OR AT THE SALE), AND THAT THE OTHER REQUIREMENTS UNDER THE MORTGAGE ARE SATISFIED. CONTACT US TO DETERMINE UNDER WHAT CIRCUMSTANCES THIS RIGHT MIGHT EXIST. YOU HAVE THE RIGHT TO HAVE THIS DEFAULT CURED BY ANY THIRD PARTY ACTING ON YOUR BEHALF.

If you cure the default, the mortgage will be restored to the same position as if no default has occurred.

Sincerely,



Craig M. Witherow  
Collection Manager

**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:

Michael J. BY  
1280 Treasure Lake  
DuBois, PA 15801

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*Karen By*

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

Karen By

C. Date of Delivery  
2/19/04

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ 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 7003 1010 0001 6349 9819  
(Transfer from service label)

PS Form 3811, February 2004

Domestic Return Receipt

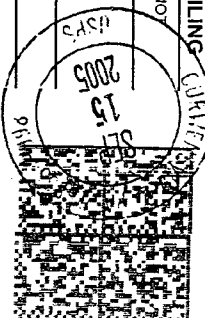
102595-02-M-1540

**U.S. POSTAL SERVICE CERTIFICATE OF MAILING**

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE-POSTMASTER

Received From:

CSB BANK  
PO BOX 29  
GUMMENSVILLE, PA 16833



One piece of ordinary mail addressed to:

Michael J. BY  
1280 Treasure Lake  
DuBois, PA 15801

PS Form 3817, January 2001

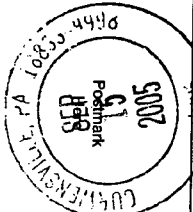
US POSTAGE  
Mailed From 16833  
09/15/2005  
\$00900  
049J82020095

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

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$ .37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.42



Sent To: Michael J. BY  
Street, Apt. No.: 1280 Treasure Lake  
or PO Box No.:  
City, State, ZIP+4: DuBois, PA 15801

PS Form 3800, June 2002

See Reverse for Instructions





September 15, 2005

NOTICE OF INTENTION TO FORECLOSE MORTGAGE

Karen M. Bly  
1280 Treasure Lake  
DuBois, PA 15801

RE: Account 504088

Dear Mrs. Bly,

The mortgage held by CSB Bank (hereinafter we, us or ours) on your property located along Rte. 255, DuBois, Clearfield County, PA, IS IN SERIOUS DEFAULT because you have not made the monthly payments for May, June, July, August, & September of 2005. Late charges and other charges have also accrued to this date in the amount of \$417.76. The total amount now required to cure this default, or in other words, get caught up in your payments, as of the date of this letter, is \$10,862.51 (Ten Thousand eight hundred sixty two dollars and fifty one cents).

You may cure this default within THIRTY (30) DAYS of the date of this letter, by paying to us the above amount of \$10,862.51 plus any additional monthly payments and late charges which may fall due during this period. Such payment must be made either by cash, cashier's check, certified check or money order, and made at any office of CSB Bank.

If you do not cure the default within THIRTY (30) DAYS, we intend to exercise our right to accelerate the mortgage payments. This means that whatever is owing on the original amount borrowed will be considered due immediately and you may lose the chance to pay off the original mortgage monthly installments. If full payment of the amount of default is not made within THIRTY (30) DAYS, we also intend to instruct our attorneys to start a lawsuit to foreclose your mortgaged property. If the mortgage is foreclosed, your mortgaged property will be sold by the Sheriff to pay off the mortgage debt. If we refer your case to our attorneys, but you cure the default before they begin legal proceedings against you, you will still have to pay the reasonable attorney's fees, actually incurred, up to \$50.00. However, if legal

EXHIBIT "E" - 3 pages

DURWENSVILLE - Main Office  
P.O. Box 29  
Durwensville, PA 16833-0029  
114-236-2550

TARGET SQUARE DRIVE THRU  
Route 879  
Clearfield, PA 16830

COALPORT OFFICE  
P.O. Box 354  
Coalport, PA 16627  
814-672-5396

K MART PLAZA OFFICE  
R.D. Box 257 A-1  
Clearfield, PA 16830  
814-765-1781

DuBOIS OFFICE  
P.O. Box 465  
DuBois, PA 15801  
814-371-3066

ST. MARYS OFFICE  
1379 Bucktail Village  
St. Marys, PA 15857  
814-834-4020

proceedings are started against you, you will have to pay the reasonable attorney's fees even if they are over \$50.00. Any attorney's fees will be added to whatever you owe us, which may also include our reasonable costs. If you cure the default within the thirty day period, you will not be required to pay attorney's fees.

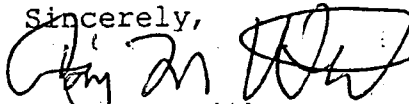
We may also sue you personally for the unpaid principal balance and all other sums due under the mortgage. You also have the right to assert in the foreclosure proceeding the non-existence of a default or any other defense you may have to acceleration and foreclosure. It is estimated that the earliest date that such a Sheriff's sale could be held would be approximately January of 2006. A notice of the date of the Sheriff's sale will be sent to you before the sale. You may find out at any time exactly what the required payment will be by calling us at the following number: 814-236-2550. This payment must be in cash, cashier's check, certified check or money order and made payable to us at the address stated above.

You should realize that a Sheriff's sale will end your ownership of the mortgaged property and your right to remain in it. If you continue to live in the property after the Sheriff's sale, a lawsuit could be started to evict you.

