

After Recording Return To:



Doc ID: 001086090011 Type: GEN  
Recorded: 01/03/2007 at 11:50:08 AM  
Fee Amt: \$55.50 Page 1 of 11  
Cambria County, PA  
ANDREA FEDORE SIMS Recorder of Deeds  
File# 2007-00000027

BK 2186 PG 1017-1027

*Robert Boase*

[Space Above This Line For Recording Data]

## MORTGAGE

### DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated 12-29-06, together with all Riders to this document.

(B) "Borrower" is LANE M. LALONE and LYNE S. LALONE. Borrower is the mortgagor under this Security Instrument.

(C) "Lender" is CITIZENS NATIONAL BANK. Lender is a lending institution organized and existing under the laws of PA. Lender's address is 135 Center Street, Meyersdale, PA 15552. Lender is the mortgagee under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated 12-29-06. The Note states that Borrower owes Lender ONE HUNDRED THIRTY-FIVE THOUSAND Dollars (U.S. \$ 135,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than 12-29-11.

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- |   |   |   |
|---|---|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider              | <input type="checkbox"/> Second Home Rider        |
| <input type="checkbox"/> Balloon Rider                    | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Other(s) [specify] _____ |
| <input type="checkbox"/> 1-4 Family Rider                 | <input type="checkbox"/> Biweekly Payment Rider         |   |

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(K) "Escrow Items" mean those items that are described in Section 3.

(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for (i) damage to, or destruction of, the Property, (ii) condemnation or other taking of all or any part of the Property, (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

## TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the \_\_\_\_\_ Westmont Borough \_\_\_\_\_ of Cambria County \_\_\_\_\_.

[Name of Recording Jurisdiction]

which currently has the address of \_\_\_\_\_ 1136 Club Drive, Johnstown, PA 15905 \_\_\_\_\_  
[Street]  
\_\_\_\_\_, Pennsylvania \_\_\_\_\_ (“Property Address”):  
[City] [Zip Code]

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

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

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

**UNIFORM COVENANTS.** Borrower and Lender covenant and agree as follows:

**1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.** Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash, (b) money order, (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. **Application of Payments or Proceeds.** Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

**3. Funds for Escrow Items.** Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

**5. Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

**6. Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

**7. Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such interior inspection specifying such reasonable cause.

**8. Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

**9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to, (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured

position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

**10. Mortgage Insurance.** If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until the Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

**(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.**

**(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.**

**11. Assignment of Miscellaneous Proceeds; Forfeiture.** All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

**12. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

**13. Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

**14. Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

**15. Notices.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

**16. Governing Law; Severability; Rules of Construction.** This Security instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are



subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

**17. Borrowers Copy.** ~~Borrower shall be~~ given one copy of the Note and of this Security Instrument.

**18. Transfer of the Property or a Beneficial Interest in Borrower.** As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

**19. Borrower's Right to Reinstate After Acceleration.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash, (b) money order, (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

**20. Sale of Note; Change of Loan Servicer; Notice of Grievance.** The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

**21. Hazardous Substances.** As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the

Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise.) Lender shall notify Borrower of, among other things: (a) the default; (b) the action required to cure the default; (c) when the default must be cured; and (d) that failure to cure the default as specified may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. Lender shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured as specified, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, attorneys' fees and costs of title evidence to the extent permitted by Applicable Law.

23. Release. Upon payment of all sums secured by this Security Instrument, this Security Instrument and the estate conveyed shall terminate and become void. After such occurrence, Lender shall discharge and satisfy this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

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

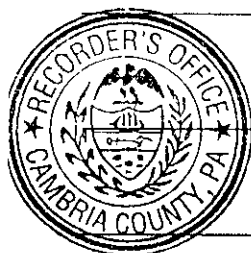
25. Reinstatement Period. Borrower's time to reinstate provided in Section 19 shall extend to one hour prior to the commencement of bidding at a sheriff's sale or other sale pursuant to this Security Instrument.

