

08-2015-CD

Sovereign Bank vs Lawrence Salone

SOVEREIGN BANK

Plaintiff

v.

LAWRENCE J. SALONE

Defendants

) IN THE COURT OF COMMON PLEAS OF  
) ~~CENTRE~~ COUNTY, PENNSYLVANIA  
) *Clearfield*

) CIVIL ACTION - LAW

) NO. *08-2015-CD*

**PRAECIPE FOR ENTRY OF JUDGMENT**

To: Prothonotary of Clearfield County:

Please index judgment by transfer from The Court of Common Pleas of Centre County, Pennsylvania in favor of the plaintiff, Sovereign Bank, and against the defendant, Lawrence J. Salone on the judgment transferred from The Court of Common Pleas of Centre County, Pennsylvania as follows:

Amount of Judgment	\$1,682,411.71
Costs (to be added)	_____
<b>TOTAL</b>	<b>\$1,682,411.71*</b>

\*together with ongoing interest at the total combined contractual rate of \$418.83 per diem from and after May 10, 2008 together with such other late charges and other sums as shall become due under the terms of the Note after May 14, 2008 and the costs of this action. I hereby certify that the judgment set forth above to the best of my knowledge and representation is valid, enforceable and remains unpaid.

*S*  
**FILED**  
*Att'y P'd. 20.00*  
*100-41601*  
**OCT 21 2008**  
*ICC Notice to Def.*  
*ICC Statement to Att'y*  
William A. Shaw  
Prothonotary/Clerk of Courts

*Richard J. Panks*  
\_\_\_\_\_  
Richard J. Panks  
PIETRAGALLO GORDON ALFANO  
BOSICK & RASPANTI, LLP  
54 Buhl Boulevard  
Sharon, PA 16146  
(724) 981-1397

Attorneys for Plaintiff, Sovereign Bank

**COMMONWEALTH OF PENNSYLVANIA, }  
COUNTY OF CENTRE, } SS:**

I ..... Debra C. Immel ..... *Prothonotary*  
of the Court of common Pleas in and for said County, do herby  
certify that the foregoing is a full, true and correct copy of the whole  
record of the case therein stated, wherein .....  
..... Sovereign Bank .....  
Plaintiff, and ..... Lawrence J. Salone .....  
.....

*Defendant, so full and entire as the same remains of record before the said Court, at No. 2008-2123*

**In Testimony Whereof, I have hereunto set my hand and affixed the seal of said Court,**  
*this ....7th .....day of . Oct. .... A.D. 20 08.*

..... Debra C. Immel, ..... *Prothonotary*

I .. David Grine ..... *President Judge of the forty-ninth Judicial District,*  
*composed of the Courts of Common Pleas, Orphans' court and court of Quarter Sessions of the*  
*Peace, do certify that .. Debra C. Immel ..... by whom the annexed record, certificate and*  
*attestation were made and given, and who, in his own proper handwriting, thereunto subscribed*  
*his name and affixed the seal of the Court of Common Pleas of said county, was at the time of so*  
*doing and now is Prothonotary in and for said county of centre in the commonwealth of*  
*Pennsylvania, duly commissioned and qualified; to all of whose acts, as such, full faith and credit*  
*are and ought to be given, as well in Courts of Judicature as elsewhere, and that the said record,*  
*certificate and attestation are in due form of law and made by the proper officer.*

..... *President Judge*

**COMMONWEALTH OF PENNSYLVANIA, }  
COUNTY OF CENTRE, } SS:**

I .... Debra C. Immel ..... *Prothonotary of the Court of Common Pleas*  
*in and for said County, do certify that the Honorable .. David Grine .....  
..... by whom the foregoing attestation was made, and who has thereunto subscribed his*  
*name, was at the time of making thereof and still is President Judge of the Court of common Pleas,*  
*Orphans' Court and Court of Quarter Sessions of the Peace in and for said County, duly commis-*  
*sioned and qualified; to all whose acts, as such, full faith and credit are and ought to be given, as*  
*well in Courts of Judicature as elsewhere.*

**In Testimony Whereof, I have hereunto set my hand and**  
*affixed the seal of said Court, this ....7th .....day of*

*..... Oct. .... A.D. 20 08.*

..... Debra C. Immel, ..... *Prothonotary*

**COPY OF ..... GENERAL ..... DOCKET ENTRY.**

LAWRENCE..J...SALONE.

# EXEMPLIFIED RECORD

## Costs.....

Debra C. Immel..... Prothonotary

Centre County Prothonotary  
Room 102 Courthouse  
Bellefonte, PA 16823  
(814) 355-6796

Page Number: 1  
Case Number: 08-2123

GENERAL  
CONFESSION OF JUDGMENT

Filed..... 05-21-2008  
10:57  
Sat/Dis/Gntd..