You have additional rights to help protect your interest in the property. YOU HAVE THE RIGHT TO SELL THE PROPERTY TO OBTAIN MONEY TO PAY OFF THE MORTGAGE DEBT, OR TO BORROW MONEY FROM ANOTHER LENDING INSTITUTION TO PAY OFF THIS DEBT. (YOU MAY HAVE THE RIGHT TO SELL OR TRANSFER THE PROPERTY SUBJECT TO THE MORTGAGE TO A BUYER OR TRANSFEREE WHO WILL ASSUME THE MORTGAGE DEBT, PROVIDED THAT ALL THE OUTSTANDING PAYMENTS, CHARGES AND ATTORNEY'S FEES AND COSTS ARE PAID PRIOR TO OR AT THE SALE), AND THAT THE OTHER REQUIREMENTS UNDER THE MORTGAGE ARE SATISFIED. CONTACT US TO DETERMINE UNDER WHAT CIRCUMSTANCES THIS RIGHT MIGHT EXIST. YOU HAVE THE RIGHT TO HAVE THIS DEFAULT CURED BY ANY THIRD PARTY ACTING ON YOUR BEHALF.

If you cure the default, the mortgage will be restored to the same position as if no default has occurred.

Sincerely,



Craig M. Witherow  
Collection Manager

**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:

Karen M. Bly  
1280 Treasure Lake  
DuBois, PA 15801

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

*Karen Bly*

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

Karen Bly

Date of Delivery  
9-19-05

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

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

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

2. Article Number

(Transfer from service label)

7003 1010 0001 6349 9802

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

AGE

U.S. POSTAL SERVICE CERTIFICATE OF MAILING

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL. DOES NOT PROVIDE FOR INSURANCE-POSTMASTER

Received From:

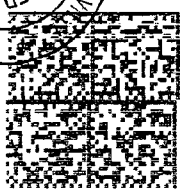
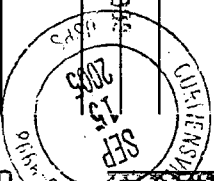
CSB BANK

PO BOX 29

CHRWENSVILLE, PA 16015

One piece of ordinary mail addressed to:

Karen M. Bly  
1280 Treasure Lake  
DuBois, PA 15801



US POSTAGE

Mailed From 15833  
09/15/2005  
\$00.900  
049J820200095

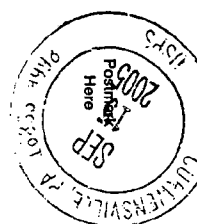
7003 1010 0001 6349 9802

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

For delivery information visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage	\$ -37
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$4.42



Sent To: Karen M. Bly  
Street, Apt. No., or PO Box No.: 1280 Treasure Lake  
City, State, ZIP+4: DuBois, PA 15801

PS Form 3800, June 2002 See Reverse for Instructions

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

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



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

Date: June 1, 2006

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

DOCKET # 101601  
NO: 06-890-CD  
SERVICE # 1 OF 2  
COMPLAINT IN MORTGAGE FORECLOSURE

PLAINTIFF: CSB BANK  
vs.  
DEFENDANT: MICHAEL J. BLY and KAREN M. BLY

**SHERIFF RETURN**

NOW, June 09, 2006 AT 2:30 PM SERVED THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON MICHAEL J. BLY DEFENDANT AT 1280 TREASURE LAKE, DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA, BY HANDING TO MICHAEL J. BLY, DEFENDANT A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT IN MORTGAGE FORECLOSURE AND MADE KNOWN THE CONTENTS THEREOF.

SERVED BY: DEHAVEN / COUDRIET

**FILED**  
0/2:40 LM  
JUN 16 2006 LM

William A. Shaw  
Prothonotary

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

DOCKET # 101601  
NO: 06-890-CD  
SERVICE # 2 OF 2  
COMPLAINT IN MORTGAGE FORECLOSURE

PLAINTIFF: CSB BANK  
vs.  
DEFENDANT: MICHAEL J. BLY and KAREN M. BLY

**SHERIFF RETURN**

---

NOW, June 08, 2006 AT 3:02 PM SERVED THE WITHIN COMPLAINT IN MORTGAGE FORECLOSURE ON KAREN M. BLY DEFENDANT AT WORK:WOLF RUN REG. OFFICE,OLD RT. 255, T.L., DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA, BY HANDING TO KAREN BLY, DEFENDANT A TRUE AND ATTESTED COPY OF THE ORIGINAL COMPLAINT IN MORTGAGE FORECLOSURE AND MADE KNOWN THE CONTENTS THEREOF.

SERVED BY: COUDRIET /

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 101601  
NO: 06-890-CD  
SERVICES 2  
COMPLAINT IN MORTGAGE FORECLOSURE

PLAINTIFF: CSB BANK  
vs.  
DEFENDANT: MICHAEL J. BLY and KAREN M. BLY

SHERIFF RETURN

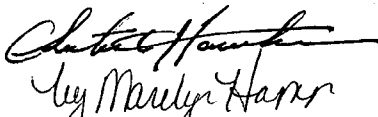
RETURN COSTS

Description	Paid By	CHECK #	AMOUNT
SURCHARGE	GATES	35535	20.00
SHERIFF HAWKINS	GATES	35535	75.12

Sworn to Before Me This

\_\_\_\_\_ Day of \_\_\_\_\_ 2006

So Answers,

  
Chester A. Hawkins  
Sheriff

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

CSB BANK,

Plaintiff

-VS-

MICHAEL J. BLY and KAREN M. BLY,  
Defendants

No. 06 - 890 -CD

Type of Case: Civil Action

Type of Pleading: Praecipe  
For Default Judgment

Filed on behalf of:  
Plaintiff

Counsel of Record for this  
Party: Andrew P. Gates

Supreme Court No.: 36604

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

**FILED**

JUL 11 2006

William A. Shaw  
Prothonotary/Clerk of Courts

NOTICE TO DEFS.