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

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

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

Witnesses:



I hereby certify that this document is recorded in the Recorder of Deeds Office of CAMBRIA COUNTY, PENNSYLVANIA

Andrea Bidone Sims

Recorder of Deeds Below This Line For Acknowledgment]

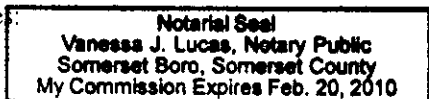
[Signature] (Seal)  
LANE M. IALONE - Borrower

[Signature] (Seal)  
LYNNE S. IALONE - Borrower

COMMONWEALTH OF PENNSYLVANIA, Somerset County ss:  
On this, the 29th day of December, 2006, before me, Vanessa J. Lucas,  
the undersigned officer, personally appeared LANE M. IALONE and LYNNE S. IALONE, husband and wife,  
known to me (or satisfactorily proven) to be the person(s) whose name(s) are  
subscribed to the within instrument and acknowledged that they executed the same  
for the purposes herein contained.

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

My commission expires:



[Signature]  
Title of Officer

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

135 Center Street, Meyersdale, PA 15552

[Signature]  
Title of Officer



## ADJUSTABLE RATE LOAN RIDER

NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

A rider is made this 29th day of December, 2006 and is incorporated into and shall be deemed to amend and supplement the Mortgage to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note: The Citizens National Bank, Meyersdale, PA (lender) the same date (the "Note") and covering the property described in the Security Instrument and located at

1136 Club Drive, Johnstown, PA 15905

Property Address

Modifications. In addition to the covenants and agreements made in the Security Instrument. Borrower and Lender further covenant and agree as follows:

### A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note has an "Initial Interest Rate" of 7.00 %. The Note interest rate may be increased or decreased beginning on December 29, 2007 and on that day of the month every year.

Changes in the interest rate are governed by changes in an interest rate index called the "Index." The index is the: monthly average yield on the U.S. Treasury Securities adjusted to a maturity of one (1) year.

The interest rate cannot be changed by more than one (1) percentage point at any Change Date.

If the interest rate changes, the amount of Borrower's monthly payments will change as provided in the Note. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments. The interest rate will not be increased more than 5% above the initial rate during the term of the loan.

### B. LOAN CHARGES

It could be that the loan secured by the Security Instrument is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan would exceed permitted limits. If this is the case, then (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (B) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by

reducing the principal owed under the Note or by making a direct payment to Borrower.

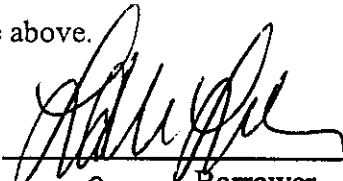
#### C. PRIOR LIENS

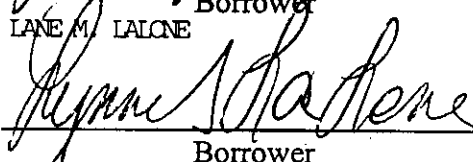
If Lender determines that all or any part of the sums secured by this Security Instrument are subject to a lien which has priority over this Security Instrument, Lender may send Borrower a notice identifying that lien. Borrower shall promptly act with regard to that lien as provided in paragraph 4 of the Security Instrument or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.

#### D. TRANSFER OF THE PROPERTY

If there is a transfer of the Property subject to paragraph 18 of the Security Instrument, Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) a change in the Base Index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 18.

By signing this, Borrower agrees to all of the above.

  
\_\_\_\_\_  
Borrower (Seal)  
LANE M. MALONE

  
\_\_\_\_\_  
Borrower (Seal)  
LYNNE S. MALONE

**Additional conditions for the Mortgage:**

Borrower shall submit to Lender annual financial information statements not later than seven (7) months after the end of its fiscal year. Such information may include, but shall not be limited to, federal and state income tax returns, profit and loss statements, annual balance sheets, income and expense statements and such other financial information as the Lender may require. Failure to comply with this covenant may be considered an act of default and, in addition, shall entitle the Lender to impose a late fee of \$100.00 per month until the desired information has been submitted.