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Litigants  
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Plaintiff(s)  
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SOVEREIGN BANK  
TWO ALDWYN CENTER  
EAST LANCASTER AVE AND ALDWYN LANE  
VILLANOVA PA 19085 1420

Lawyer(s) for the Plaintiff(s)  
-----

PARKS, RICHARD J., ESQ.  
PIETRAGALLO GORDON ALFANO BOSICK &  
RASPANTI, LLP  
54 BUHL BOULEVARD  
SHARON PA 16146 724-981-1397

Defendant(s)  
-----

SALONE, LAWRENCE J.  
2234 NORTH ATHERTON STREET  
STATE COLLEGE PA 16803

Lawyer(s) for the Defendant(s)  
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JUDGMENT 1563215.87  
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Proceedings  
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05-21-2008 COMPLAINT IN CONFESSION OF JUDGMENT WITH CONFESSION OF JUDGMENT  
FILED. (JUDGMENT IS ENTERED IN FAVOR OF THE PLAINTIFF AND  
AGAINST THE DEFENDANT PER THE CONFESSION OF JUDGMENT IN THE  
AMOUNT OF \$1,563,215.87 PLUS COSTS, INTEREST, LATE CHARGES AND  
OTHER COSTS.) (NOTICE ISSUED) (MAILED COPY OF ALL PAPERS TO DEF,  
AND TWO COPIES TO ATTY PARKS IN ENVELOPES PROVIDED MAY 22, 2008  
10-06-2008 BY PAPER FILED, EXEMPLIFIED RECORD IS REQUESTED. (TIME-STAMPED  
COPY OF "PRAECIPE" MAILED TO ATTORNEY PARKS, IN ENVELOPE  
PROVIDED, ON 10-18-2008.)  
10-07-2008 EXEMPLIFIED RECCRD ISSUED - MAILED TO ATTORNEY PARKS, IN  
ENVELOPE PROVIDED, ON 10-08-2008.  
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Fees  
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CIVIL ACTION - CONF OF JUDGMEN 95.00pd 05-22-2008  
COPIES - ALL NON-CERTIFIED 10.00pd 07-09-2008  
EXEMPLIFIED RECORD 15.00pd 10-07-2008  
=====

120.00

===== End of case print-out =====

CERTIFIED from the records as entered  
and filed in this office

*Debra C. Grumel*  
day of Oct. A.D. 2008  
Prothonotary and Clerk of the Court

SOVEREIGN BANK

Plaintiff

v.

LAWRENCE J. SALONE

Defendants

) IN THE COURT OF COMMON PLEAS OF  
) CENTRE COUNTY, PENNSYLVANIA

)  
)  
) CIVIL ACTION - LAW



) NO. 2008-2123

**NOTICE REQUIRED UNDER 42 Pa.C.S.A. 2737.1**

**Notice of Defendant's Rights**

To: Lawrence J. Salone  
2234 North Atherton Street,  
State College, PA 16803

FILED FOR RECORD  
2008 MAY 21 A 10:57  
DEBRA C. SUMMEL  
PROTHONOTARY  
CENTRE COUNTY, PA

A judgment in the amount of \$1,682,411.71, plus costs, ongoing interest at the total combined contractual rate of \$418.83 per diem from and after May 10, 2008 together with such other late charges and other sums as shall become due under the terms of the Note after May 14, 2008 has been entered against you and in favor of the plaintiff without any prior notice or hearing based on a confession of judgment contained in a written agreement or other paper allegedly signed by you.

You may have legal rights to strike off or open the judgment. Pennsylvania Rule of Civil Procedure No. 2959 provides that you may file a petition with the Court to strike off or open the judgment. Rule 2959 states that:

(a)(1) Relief from a judgment by confession shall be sought by petition. Except as provided in subparagraph (2), all grounds for relief whether to strike off the judgment or to open it must be asserted in a single petition. The petition may be filed in the county in which the judgment was originally entered, in any county to which the judgment has been transferred or in any other county in which the sheriff has received a writ of execution directed to the sheriff to enforce the judgment.

(2) The ground that the waiver of the due process rights of notice and hearing was not voluntary, intelligent and knowing shall be raised only

(i) in support of a further request for a stay of execution where the court has not stayed execution despite the timely filing of a petition for relief from the judgment and the presentation of prima facie evidence of a defense; and

(ii) as provided by Rule 2958.3 or Rule 2973.3.

CERTIFIED from the records as entered  
and filed in this office

7th day of Oct. A.D. 2008  
Debra C. Summel  
Prothonotary and Clerk of the Court

(3) If written notice is served upon the petitioner pursuant to Rule 2956.1(c)(2) or Rule 2973.1(c), the petition shall be filed within thirty days after such service. Unless the defendant can demonstrate that there were compelling reasons for the delay, a petition not timely filed shall be denied.

(b) If the petition states prima facie grounds for relief the court shall issue a rule to show cause and may grant a stay of proceedings. After being served with a copy of the petition the plaintiff shall file an answer on or before the return day of the rule. The return day of the rule shall be fixed by the court by local rule or special order.

(c) A party waives all defenses and objections which are not included in the petition or answer.

(d) The petition and the rule to show cause and the answer shall be served as provided in Rule 440.