AMT PAID 20.00

STATEMENT TO AMY

CK



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

CSB BANK, Plaintiff : No. 06 - 890 - CD  
:   
-vs- : IN MORTGAGE FORECLOSURE  
:   
MICHAEL L. BLY and KAREN M. BLY, :   
Defendants :

**PRAECIPE FOR DEFAULT JUDGMENT**

TO: WILLIAM A. SHAW, PROTHONOTARY:

Enter Judgment in favor of CSB BANK, Plaintiff herein, and against the Defendants herein, MICHAEL J. BLY and KAREN M. BLY, for their failure to file a timely Answer to the Complaint which was served upon them as indicated in the Sheriff's Affidavit of Service filed of record, in the following amounts:

(a) Outstanding principal balance	\$233,321.02
(b) Accrued interest through May 23, 2006	\$ 17,114.09
(c) Late fees (as provided for in Promissory Note of July 7, 2004) as of May 23, 2006	\$ 1,357.72
(d) Attorney fees (as provided for in Promissory Note and Mortgage)	\$ <u>1,000.00</u>
TOTAL	\$252,792.83**

plus per diem interest from May 23, 2006 of \$43.7476 per day

Furthermore, the undersigned attorney certifies that said Defendants were also served with the Notice specified in Pa. R.C.P. §237.1 by regular first class mail, postage prepaid, on June 30, 2006. A copy of the Notices mailed to the Defendants and U. S. Postal Service Form 3817 for said mailings are attached hereto and made a part hereof, collectively, as Exhibit "A".

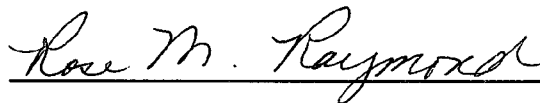
GATES & SEAMAN

By: 

Andrew P. Gates, Esquire  
Attorney for Plaintiff

Date: July 11, 2006

Sworn to and subscribed before me  
this 11<sup>th</sup> day of July, 2006



NOTARIAL SEAL  
ROSE M. RAYMOND, Notary Public  
Clearfield Boro, Clearfield County  
My Commission Expires Oct. 28, 2009

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

CSB BANK,

Plaintiff

-vs-

MICHAEL J. BLY and KAREN M. BLY,  
Defendants

No. 06-890-CD

IN MORTGAGE FORECLOSURE

TO: Michael J. Bly  
1280 Treasure Lake  
DuBois, PA 15801

DATE OF NOTICE: June 30, 2006

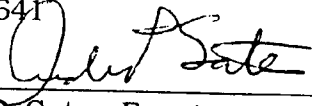
**IMPORTANT NOTICE**

YOU ARE IN DEFAULT BECAUSE YOU HAVE FAILED TO ENTER A WRITTEN APPEARANCE PERSONALLY OR BY ATTORNEY AND FILE IN WRITING WITH THE COURT YOUR DEFENSES OR OBJECTIONS TO THE CLAIMS SET FORTH AGAINST YOU. 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 PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW. THIS OFFICE CAN PROVIDE YOU WITH INFORMATION ABOUT HIRING A LAWYER.**

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

David S. Meholick, Court Administrator  
CLEARFIELD COUNTY COURTHOUSE  
Clearfield, PA 16830  
(814) 765-2641

  
Andrew P. Gates, Esquire,  
Attorney for Plaintiff

P. O. Box 846  
Clearfield, PA 16830  
(814) 765-1766

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

CSB BANK,

Plaintiff

-vs-

MICHAEL J. BLY and KAREN M. BLY,  
Defendants

:  
: No. 06-890-CD  
:  
: IN MORTGAGE FORECLOSURE  
:  
:

TO: Karen M. Bly  
1280 Treasure Lake  
DuBois, PA 15801

DATE OF NOTICE: June 30, 2006

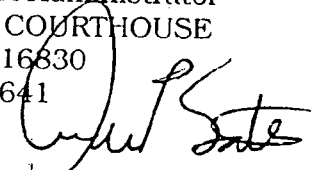
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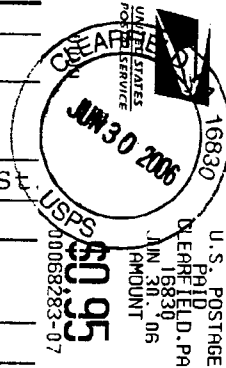
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David S. Meholick, Court Administrator  
CLEARFIELD COUNTY COURTHOUSE  
Clearfield, PA 16830  
(814) 765-2641

  
\_\_\_\_\_  
Andrew P. Gates, Esquire,  
Attorney for Plaintiff

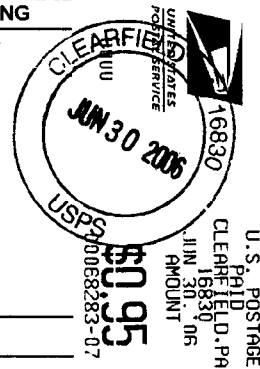
P. O. Box 846  
Clearfield, PA 16830  
(814) 765-1766