Borrower shall promptly notify Lender in writing of any proposed changes in its organizational structure, business plan, plans for expansion or contraction of the business, change of ownership, and any other event or events which might materially change its present business model.

Borrower shall immediately notify the Lender in writing of any contingent liability or liabilities occurring after the date of this transaction, whether such is based on events prior to or after this Date.

**EXHIBIT "A" - LEGAL DESCRIPTION**

ALL THAT certain lot or piece of land situate, lying and being in Westmont Borough, formerly Lower Yoder Township, Cambria County, Pennsylvania, bounded and described as follows:

BEGINNING at a point on the westerly line of Club Drive, at the line of Lot No. 37 on the hereinafter mentioned plan; thence along line of Club Drive by a curve to the right having a radius of 254 feet, an arc distance of 90 feet to a point at line of Lot No. 39; thence along line of Lot No. 39, South 31 degrees 33' 10" West a distance of 205.27 feet to a point at line of Lot No. 82; thence along line of Lot No. 82, North 27 degrees 18' 07" West a distance of 27.13 feet to a point, corner of Lot No. 37; thence along line of Lot No. 37, North 11 degrees 15' 04" East a distance of 187.08 feet to line of Club Drive, the place of beginning. BEING Lot No. 38 on the plan of Sunnemanor laid out for Ivy Hills, Inc., by Gray and Claflin, Engineers, which said plan is recorded in Plat Book Volume 4, at page 48.

BEING the same premises conveyed unto Lane M. LaLone, a married man, by Deed of John Taormina, Jr., single, and Jeffrey Taormina and Marcy Ann Taormina, his wife, by Deed dated December 22<sup>nd</sup>, 2006, and intended to be recorded along with this Mortgage.

**Additional conditions for the Mortgage:**

Borrower shall submit to Lender annual financial information statements not later than seven (7) months after the end of its fiscal year. Such information may include, but shall not be limited to, federal and state income tax returns, profit and loss statements, annual balance sheets, income and expense statements and such other financial information as the Lender may require. Failure to comply with this covenant may be considered an act of default and, in addition, shall entitle the Lender to impose a late fee of \$100.00 per month until the desired information has been submitted.

Borrower shall promptly notify Lender in writing of any proposed changes in its organizational structure, business plan, plans for expansion or contraction of the business, change of ownership, and any other event or events which might materially change its present business model.

Borrower shall immediately notify the Lender in writing of any contingent liability or liabilities occurring after the date of this transaction, whether such is based on events prior to or after this Date.

**EXHIBIT "A" - LEGAL DESCRIPTION**

ALL THAT certain lot or piece of land situate, lying and being in Westmont Borough, formerly Lower Yoder Township, Cambria County, Pennsylvania, bounded and described as follows:

BEGINNING at a point on the westerly line of Club Drive, at the line of Lot No. 37 on the hereinafter mentioned plan; thence along line of Club Drive by a curve to the right having a radius of 254 feet, an arc distance of 90 feet to a point at line of Lot No. 39; thence along line of Lot No. 39, South 31 degrees 33' 10" West a distance of 205.27 feet to a point at line of Lot No. 82; thence along line of Lot No. 82, North 27 degrees 18' 07" West a distance of 27.13 feet to a point, corner of Lot No. 37; thence along line of Lot No. 37, North 11 degrees 15' 04" East a distance of 187.08 feet to line of Club Drive, the place of beginning. BEING Lot No. 38 on the plan of Sunnemanor laid out for Ivy Hills, Inc., by Gray and Claflin, Engineers, which said plan is recorded in Plat Book Volume 4, at page 48.

BEING the same premises conveyed unto Lane M. LaLone, a married man, by Deed of John Taormina, Jr., single, and Jeffrey Taormina and Marcy Ann Taormina, his wife, by Deed dated December \_\_\_\_\_, 2006, and intended to be recorded along with this Mortgage.

ADJUSTABLE RATE NOTE

NOTICE TO BORROWER: THIS NOTE CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

December 29, 2006 Somerset Pennsylvania  
City State  
1136 Club Drive, Johnstown, PA 15905  
Property Address City State Zip Code

1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 135,000.00 (this amount will be called "principal"), plus interest, to the order of the Lender. The Lender is THE CITIZENS NATIONAL BANK  
Meyersdale, PA 15552

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder."