(e) The court shall dispose of the rule on petition and answer, and on any testimony, depositions, admissions and other evidence. The court for cause shown may stay proceedings on the petition insofar as it seeks to open the judgment pending disposition of the application to strike off the judgment. If evidence is produced which in a jury trial would require the issues to be submitted to the jury the court shall open the judgment.

(f) The lien of the judgment or of any levy or attachment shall be preserved while the proceedings to strike off or open the judgment are pending.

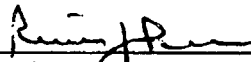
If you were incorrectly identified in the Complaint in Confession of Judgment, you are entitled to recover your costs and reasonable attorneys' fees, as determined by the Court.

**YOU MUST FILE A PETITION SEEKING RELIEF FROM THE JUDGMENT AND PRESENT IT TO A JUDGE WITHIN THIRTY (30) DAYS AFTER THE DATE ON WHICH THIS NOTICE IS SERVED ON YOU OR YOU MAY LOSE YOUR 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.**

**Court Administrator  
Courthouse, Bellefonte 16823  
(814) 355-6794**

**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.**

  
Richard J. Parks  
Pa. Supreme Court ID No. 40477  
Pietragallo Gordon Alfano  
Bosick & Raspanti, LLP  
54 Buhl Boulevard  
Sharon, Pennsylvania 16146  
724-981-1397

Attorneys for Plaintiff, Sovereign Bank



SOVEREIGN BANK

Plaintiff

v.

LAWRENCE J. SALONE

Defendants

FILED FOR RECORD  
2008 MAY 21 A 10: 5

IN THE COURT OF COMMON PLEAS OF  
CENTRE COUNTY, PENNSYLVANIA

CIVIL ACTION - LAW

NO. 2008-2123

**COMPLAINT IN CONFESSION OF JUDGMENT**

AND NOW, comes the Plaintiff, by and through its attorneys, Pietragallo Gordon Alfano Bosick & Raspanti, LLP, averring the following facts as the basis for its Complaint in Judgment against the Defendants:

1. The Plaintiff is Sovereign Bank a corporation organized and existing under the laws of the United States of America, and it is registered to do business in Pennsylvania with offices for the purpose of doing business at Two Aldwyn Center, East Lancaster Avenue and Aldwyn Lane, Villanova PA 19085-1420 ("Sovereign Bank").

2. The Defendant is Lawrence J. Salone, an adult individual whose last know address is 2234 North Atherton Street, State College, PA 16803 ("Salone").

**COUNT I**

3. Plaintiff hereby incorporated paragraphs one (1) and two (2) inclusive of this Complaint as if fully set forth again at length.

4. On or about October 13, 2006, Salone executed and delivered to Sovereign Bank a Promissory Note in the principal amount of \$1,560,000.00 and an accompanying Disclosure for Confession of Judgment (collectively, the "Term Note"). A true and correct copy of the Term Note is attached hereto, incorporated herein and marked as Exhibit "A".

5. Plaintiff is the holder of the Note.

6. Judgment has not previously been entered on the Note against Defendant in this or any other jurisdiction.

7. According to the terms of the Note, judgment may be entered by confession at any time after a declaration of default.

8. On or about November 30, 2007, Sovereign Bank delivered, via first class mail and certified mail, return receipt requested, a written notice of default to Defendant Salone whereby Sovereign Bank, among other things, notified Salone of the events of default. Furthermore, on or about January 2, 2008, Sovereign Bank delivered, via first class mail and certified mail, return

receipt requested, a second written notice of default which included a demand for payment to Defendant Salone demanding that all outstanding principal amounts, plus accrued interest and late fees due under the Notes be paid in full and Defendant Salone failed to do so.

9. The amount due and owing from the Defendant to Plaintiff for which judgment is authorized, as of May 9, 2008 is as follows:

Unpaid Principal Balance:	\$ 1,320,263.60
Interest to May 9, 2008	\$ 88,913.81
Late Charges Due	\$ 11,927.93
Attorney Fee of 10% per Note	\$ 142,110.53
TOTAL	<u>\$ 1,563,215.87</u>

10. Judgment is not being entered by confession against a natural person in connection with a consumer credit transaction.

11. The underlying transaction, as evidenced in part by Exhibit "A," is a commercial transaction by the Defendant for a restaurant business of the co-borrower.

WHEREFORE, Plaintiff demands that judgment be entered in its favor and against the Defendant on Count I of this complaint in the amount of \$1,563,215.87, plus costs, ongoing interest at the contractual default rate of \$394.25 per diem from and after May 10, 2008 together with such other late charges and other sums as shall become due under the terms of the Note (Exhibit "A") after May 10, 2008.

## COUNT II

12. Plaintiff hereby incorporates paragraphs one (1) and two (2) inclusive of this Complaint as if fully set forth again at length.

13. On or about October 13, 2006, Salone executed and delivered to Sovereign Bank a second Promissory Note in the principal amount of \$150,000.00 and an accompanying Disclosure for Confession of Judgment (collectively, the "Note"). A true and correct copy of the Note is attached hereto, incorporated herein and marked as Exhibit "B".

14. Plaintiff is the holder of the Note.

15. Judgment has not previously been entered on the Note against Defendant in this or any other jurisdiction.

16. According to the terms of the Note, judgment may be entered by confession at any time after a declaration of default.