U.S. POSTAL SERVICE	CERTIFICATE OF MAILING
MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE-POSTMASTER	
Received From:	
GATES & SEAMAN	
P. O. Box 846/2 N. Front St.	
Clearfield, PA 16830	
One piece of ordinary mail addressed to:	
Michael J. Bly	
1280 Treasure Lake	
DuBois, PA 15801	



PS Form 3817, January 2001

U.S. POSTAL SERVICE	CERTIFICATE OF MAILING
MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE-POSTMASTER	
Received F	
GATES & SEAMAN	
2 North Front Street	
P.O. Box 846	
Clearfield, PA 16830	
One piece of ordinary mail addressed to:	
Karen M. Bly	
1280 Treasure Lake	
DuBois, PA 15801	



PS Form 3817, January 2001

COPY

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

CSB BANK, Plaintiff

No. 06-890-CD

vs

MICHAEL J. BLY and KAREN M. BLY,  
Defendants

TO: Michael J. Bly  
1280 Treasure Lake  
DuBois, PA 15801

Notice is given that a JUDGMENT in the above captioned matter has been  
entered against you in the amount of \$ 252,792.83\*\* on July 11, 2006.

\*\*plus per diem interest from May 23, 2006 of \$43.7476 per day.

William A. Shaw, Prothonotary

By



Deputy

COPY

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

CSB BANK, Plaintiff

No. 06-890-CD

vs

MICHAEL J. BLY and KAREN M. BLY,  
Defendants

TO: Karen M. Bly  
1280 Treasure Lake  
DuBois, PA 15801

Notice is given that a JUDGMENT in the above captioned matter has been  
entered against you in the amount of \$ 252,792.83\*\* on July 11, 2006.

\*\*plus per diem interest from May 23, 2006 of \$43.7476 per day.

William A. Shaw, Prothonotary

By



Deputy

COPY

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

CSB Bank  
Plaintiff(s)

No.: 2006-00890-CD

Real Debt: \$\$252,792.83

Atty's Comm: \$

Vs.

Costs: \$

Int. From: \$

Michael J. Bly  
Karen M. Bly  
Defendant(s)

Entry: \$20.00

Instrument: Default Judgment

Date of Entry: 11th Day of July, 2006

Expires: 11th Day of July, 2011

Certified from the record this 11th Day of July, 2006

\_\_\_\_\_  
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 ACTION - LAW

CSB BANK,

Plaintiff

-vs-

MICHAEL J. BLY and KAREN M. BLY,

Defendants

:  
:  
:  
:  
:  
:  
:

No. 06- 890 -CD

IN MORTGAGE FORECLOSURE

PRAECIPE FOR WRIT OF EXECUTION

(Mortgage Foreclosure)

TO WILLIAM A. SHAW, PROTHONOTARY:

Issue writ of execution in the above matter:

Amount due (as per judgment  
entered July 11, 2006, which  
includes per diem interest  
through May 23, 2006

\$ 252,792.83

Interest at \$43.7476 per day from  
May 23, 2006 to date of  
Sheriff's Sale

\$ \_\_\_\_\_

**SUBTOTAL**

\$

[Costs to be added]

\$ \_\_\_\_\_

**TOTAL**

\$

GATES & SEAMAN

Prothonotary costs

125.-

By

*[Signature]*  
Attorneys for Plaintiff,  
CSB Bank

Date:

July 21, 2006

**FILED**

9/3:40 am

JUL 21 2006

William A. Shaw  
Prothonotary

no cent.

6 wms TO SHFF.



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

CSB BANK,

Plaintiff

-vs-

MICHAEL J. BLY and KAREN M. BLY,  
Defendants

:  
:  
:  
:  
:  
:  
:

No. 06- 890 -CD

IN MORTGAGE FORECLOSURE

WRIT OF EXECUTION

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF CLEARFIELD

:  
: SS:  
:

TO CHESTER HAWKINS, SHERIFF OF CLEARFIELD COUNTY:

To satisfy the judgment, interest and costs in the above matter you are directed to levy  
upon and sell the following described real property: See attached Exhibit "A"

Amount due (as per judgment  
entered July 11, 2006, which  
includes interest through  
May 23, 2006)

\$ 252,792.83

Interest of \$43.7476 per day  
from May 23, 2006 to date of  
Sheriff's Sale:

\$ \_\_\_\_\_

**SUBTOTAL**

\$

[Costs to be added]

\$ \_\_\_\_\_

**TOTAL**


\$

**Prothonotary costs**

\$ 125.00

Seal of the Court

Date: 7-21-06

  
**WILLIAM A. SHAW**  
Prothonotary  
My Commission Expires  
1st Monday in Jan. 2010  
Clearfield Co., Clearfield, PA

**Legal Description of Real Estate of Michael J. and Karen M. Bly**

Sandy Township, Clearfield County, PA

Tax I.D. # 128.0-E04-00038

All those certain pieces or parcels of land situate, lying and being in the Township of Sandy, Clearfield County, Pennsylvania, bounded and described as follows, to-wit:

Parcel No. 1: Beginning at a tack in the centerline of State Highway Route No. 255 leading from DuBois to Penfield, said tack being the extreme southern corner of land now or formerly of John Maleszewski, of which this is a part; thence by the centerline of Old Route No. 402 the following courses and distances: North 9 degrees 20 minutes West 72.8 feet to a spike; thence North 8 degrees 32 minutes West 95.3 feet to a tack; thence North 12 degrees 20 minutes West 189.1 feet, more or less, to a point; thence by land of former grantor, South 68 degrees 49 minutes East 158 feet, more or less, to a point in the centerline of State Highway Route No. 255; thence by said centerline the following courses and distances: South 21 degrees 11 minutes West 33 feet, more or less, to a tack; thence South 18 degrees 55 minutes West 100 feet to a tack; thence South 16 degrees 45 minutes West 100 feet to a tack; thence South 14 degrees 48 minutes West 75 feet to a tack and the place of beginning. Containing 0.55 acres, more or less.