2. INTEREST

Interest will be charged on that part of outstanding principal which has not been paid. Interest will be charged beginning on the date I receive the principal and continue until the full amount of principal I receive has been paid.

Beginning on the date of this Note, I will pay interest at a yearly rate of 7.00 % (the "Initial Interest Rate"). The interest rate that I will pay will change in accordance with Section 4 of this Note until my loan is paid. Interest rate changes may occur on the 29th day of the month beginning on December 29, 2007 and on that day of the month every 12 months thereafter. Each date on which the rate of interest may change will be called a "Change Date."

3. PAYMENTS

(A) Time and Place of Payments

I will pay principal and interest by making payments every month. I will make my monthly payments on the day of each month beginning on January 29, 2007. I will make these payments until I have paid all of the principal and interest and any other charges described below, that I may owe under this Note. I will pay all sums that I owe under this Note no later than December 29, 2026 (the "Final Payment Date").

I will make my monthly payments at P.O. Box 29, Meyersdale, PA 15552 or at a different place if required by the Note Holder.

(B) Borrower's Payments Before They Are Due

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so. I may make a full prepayment or a partial prepayment without paying any penalty. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no delays in the due dates of my monthly payments, unless the Note Holder agrees in writing to those delays. My partial prepayment will reduce the amount of my monthly payments after the first Change Date following my partial prepayment. However, any reduction due to my partial prepayment may be offset by an interest rate increase.

(C) Amount of Monthly Payments

My initial monthly payments will be in the amount of U.S. \$ 1,046.65. If the interest rate that I pay changes, the amount of my monthly payments will change. Increases in the interest rate will result in higher payments (unless my prepayments since the last Change Date offset the increases in my monthly payments). Decreases in the interest rate will result in lower payments. The amount of my monthly payments will always be sufficient to repay my loan in full in substantially equal payments by the final payment date. In setting the monthly payment amount on each Change Date, the Note Holder will assume that the Note interest rate will not change again prior to the final payment date.

#### 4. INTEREST RATE CHANGES

##### (A) The Index

Any changes in the interest rate will be based on changes in an interest rate index which will be called the "Index." The Index is the: *[Check one box to indicate Index.]*

(1) ☐ \* "Contract Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major Types of Lenders" published by the Federal Home Loan Bank Board.

(2) ☒ Monthly Average Yield on United States Treasury Securities adjusted to a constant maturity of one (1) year as made available by the Federal Reserve Board.

If the Index ceases to be made available by the publisher, or by any successor to the publisher, the Note Holder will set the Note interest rate by using a comparable index.

##### (B) Setting the New Interest Rate

To set the new interest rate, the Note Holder will determine the change between the Base Index figure and the Current Index figure. The Base Index figure is .....5.01..... . The Current Index figure is the most recent Index figure available .....35..... days prior to each Change Date. If the amount of the change is less than one-quarter of one percentage point, the change will be rounded to zero. If the amount of the change is one-quarter of one percentage point or more, the Note Holder will round the amount of the change to the nearest one-quarter of one percentage point.

If the Current Index figure is larger than the Base Index figure, the Note Holder will add the rounded amount of the change to the Initial Interest Rate. If the Current Index figure is smaller than the Base Index figure, the Note Holder will subtract the rounded amount of the change from the Initial Interest Rate. The result of this addition or subtraction will be the preliminary rate. If there is no change between the Base Index figure and the Current Index figure after rounding, the Initial Interest Rate will be the preliminary rate.

*[Check the appropriate box(es) to indicate whether there is any maximum limit on interest rate changes and/or limits on the interest rate under this Note; if no box is checked, there will be no maximum limit on changes and no limits on the interest rate.]*

(1) ☐ If this box is checked, there will be no maximum limit on changes in the interest rate up or down. The preliminary rate will be the new interest rate.