17. On or about November 30, 2007, Sovereign Bank delivered, via first class mail and certified mail, return receipt requested, a written notice of default to Defendant Salone whereby Sovereign Bank, among other things, notified Salone of the events of default. Furthermore, on or

about January 2, 2008, Sovereign Bank delivered, via first class mail and certified mail, return receipt requested, a second written notice of default which included a demand for payment to Defendant Salone demanding that all outstanding principal amounts, plus accrued interest and late fees due under the Notes be paid in full and Defendant Salone failed to do so.

18. The amount due and owing from the Defendant to Plaintiff for which judgment is authorized, as of May 9, 2008 is as follows:

Unpaid Principal Balance:	\$ 104,096.64
Interest to May 9, 2008	\$ 4,091.74
Late Charges Due	\$ 171.47
Attorney Fee of 10% per Note	\$ 10,835.99
TOTAL	\$ 119,195.84

19. Judgment is not being entered by confession against a natural person in connection with a consumer credit transaction.


20. The underlying transaction, as evidenced in part by Exhibit "B," is a commercial transaction by the Defendant for a restaurant business of the co-borrower.

WHEREFORE, Plaintiff demands that judgment be entered in its favor and against the Defendant on Count II of this complaint in the amount of \$119,195.84, plus costs, ongoing interest at the contractual default rate of \$24.58. per diem from and after May 10, 2008 together with such other late charges and other sums as shall become due under the terms of the Note (Exhibit "B") after May 10, 2008.

**SUMMARY PRAYER FOR RELIEF OF COUNTS I AND II**

WHEREFORE, Plaintiff demands that judgment be entered in its favor and against the Defendant in Summary of Counts I and II of this Complaint in the total amount of \$1,682,411.71, plus costs, ongoing interest at the total combined contractual rate of \$418.83 per diem from and after May 10, 2008 together with such other sums provided for and as shall become due under the terms of the Notes (Exhibits "A" and "B").

Respectfully submitted,

  
\_\_\_\_\_  
Richard J. Parks  
Pietragallo Gordon Alfano  
Bosick, & Raspanti, LLP  
54 Buhl Boulevard  
Sharon, Pennsylvania 16146  
724-981-1397

Attorneys for Plaintiff, Sovereign Bank

SOVEREIGN BANK

Plaintiff

v.

LAWRENCE J. SALONE

Defendants

) IN THE COURT OF COMMON PLEAS OF  
) CENTRE COUNTY, PENNSYLVANIA

) CIVIL ACTION - LAW

) NO. 2008-2123

DEBRA C. JENSEN  
PROthonARY  
CENTRE COUNTY, PA

2008 MAY 21 A 10:57

FILED FOR RECORD

CONFESSION OF JUDGMENT

Pursuant to the authority contained in the warrant of attorney, a copy of which is attached to the Complaint filed in this action as Exhibit "A", I hereby appear for the Defendants and confess judgment in favor of Plaintiff, Sovereign Bank and against Defendant in Count I as follows:

Unpaid Principal Balance:	\$ 1,320,263.60
Interest to May 9, 2008	\$ 88,913.81
Late Charges Due	\$ 11,927.93
Attorney Fee of 10% per Note	\$ 142,110.53
TOTAL	\$ 1,563,215.87

Pursuant to the authority contained in the warrant of attorney, a copy of which is attached to the Complaint filed in this action as Exhibit "B", I hereby appear for the Defendants and confess judgment in favor of Plaintiff, Sovereign Bank and against Defendant on Count II as follows:

Unpaid Principal Balance:	\$ 104,096.64
Interest to May 9, 2008	\$ 4,091.74
Late Charges Due	\$ 171.47
Attorney Fee of 10% per Note	\$ 10,835.99
TOTAL	\$ 119,195.84

WHEREFORE, Defendant warrants that judgment be entered in favor of the Plaintiff and against the Defendant be entered in Summary of Counts I and II of this Complaint in the total amount of \$1682,411.71, plus costs, ongoing interest at the total combined contractual rate of \$418.83 per diem from and after May 10, 2008 together with such other sums provided for and as shall become due under the terms of the Notes (Exhibits "A" and "B").



Richard J. Parks  
Attorney for Defendant per Confession

SOVEREIGN BANK

Plaintiff

v.

LAWRENCE J. SALONE

Defendants

) IN THE COURT OF COMMON PLEAS OF  
) CENTRE COUNTY, PENNSYLVANIA

)

)

) CIVIL ACTION - LAW

)


)

) NO. 2008-2123

CERTIFICATE

I hereby certify that the precise address of the Plaintiff is Two Aldwyn Center, East Lancaster Avenue and Aldwyn Lane, Villanova PA 19085-1420. I further certify that the last known address of the Defendant is: 2234 North Atherton Street, State College, PA 16803.

I further certify that the underlying transactions, as evidenced in part by Exhibits "A" and "B" attached hereto are commercial transactions.



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Richard J. Parks  
Attorney for Plaintiff

SOVEREIGN BANK

Plaintiff

v.