Parcel No. 2: Beginning in the center of Route 255 at the Northeast corner of a lot conveyed to Carl A. Calliari, et ux, by deed of Merritt C. Bundy, et ux, dated the 25<sup>th</sup> day of November, 1967, with such lot thereafter being conveyed by Carl A. Calliari, et ux, to Larry R. Reed by deed which appears in Deed Book Volume 1348, Page 562; from thence along the said lot, North 60 degrees 20 minutes West, a distance of 158 feet to a point; from thence, along the centerline of Township Road 854 (old Route 402), North 2 degrees 55 minutes West, a distance of 89 feet to a point; from thence, through other lands of the former Grantors of which this is a part, South 60 degrees, 20 minutes East, a distance of 207 feet to a point in the center of Route 255; from thence along the center of Route 255, South 29 degrees 35 minutes West, a distance of 75 feet to a point, and the place of beginning, and containing 0.2 acres.

The above described premises being the "75 foot strip of land" as referred to in the deed of Carl A. Calliari, et ux, to Larry R. Reed, dated June 15, 1990, as recorded in Volume 1348, Page 562, with the parcel herein described being one and the same as previously conveyed.

Subject to all exceptions, reservations, conditions, restrictions, easements and rights of way as fully as the same are contained in all prior deeds, instruments or writings or in any other manner touching or affecting the premises hereby conveyed.

Said premises containing buildings which were formerly used to house the Sabula Town Market

BEING the same premises which vested in Defendants, Michael J. Bly and Karen M. Bly, husband and wife, by deed dated July 1, 2004 appearing of record as Clearfield County Instrument Number 200411079.

EXHIBIT "A"

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

CSB BANK,	:	
Plaintiff	:	No. 06- 890 -CD
	:	
-vs-	:	IN MORTGAGE FORECLOSURE
	:	
MICHAEL J. BLY and KAREN M. BLY,	:	
Defendants	:	

AFFIDAVIT PURSUANT TO RULE 3129.1

CSB BANK, Plaintiff in the above action, sets forth as of the date the Praecipe for the writ of execution was filed, the following information concerning the real property located in Sandy Township, Clearfield County, Pennsylvania with said parcel being further described in Exhibit "A", which is attached hereto and made a part hereof).

1. Name and address of Owner(s) or Reputed Owner(s):

<u>Name</u>	<u>Address</u>
Michael J. Bly	1280 Treasure Lake DuBois, PA 15801
Karen M. Bly	1280 Treasure Lake DuBois, PA 15801

2. Name and address of Defendant(s):

<u>Name</u>	<u>Address</u>
Michael J. Bly	1280 Treasure Lake DuBois, PA 15801
Karen M. Bly	1280 Treasure Lake DuBois, PA 15801

3. Name and last known address of every judgment creditor whose judgment is a record lien on the real property to be sold:

(a)	CSB Bank	P. O. Box 29 Curwensville, PA 16833
-----	----------	--

4. Name and address of last recorded holder of every mortgage of record:

<u>Name</u>	<u>Address</u>
(a) CSB Bank	P. O. Box 29 Curwensville, PA 16833

5. Name and address of every other person who has any record lien on the property:

Clearfield County Tax Claim Bureau  
Clearfield County Court House Annex  
230 East Market Street  
Clearfield, PA 16830

6. Name and address of every other person who has any record interest in the property and whose interest may be affected by the sale.

NONE

7. Name and address of every other person of whom the Plaintiff has knowledge who has any interest in the property which may be affected by the sale:

Sandy Township Tax Collector  
625 ½ South Brady Street  
DuBois, Pennsylvania 15801

**Legal Description of Real Estate of Michael J. and Karen M. Bly**

Sandy Township, Clearfield County, PA

Tax I.D. # 128.0-E04-00038

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Subject to all exceptions, reservations, conditions, restrictions, easements and rights of way as fully as the same are contained in all prior deeds, instruments or writings or in any other manner touching or affecting the premises hereby conveyed.

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BEING the same premises which vested in Defendants, Michael J. Bly and Karen M. Bly, husband and wife, by deed dated July 1, 2004 appearing of record as Clearfield County Instrument Number 200411079.

EXHIBIT "A"

The undersigned verifies that he is authorized to make this verification on behalf of CSB Bank, Plaintiff named herein; and that the statements made herein are true and correct to the best of his personal knowledge or information and belief. I understand that false statements herein are subject to the penalties of 18 Pa. C.S. Section 4904, related to unsworn falsification to authority.

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

Dated: July 21, 2006

William A. Shaw  
Prothonotary/Clerk of Courts

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

CSB BANK,

Plaintiff

-vs-

MICHAEL J. BLY and KAREN M. BLY,  
Defendant

No. 06- 890 -CD

IN MORTGAGE FORECLOSURE

AFFIDAVIT OF SERVICE

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF CLEARFIELD

:  
:SS.  
:

ANDREW P. GATES, the Attorney for Plaintiff, being duly sworn according to law, says that the following entities were served with a Notice of Sheriff's Sale on August 30, 2006, by regular mail. Attached hereto collectively as Exhibit "A" is a photocopy of the undersigned's letters dated August 30, 2006, a photocopy of Notice of Sheriff Sale and the original Certificates of Mailing.