LAWRENCE J. SALONE

Defendants

) IN THE COURT OF COMMON PLEAS OF  
) CENTRE COUNTY, PENNSYLVANIA

)

)

) CIVIL ACTION - LAW

)

)

) NO. 2008-2123

TO: Lawrence J. Salone  
2234 North Atherton Street,  
State College, PA 16803

YOU ARE HEREBY NOTIFIED as required by law that a judgment has been entered against you in the amount of \$1,682,411.71, plus costs, ongoing interest at the total combined contractual rate of \$418.83 per diem from and after May 10, 2008 together with such other late charges and other sums as shall become due under the terms of the Note (Exhibit "A") after May 14, 2008 at the above term and number on May 21, 2008. You will find enclosed copies of all documents filed in this office in support of the Confession of Judgment.

CLERK OF RECORDS

PROTHONOTARY DIVISION

By

Debra C. Immel

If you have any questions regarding this Notice, please contact the filing party:

Name: Richard J. Parks, Esquire

Address: Pietragallo Gordon Alfano Bosick & Raspanti, LLP  
54 Buhl Boulevard  
Sharon, Pennsylvania 16146

Tel. No. 724-981-1397

(This Notice is given in accordance with Pa.R.C.P. 236).

# PROMISSORY NOTE

**Borrower:** Bono Holdings, Inc.  
Lawrence J. Salone  
2235 North Atherton Street  
State College, PA 16803

**Lender:** Sovereign Bank, a Federal Savings Bank  
MAIL CODE 60-571-CM1  
1535 North Atherton Street  
State College, PA 16803

**Principal Amount:** \$1,560,000.00

**Date of Note:** 10-13-06

**PROMISE TO PAY.** Bono Holdings, Inc.; and Lawrence J. Salone ("Borrower") jointly and severally promise to pay to Sovereign Bank, a Federal Savings Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Five Hundred Sixty Thousand & 00/100 Dollars (\$1,560,000.00), together with interest at the rate of 7.750% per annum on the unpaid principal balance from 10-13-06, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in accordance with the following payment schedule:

The term of the Note shall not exceed eighty-four (84) months. Borrower will pay this loan in 83 consecutive monthly payments of principal and interest in the amount of \$24,208.74 each, commencing November 11, 2006 with all subsequent payments due on the same day of each month thereafter. Interest will be calculated on the unpaid principal balance at the fixed rate of 7.75% per annum. Borrower's irregular final payment will be due on October 11, 2013 and will be for all principal, accrued unpaid interest and fees, if any, not yet paid.

Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**PREPAYMENT PENALTY.** Upon prepayment of this Note, Lender is entitled to the following prepayment penalty: Prepayment Penalty in the amount of five (5%) percent the first year, four (4%) percent the second year, three (3%) percent the third year, two (2%) percent the fourth year, and one (1%) percent the fifth year. This penalty applies to prepayment of principal in full or in part. Except for the foregoing, Borrower may pay 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: Sovereign Bank, P. O. Box 12707 Reading, PA 19612-2707.

**LATE CHARGE.** If a payment is 15 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment or \$10.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by 3.000 percentage points. If judgment is entered in connection with this Note, interest will continue to accrue after the date of judgment at the rate in effect at the time judgment is entered. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT A

**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 thirty (30) days; or (2) if the cure requires more than thirty (30) 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 under 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.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Pennsylvania without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Pennsylvania.

**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.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. 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.



PRIOR TO SIGNING THIS NOTE, EACH BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. 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:

BONO HOLDINGS, INC.

By:  (Seal)  
Lawrence J. Salone, President of Bono Holdings,  
Inc.

X  (Seal)  
Lawrence J. Salone, Individually

**Borrower:** Bono Holdings, Inc.  
Lawrence J. Salone  
2235 North Atherton Street  
State College, PA 16803

**Lender:** Sovereign Bank, a Federal Savings Bank  
MAIL CODE 60-571-CM1  
1535 North Atherton Street  
State College, PA 16803

**Declarant:** Lawrence J. Salone  
2235 North Atherton Street  
State College, PA 16803

### DISCLOSURE FOR CONFESSION OF JUDGMENT

I AM EXECUTING, THIS 13 DAY OF OCTOBER, 2006 A PROMISSORY NOTE FOR \$1,560,000.00 OBLIGATING ME TO REPAY THAT AMOUNT.

A. I UNDERSTAND THAT THE NOTE CONTAINS A CONFESSION OF JUDGMENT PROVISION THAT WOULD PERMIT LENDER TO ENTER JUDGMENT AGAINST ME IN COURT, AFTER A DEFAULT ON THE NOTE, WITHOUT ADVANCE NOTICE TO ME AND WITHOUT OFFERING ME AN OPPORTUNITY TO DEFEND AGAINST THE ENTRY OF JUDGMENT. IN EXECUTING THE NOTE, BEING FULLY AWARE OF MY RIGHTS TO ADVANCE NOTICE AND TO A HEARING TO CONTEST THE VALIDITY OF ANY JUDGMENT OR OTHER CLAIMS THAT LENDER MAY ASSERT AGAINST ME UNDER THE NOTE, I AM KNOWINGLY, INTELLIGENTLY, AND VOLUNTARILY WAIVING THESE RIGHTS, INCLUDING ANY RIGHT TO ADVANCE NOTICE OF THE ENTRY OF JUDGMENT, AND I EXPRESSLY AGREE AND CONSENT TO LENDER'S ENTERING JUDGMENT AGAINST ME BY CONFESSION AS PROVIDED FOR IN THE CONFESSION OF JUDGMENT PROVISION.