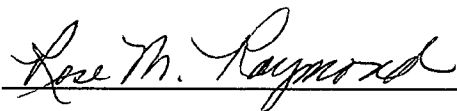
- (a) Clearfield County Tax Claim Bureau  
Clearfield County Courthouse Annex  
230 East Market Street  
Clearfield, PA 16830
- (b) Sandy Township Tax Collector  
625 ½ South Brady Street  
DuBois, Pennsylvania 15801

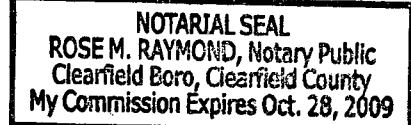
GATES & SEAMAN

By: 

Andrew P. Gates, Esquire

Sworn to and subscribed before me  
this 26<sup>th</sup> day of September, 2006.







LAURANCE B. SEAMAN  
ANDREW P. GATES

LAW OFFICES  
GATES & SEAMAN  
TWO NORTH FRONT STREET  
P. O. BOX 846  
CLEARFIELD, PA. 16830  
(814) 765-1766  
FAX (814) 765-1488

JOHN B. GATES  
(1917-1984)

August 30, 2006

Clearfield County Tax Claim Bureau  
Clearfield County Courthouse Annex  
230 East Market Street  
Clearfield, PA 16830

Re: CSB Bank, Plaintiff vs. Michael J. Bly and Karen M. Bly, Defendants  
No. 2006-890-CD (Court of Common Pleas of Clearfield County, PA)

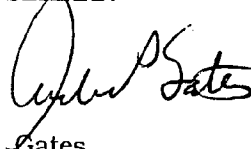
Dear Sir or Madam:

NOTICE IS GIVEN THAT, pursuant to a Writ of Execution issued in the above matter, the Sheriff of Clearfield County, Chester Hawkins, will expose at public sale at the Clearfield County Courthouse, Clearfield, the real estate described in the enclosed Sheriff's Handbill, on Friday, October 6, 2006 at 10:00 a.m.

The terms of this sale are set forth in the enclosed Sheriff's Handbill, which you are instructed to read.

Very truly yours,

GATES & SEAMAN  
By:



Andrew P. Gates

APG/rmr  
Enclosures

LAURANCE B. SEAMAN  
ANDREW P. GATES

LAW OFFICES  
GATES & SEAMAN  
TWO NORTH FRONT STREET  
P. O. BOX 846  
CLEARFIELD, PA. 16830  
(814) 765-1766  
FAX (814) 765-1488

JOHN B. GATES  
(1917-1984)

August 30, 2006

Sandy Township Tax Collector  
625 ½ South Brady Street  
DuBois, Pennsylvania 15801

Re: CSB Bank, Plaintiff vs. Michael J. Bly and Karen M. Bly, Defendants  
No. 2006-890-CD (Court of Common Pleas of Clearfield County, PA)

Dear Sir or Madam:

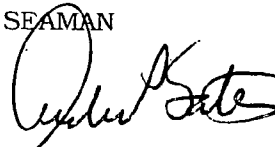
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The terms of this sale are set forth in the enclosed Sheriff's Handbill, which you are instructed to read.

Very truly yours,

GATES & SEAMAN

By:



Andrew P. Gates

APG/rmr  
Enclosures



CHESTER A. HAWKINS  
SHERIFF

# Sheriff's Office Clearfield County

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

OFFICE (814) 765-2641 EXT. 5986

FAX (814) 765-5915

ROBERT SNYDER  
CHIEF DEPUTY

MARILYN HAMM  
DEPT. CLERK

CYNTHIA AUGHENBAUGH  
OFFICE MANAGER

KAREN BAUGHMAN  
CLERK TYPIST

PETER F. SMITH  
SOLICITOR

GATES & SEAMAN  
P. O. BOX 846  
CLEARFIELD, PA 16830

August 11, 2006

RE: CSB BANK

VS.

MICHAEL J. BLY AND KAREN M. BLY

NO 06-890-CD

Dear ANDREW P. GATES, ESQ.:

This is notice that a Sheriff Sale has been set in the above mentioned execution for Friday, October 6, 2006 at 10:00 A.M. in our office.

You must have a representative present at the sale or it will be returned as abandoned. If you have any questions, please feel free to call me at 814-765-2641, ext. 1361. Thank you.

Sincerely,

Cynthia Butler-Aughenbaugh  
Office Manager

Enclosure

U.S. POSTAL SERVICE		CERTIFICATE OF MAILING	
MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE-POSTMASTER			
Received From:	<b>GATES &amp; SEAMAN</b> 2 North Front Street P.O. Box 846 Clearfield, PA 16830		
One piece of ordinary mail addressed to:			
Clearfield County Tax Claim Bureau Clearfield County Courthouse Annex 230 East Market Street Clearfield, PA 16830			
PS Form 3817, January 2001			

U.S. POSTAL SERVICE		CERTIFICATE OF MAILING	
MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT PROVIDE FOR INSURANCE-POSTMASTER			
Received From:	<b>GATES &amp; SEAMAN</b> 2 North Front Street P.O. Box 846 Clearfield, PA 16830		
One piece of ordinary mail addressed to:			
Sandy Township Tax Collector 625 1/2 South Brady Street DuBois, PA 15801			
PS Form 3817, January 2001			

U.S. POSTAL SERVICE **CERTIFICATE OF MAILING**

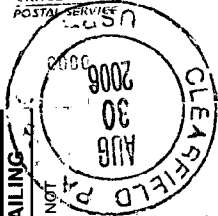
MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT  
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Received From