INITIALS: LS

B. I FURTHER UNDERSTAND THAT IN ADDITION TO GIVING LENDER THE RIGHT TO ENTER JUDGMENT AGAINST ME WITHOUT ADVANCE NOTICE OR A HEARING, THE CONFESSION OF JUDGMENT PROVISION IN THE NOTE ALSO CONTAINS LANGUAGE THAT WOULD PERMIT LENDER, AFTER ENTRY OF JUDGMENT, AGAIN WITHOUT EITHER ADVANCE NOTICE OR A HEARING, TO EXECUTE ON THE JUDGMENT BY FORECLOSING UPON, ATTACHING, LEVYING ON, TAKING POSSESSION OF OR OTHERWISE SEIZING MY PROPERTY, IN FULL OR PARTIAL PAYMENT OF THE JUDGMENT. IN EXECUTING THE NOTE, BEING FULLY AWARE OF MY RIGHTS TO ADVANCE NOTICE AND A HEARING AFTER JUDGMENT IS ENTERED AND BEFORE EXECUTION ON THE JUDGMENT, I AM KNOWINGLY, INTELLIGENTLY AND VOLUNTARILY WAIVING THESE RIGHTS, AND I EXPRESSLY AGREE AND CONSENT TO LENDER'S IMMEDIATELY EXECUTING ON THE JUDGMENT IN ANY MANNER PERMITTED BY APPLICABLE STATE AND FEDERAL LAW, WITHOUT GIVING ME ANY ADVANCE NOTICE.

INITIALS: LS

C. AFTER HAVING READ AND DETERMINED WHICH OF THE FOLLOWING STATEMENTS ARE APPLICABLE, BY INITIALING EACH STATEMENT THAT APPLIES, I REPRESENT THAT:

INITIALS

1. I WAS REPRESENTED BY MY OWN INDEPENDENT LEGAL COUNSEL IN CONNECTION WITH THE NOTE.

LS

2. A REPRESENTATIVE OF LENDER SPECIFICALLY CALLED THE CONFESSION OF JUDGMENT PROVISION IN THE NOTE TO MY ATTENTION.

D. I CERTIFY THAT MY ANNUAL INCOME EXCEEDS \$10,000; THAT THE BLANKS IN THIS DISCLOSURE WERE FILLED IN WHEN I INITIALED AND SIGNED IT; AND THAT I RECEIVED A COPY AT THE TIME OF SIGNING.

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

DECLARANT:

X

Lawrence J. Salone

(Seal)

**Borrower:** Bono Holdings, Inc.  
Lawrence J. Salone  
2236 North Atherton Street  
State College, PA 16803

**Lender:** Sovereign Bank, a Federal Savings Bank  
MAIL CODE 60-571-CM1  
1635 North Atherton Street  
State College, PA 16803

**Principal Amount:** \$150,000.00

**Date of Note:** 10-13-2006

**PROMISE TO PAY.** Bono Holdings, Inc.; and Lawrence J. Salone ("Borrower") jointly and severally promise to pay to Sovereign Bank, a Federal Savings Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Fifty Thousand and 00/100 Dollars (\$150,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

**PAYMENT.** Borrower will pay this loan in accordance with the following payment schedule:

This loan is due and payable in full immediately upon demand by Lender. In addition, Borrower will make monthly payments of accrued unpaid interest as of each payment due date. Borrower's first payment is due November 11, 2006, with all subsequent payments to be due on the same day of each month thereafter.

Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. The annual interest rate for this Note is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. 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 index which is the Sovereign Bank Prime Rate. The Sovereign Bank Prime Rate shall mean the rate per annum from time to time established by Lender as the Prime Rate and made available by Lender at its main office or, in the discretion of Lender, the base, reference or other rate then designated by Lender for general commercial loan reference purposes. It being understood that such rate is a reference rate, not necessarily the lowest established from time to time, which serves as the basis upon which effective interest rates are calculated for loans making reference thereto (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans and is set by Lender in its sole discretion. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each time as and when the "Index" changes. Borrower understands that Lender may make loans based on other rates as well. The interest rate to be applied to the unpaid principal balance during this Note will be at a rate of 0.500 percentage points over the Index. **NOTICE:** Under no circumstances will the interest rate on this Note be more than the maximum rate allowed by applicable law.

**PREPAYMENT.** 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. Except for the foregoing, 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 of accrued unpaid interest. Rather, early payments will reduce the principal balance due. 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: Sovereign Bank, P. O. Box 12707 Reading PA 19612-2707.

**LATE CHARGE.** If a payment is 15 days or more late, Borrower will be charged 5.000% of the unpaid portion of the regularly scheduled payment or \$10.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by adding a 3.000 percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default. If judgment is entered in connection with this Note, interest will continue to accrue after the date of judgment at the rate in effect at the time judgment is entered. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

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

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

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

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

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

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver 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's forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

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

**PROMISSORY NOTE  
(Continued)**

Page :

evidenced by this Note. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

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

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

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

**Cure Provisions.** If any default, other than a default in payment 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 thirty (30) days; or (2) if the cure requires more than thirty (30) 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 under 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.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Pennsylvania without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Pennsylvania.

**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.

**LINE OF CREDIT.** This Note evidences a revolving line of credit. Advances under this Note may be requested either orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person is currently authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of his or her authority: Lawrence J. Salone, President, Sec & Treas of Bono Holdings, Inc. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

**LINE OF CREDIT RENEWAL.** This Note is subject to an annual review. Renewal will be based on Lender's ongoing satisfaction with Borrower's financial condition.

**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.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forego 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 OF 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

## Page .

**BORROWER:**

~~BONO HOLDINGS, INC.~~

X Lawrence J. Salone, Individually (Seal)

## DISCLOSURE FOR CONFESSION OF JUDGMENT

**Borrower:** Bono Holdings, Inc.  
Lawrence J. Salane  
2235 North Atherton Street  
State College, PA 16803

**Lender:** Sovereign Bank, a Federal Savings Bank  
MAIL CODE 60-571-CM1  
1535 North Atherton Street  
State College, PA 16803

**Declarant:** Lawrence J. Salone  
2235 North Atherton Street  
State College, PA 16803

## DISCLOSURE FOR CONFESSION OF JUDGMENT

I AM EXECUTING, THIS 10 DAY OF OCTOBER, 2006, A PROMISSORY NOTE FOR \$ OBLIGATING ME TO REPAY THAT AMOUNT.

A. I UNDERSTAND THAT THE NOTE CONTAINS A CONFESSION OF JUDGMENT PROVISION THAT WOULD PERMIT LENDER TO ENTER JUDGMENT AGAINST ME IN COURT, AFTER A DEFAULT ON THE NOTE, WITHOUT ADVANCE NOTICE TO ME AND WITHOUT OFFERING ME AN OPPORTUNITY TO DEFEND AGAINST THE ENTRY OF JUDGMENT. IN EXECUTING THE NOTE, BEING FULLY AWARE OF MY RIGHTS TO ADVANCE NOTICE AND TO A HEARING TO CONTEST THE VALIDITY OF ANY JUDGMENT OR OTHER CLAIMS THAT LENDER MAY ASSERT AGAINST ME UNDER THE NOTE, I AM KNOWINGLY, INTELLIGENTLY, AND VOLUNTARILY WAIVING THESE RIGHTS, INCLUDING ANY RIGHT TO ADVANCE NOTICE OF THE ENTRY OF JUDGMENT, AND I EXPRESSLY AGREE AND CONSENT TO LENDER'S ENTERING JUDGMENT AGAINST ME BY CONFESSION AS PROVIDED FOR IN THE CONFESSION OF JUDGMENT PROVISION.

INITIALS: MM

B. I FURTHER UNDERSTAND THAT IN ADDITION TO GIVING LENDER THE RIGHT TO ENTER JUDGMENT AGAINST ME WITHOUT ADVANCE NOTICE OR A HEARING, THE CONFESSION OF JUDGMENT PROVISION IN THE NOTE ALSO CONTAINS LANGUAGE THAT WOULD PERMIT LENDER, AFTER ENTRY OF JUDGMENT, AGAIN WITHOUT EITHER ADVANCE NOTICE OR A HEARING, TO EXECUTE ON THE JUDGMENT BY FORECLOSING UPON, ATTACHING, LEVYING ON, TAKING POSSESSION OF OR OTHERWISE SEIZING MY PROPERTY, IN FULL OR PARTIAL PAYMENT OF THE JUDGMENT. IN EXECUTING THE NOTE, BEING FULLY AWARE OF MY RIGHTS TO ADVANCE NOTICE AND A HEARING AFTER JUDGMENT IS ENTERED AND BEFORE EXECUTION ON THE JUDGMENT, I AM KNOWINGLY, INTELLIGENTLY AND VOLUNTARILY WAIVING THESE RIGHTS, AND I EXPRESSLY AGREE AND CONSENT TO LENDER'S IMMEDIATELY EXECUTING ON THE JUDGMENT IN ANY MANNER PERMITTED BY APPLICABLE STATE AND FEDERAL LAW, WITHOUT GIVING ME ANY ADVANCE NOTICE.