GATES & SEAMAN  
2 North Front Street  
P.O. Box 846  
Clearfield, PA 16830

One piece of ordinary mail addressed to:

Sandy Township Tax Collector  
625 1/2 South Brady Street  
DuBois, PA 15801



U.S. POSTAGE  
PAID  
CLEARFIELD, PA  
16830  
AUG 30, 06  
AMOUNT

**\$0.95**  
00685835-04

U.S. POSTAL SERVICE **CERTIFICATE OF MAILING**

MAY BE USED FOR DOMESTIC AND INTERNATIONAL MAIL, DOES NOT  
PROVIDE FOR INSURANCE POSTMASTER

Received From:

**GATES & SEAMAN**

**2 North Front Street**

**P.O. Box 846**

**Clearfield, PA 16830**

One piece of ordinary mail addressed to:

**Clearfield County Tax Claim Bureau**

**Clearfield County Courthouse Annex**

**230 East Market Street**

**Clearfield, PA 16830**



U.S. POSTAGE  
PAID  
CLEARFIELD, PA  
16830  
AUG 30, 06  
00085835-04

**\$0.95**

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 20403  
NO: 06-890-CD

PLAINTIFF: CSB BANK

vs.

DEFENDANT: MICHAEL J. BLY AND KAREN M. BLY

Execution REAL ESTATE

SHERIFF RETURN

DATE RECEIVED WRIT: 07/24/2006

LEVY TAKEN 08/21/2006 @ 2:50 PM

POSTED 08/21/2006 @ 2:50 PM

SALE HELD 10/06/2006

SOLD TO CSB BANK

SOLD FOR AMOUNT \$1.00 PLUS COSTS

WRIT RETURNED 11/20/2006

DATE DEED FILED 11/20/2006

PROPERTY ADDRESS 5667 BEELINE HIGHWAY DUBOIS , PA 15801

FILED *pa \$5.00*  
*0/3:00 LM NCC.*  
NOV 20 2006

William A. Shaw  
Prothonotary/Clerk of Courts

SERVICES

09/06/2006 @ 11:28 AM SERVED MICHAEL J. BLY

SERVED MICHAEL J. BLY, DEFENANT, AT HIS RESIDENCE LOT 6A, SECT. 130, TREASURE LAKE, DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO MICHAEL J. BLY

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

08/29/2006 @ 12:00 PM SERVED KAREN M. BLY

SERVED KAREN M. BLY, DEFENANT, AT HER PLACE OF EMPLOYMENT CORAL REEF ROAD AND RT 255, DUBOIS, CLEARFIELD COUNTY, PENNSYLVANIA BY HANDING TO KAREN M. BLY

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

IN THE COURT OF COMMON PLEAS OF CLEARFIELD COUNTY, PENNSYLVANIA

DOCKET # 20403  
NO: 06-890-CD

PLAINTIFF: CSB BANK

VS.

DEFENDANT: MICHAEL J. BLY AND KAREN M. BLY

Execution REAL ESTATE

SHERIFF RETURN

SHERIFF HAWKINS \$251.41

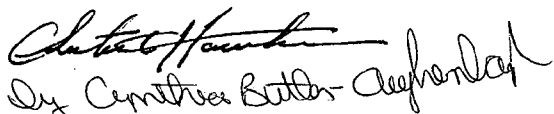
SURCHARGE \$40.00 PAID BY PLAINTIFF

Sworn to Before Me This

\_\_\_\_\_ Day of \_\_\_\_\_ 2006

\_\_\_\_\_

So Answers,

  
Chester A. Hawkins  
Sheriff



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

CSB BANK,

Plaintiff

-vs-

MICHAEL J. BLY and KAREN M. BLY,  
Defendants

No. 06- 890 -CD

IN MORTGAGE FORECLOSURE

WRIT OF EXECUTION

COMMONWEALTH OF PENNSYLVANIA

COUNTY OF CLEARFIELD

:  
: SS:  
:

TO CHESTER HAWKINS, SHERIFF OF CLEARFIELD COUNTY:

To satisfy the judgment, interest and costs in the above matter you are directed to levy upon and sell the following described real property: See attached Exhibit "A"

Amount due (as per judgment  
entered July 11, 2006, which  
includes interest through  
May 23, 2006)

\$ 252,792.83

Interest of \$43.7476 per day  
from May 23, 2006 to date of  
Sheriff's Sale:

\$ \_\_\_\_\_

**SUBTOTAL**

\$

[Costs to be added]

\$ \_\_\_\_\_

**TOTAL**


\$

**Prothonotary costs**

Seal of the Court

Date: 7-21-06

Received July 24, 2006 @ 10:30 am  
Chester A. Hawkins  
By Cynthia Butler-Aufhauser

  
WILLIAM A. SHAW  
Prothonotary  
My Commission Expires  
1st Monday in Jan. 2010  
Clearfield Co., Clearfield, PA

**Legal Description of Real Estate of Michael J. and Karen M. Bly**

Sandy Township, Clearfield County, PA

Tax I.D. # 128.0-E04-00038

All those certain pieces or parcels of land situate, lying and being in the Township of Sandy, Clearfield County, Pennsylvania, bounded and described as follows, to-wit:

Parcel No. 1: Beginning at a tack in the centerline of State Highway Route No. 255 leading from DuBois to Penfield, said tack being the extreme southern corner of land now or formerly of John Maleszewski, of which this is a part; thence by the centerline of Old Route No. 402 the following courses and distances: North 9 degrees 20 minutes West 72.8 feet to a spike; thence North 8 degrees 32 minutes West 95.3 feet to a tack; thence North 12 degrees 20 minutes West 189.1 feet, more or less, to a point; thence by land of former grantor, South 68 degrees 49 minutes East 158 feet, more or less, to a point in the centerline of State Highway Route No. 255; thence by said centerline the following courses and distances: South 21 degrees 11 minutes West 33 feet, more or less, to a tack; thence South 18 degrees 55 minutes West 100 feet to a tack; thence South 16 degrees 45 minutes West 100 feet to a tack; thence South 14 degrees 48 minutes West 75 feet to a tack and the place of beginning. Containing 0.55 acres, more or less.