INITIALS: W

C. AFTER HAVING READ AND DETERMINED WHICH OF THE FOLLOWING STATEMENTS ARE APPLICABLE, BY INITIALING EACH STATEMENT THAT APPLIES, I REPRESENT THAT:

INITIALS

**1. I WAS REPRESENTED BY MY OWN INDEPENDENT LEGAL COUNSEL IN CONNECTION WITH THE NOTE.**

2. A REPRESENTATIVE OF LENDER SPECIFICALLY CALLED THE CONFESSION OF JUDGMENT PROVISION IN THE NOTE TO MY ATTENTION.

**D. I CERTIFY THAT MY ANNUAL INCOME EXCEEDS \$10,000; THAT THE BLANKS IN THIS DISCLOSURE WERE FILLED IN WHEN I INITIALED AND SIGNED IT; AND THAT I RECEIVED A COPY AT THE TIME OF SIGNING.**

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

**DECLARANT:**

X Lawrence J. Salone (Seal)

• SOVEREIGN BANK

Plaintiff

v.

LAWRENCE J. SALONE

Defendants

) IN THE COURT OF COMMON PLEAS OF  
) CENTRE COUNTY, PENNSYLVANIA

)

)

) CIVIL ACTION – LAW

) CONFESSION OF JUDGMENT

)

) NO. 2008-2123

**AFFIDAVIT OF DEFAULT AND BUSINESS TRANSACTION**

Rick Spinicci, being duly sworn according to law, deposes says he is Vice President for Sovereign Bank, Plaintiff, herein; that he is authorized to make this affidavit on plaintiff's behalf, that a true and correct copy of the notes containing the warrant of attorney upon which judgment is confessed are attached to the Complaint filed in this action as Exhibits "A" and "B"; that the notes constitutes business transactions between Plaintiff and Defendant; that judgment is not being confessed against individual persons in connection with a consumer credit transaction; and that Defendant is in default under the notes for the reasons set forth in the Complaint.

Sworn and subscribed before  
me this 15 day of MAY,  
2008

Wendy L. Steele  
Notary Public

My Commission Expires

SOVEREIGN BANK

By: [Signature]  
Rick Spinicci  
Vice President

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Wendy L. Steele, Notary Public  
Montoursville Boro, Lycoming County  
My Commission Expires Oct. 29, 2008  
Member, Pennsylvania Association Of Notaries

SOVEREIGN BANK

Plaintiff

v.

LAWRENCE J. SALONE

Defendants

) IN THE COURT OF COMMON PLEAS OF  
) CENTRE COUNTY, PENNSYLVANIA

)

)

) CIVIL ACTION - LAW

)

)

) NO. 2008.2123

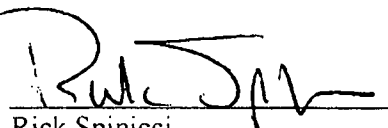
UNSWORN VERIFICATION UNDER 18 PA.C.S.A. § 4904

I verify that the statements made in the foregoing Complaint are true and correct to the best of my knowledge, information, and belief. I further verify that I am a Vice President of SOVEREIGN BANK, and that as such, I am authorized to make this Verification on its behalf. I understand that false statements herein are made subject to the penalties of 18 Pa.C.S. §4904 relating to unsworn falsification to authorities.

DATED: 5/15/08

SOVEREIGN BANK

By:



Rick Spinicci  
Vice President



SOVEREIGN BANK

Plaintiff

v.

LAWRENCE J. SALONE

Defendants

) IN THE COURT OF COMMON PLEAS OF  
) ~~CENTRE~~ COUNTY, PENNSYLVANIA  
) *Clearfield*

) CIVIL ACTION - LAW

) NO. *08-2015-CD*

**NOTICE OF ENTRY OF JUDGMENT**

To: Lawrence J. Salone  
602-9 West DuBois Avenue  
DuBois, PA 15801

You are hereby notified, as required by law, that a judgment has been filed and entered against you in the amount of \$1,682,411.71, plus ongoing interest at the total combined contractual rate of \$418.83 per diem from and after May 10, 2008 together with such other late charges and other sums as shall become due after May 14, 2008, together with costs of this action. The judgment was entered at the above term and number on October 21, 2008. You will find enclosed copies of all documents filed in this office in support of the judgment.

The name and address of the judgment creditor in this action is as follows:

Sovereign Bank  
Two Aldwyn Center  
East Lancaster Avenue and Aldwyn Lane  
Villanova, PA 19085

The name and address of the attorney for the judgment creditor in this action in the Commonwealth of Pennsylvania is as follows:

Richard J. Parks, Esq.  
Pietragallo Gordon Alfano Bosick & Raspanti, LLP  
54 Buhl Boulevard  
Sharon, PA 16146  
(724) 981-1397

Prothonotary of Clearfield County

By: *William J. Parks*

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

Sovereign Bank  
Plaintiff(s)

No.: 2008-02015-CD

Real Debt: \$1,682,411.71

Atty's Comm: \$

Vs.

Costs: \$

Int. From: \$

Lawrence J. Salone  
Defendant(s)

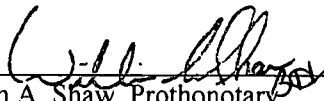
Entry: \$20.00

Instrument: Transfer of Judgment from  
Centre County

Date of Entry: October 21, 2008

Expires: October 21, 2013

Certified from the record this 21st day of October, 2008

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

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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