Parcel No. 2: Beginning in the center of Route 255 at the Northeast corner of a lot conveyed to Carl A. Calliari, et ux, by deed of Merritt C. Bundy, et ux, dated the 25<sup>th</sup> day of November, 1967, with such lot thereafter being conveyed by Carl A. Calliari, et ux, to Larry R. Reed by deed which appears in Deed Book Volume 1348, Page 562; from thence along the said lot, North 60 degrees 20 minutes West, a distance of 158 feet to a point; from thence, along the centerline of Township Road 854 (old Route 402), North 2 degrees 55 minutes West, a distance of 89 feet to a point; from thence, through other lands of the former Grantors of which this is a part, South 60 degrees, 20 minutes East, a distance of 207 feet to a point in the center of Route 255; from thence along the center of Route 255, South 29 degrees 35 minutes West, a distance of 75 feet to a point, and the place of beginning, and containing 0.2 acres.

The above described premises being the "75 foot strip of land" as referred to in the deed of Carl A. Calliari, et ux, to Larry R. Reed, dated June 15, 1990, as recorded in Volume 1348, Page 562, with the parcel herein described being one and the same as previously conveyed.

Subject to all exceptions, reservations, conditions, restrictions, easements and rights of way as fully as the same are contained in all prior deeds, instruments or writings or in any other manner touching or affecting the premises hereby conveyed.

Said premises containing buildings which were formerly used to house the Sabula Town Market

BEING the same premises which vested in Defendants, Michael J. Bly and Karen M. Bly, husband and wife, by deed dated July 1, 2004 appearing of record as Clearfield County Instrument Number 200411079.

EXHIBIT "A"

**REAL ESTATE SALE  
SCHEDULE OF DISTRIBUTION**

NAME MICHAEL J. BLY

NO. 06-890-CD

NOW, November 20, 2006, by virtue of the Writ of Execution hereunto attached, after having given due and legal notice of time and place of sale by publication in a newspaper published in this County and by handbills posted on the premises setting for the date, time and place of sale at the Court House in Clearfield on October 06, 2006, I exposed the within described real estate of Michael J Bly And Karen M. Bly to public venue or outcry at which time and place I sold the same to GATES & SEAMAN he/she being the highest bidder, for the sum of \$1.00 plus costs and made the following appropriations, viz:

**SHERIFF COSTS:**

RDR	15.00
SERVICE	15.00
MILEAGE	16.91
LEVY	15.00
MILEAGE	16.91
POSTING	15.00
CSDS	10.00
COMMISSION	0.00
POSTAGE	4.68
HANDBILLS	15.00
DISTRIBUTION	25.00
ADVERTISING	15.00
ADD'L SERVICE	15.00
DEED	30.00
ADD'L POSTING	
ADD'L MILEAGE	16.91
ADD'L LEVY	
BID AMOUNT	1.00
RETURNS/DEPUTIZE	
COPIES	15.00

5.00

BILLING/PHONE/FAX	5.00
CONTINUED SALES	
MISCELLANEOUS	

**TOTAL SHERIFF COSTS                    \$251.41**

**DEED COSTS:**

ACKNOWLEDGEMENT	5.00
REGISTER & RECORDER	28.50
TRANSFER TAX 2%	0.00
<b>TOTAL DEED COSTS</b>	<b>\$28.50</b>

**PLAINTIFF COSTS, DEBT AND INTEREST:**

DEBT-AMOUNT DUE	252,792.83
INTEREST @ 43.7500 %	5,950.00
FROM 05/23/2006 TO 10/06/2006	

PROTH SATISFACTION	
LATE CHARGES AND FEES	
COST OF SUIT-TO BE ADDED	
FORECLOSURE FEES	
ATTORNEY COMMISSION	
REFUND OF ADVANCE	
REFUND OF SURCHARGE	40.00
SATISFACTION FEE	
ESCROW DEFICIENCY	
PROPERTY INSPECTIONS	
INTEREST	
MISCELLANEOUS	

**TOTAL DEBT AND INTEREST                    \$258,782.83**

**COSTS:**

ADVERTISING	1,441.20
TAXES - COLLECTOR	1,701.42
TAXES - TAX CLAIM	1,909.37
DUE	
LIEN SEARCH	100.00
ACKNOWLEDGEMENT	5.00
DEED COSTS	28.50
SHERIFF COSTS	251.41
LEGAL JOURNAL COSTS	216.00
PROTHONOTARY	125.00
MORTGAGE SEARCH	40.00
MUNICIPAL LIEN	

**TOTAL COSTS    \$5,817.90**

DISTRIBUTION WILL BE MADE IN ACCORDANCE WITH THE ABOVE SCHEDULE UNLESS EXCEPTIONS ARE FILED WITH THIS OFFICE **WITHIN TEN (10) DAYS FROM THIS DATE.**

CHESTER A. HAWKINS, Sheriff