(2) ☒ If this box is checked, the interest rate will not be changed by more than ...one..... percentage points on any Change Date. The Note Holder will adjust the preliminary rate so that the change in the interest rate will not be more than that limit. The new interest rate will equal the figure that results from this adjustment of the preliminary rate.

The interest rate will never be more than 12.00 % or less than 2.00 %.

##### (C) Effective Date of Changes

Each new interest rate will become effective on the next Change Date. If my monthly payment changes as a result of a change in the interest rate, my monthly payment will change as of the first monthly payment date after the Change Date.

##### (D) Notice to Borrower

The Note Holder will mail me timely notice as required by law if the interest rate is to change. The notice will advise me of:

- (i) the new interest rate on my loan;
- (ii) the amount of my new monthly payment; and
- (iii) any additional matters which the Note Holder is required to disclose.

#### 5. BORROWER'S FAILURE TO PAY AS REQUIRED

##### (A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any of my monthly payments by the end of .....15..... calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be .....6..... % of my overdue payment of principal and interest. I will pay this late charge only once on any late payment.

##### (B) Default

If I do not pay the full amount of each monthly payment by the date stated in Section 3(A) above, I will be in Default.

##### (C) Notice From Note Holder

If I am in Default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me.

Even if, at a time when I am in Default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in Default at a later time.



**(D) Payment of Note Holder's Costs and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all its reasonable costs and expenses to the extent not prohibited by applicable law. Those expenses may include, for example, reasonable attorneys' fees.

**6. WAIVERS**

Anyone who signs this Note to transfer it to someone else (known as an "endorser") waives certain rights. Those rights are (A) the right to require the Note Holder to demand payment of amounts due (known as "presentment") and (B) the right to require the Note Holder to give notice that amounts due have not been paid (known as "notice of dishonor").

**7. GIVING OF NOTICES**

Except for the notice provided in Section 4(D), any notice that must be given to me under this Note will be given by mailing it by certified mail. All notices will be addressed to me at the Property Address above. Notices will be mailed to me at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by certified mail to the Note Holder at the address stated in Section 3(A) above. Notices will be mailed to the Note Holder at a different address if I am given a notice of that different address.

**8. RESPONSIBILITY OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each of us is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any guarantor, surety, or endorser of this Note is also obligated to do these things. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

Any person who takes over my rights or obligations under this Note will have all of my rights and must keep all of my promises made in this Note. Any person who takes over the rights or obligations of a guarantor, surety, or endorser of this Note is also obligated to keep all of the promises made in this Note.

**9. LOAN CHARGES**

It could be that this loan is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with this loan would exceed permitted limits. If this is the case, then: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (B) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

**10. THIS NOTE SECURED BY A MORTGAGE**

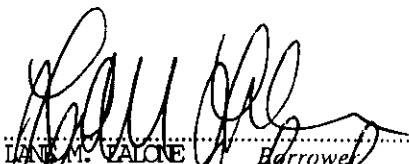
In addition to the protections given to the Note Holder under this Note, a Mortgage, dated December 29, 2006, ..... protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Mortgage describes how and under what conditions I may be required to make immediate payment in full of all amounts that I owe under this Note. One of those conditions relates to any transfer of the property covered by the Mortgage. In that regard, the Mortgage provides in paragraph 17:

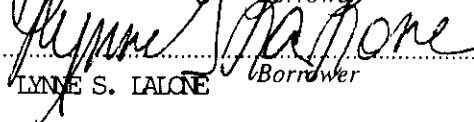
"17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower Notice of Acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower must pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof."

An Adjustable Rate Loan Rider supplements the Mortgage and provides:

"If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) a change in the Base Index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 17."

  
..... (Seal)  
LANE M. VALONE Borrower

  
..... (Seal)  
LYNNE S. VALONE Borrower

..... (Seal)  
Borrower  
(Sign Original Only)

**ALLONGE TO THE NOTE**

LOAN#:

Previous Loan #: 20011671

Borrower: Lane M Lalone, Lynne S Lalone

Date of Note: 12/29/2006

Original Loan Amount: \$135,000.00

Property Address or Description: 1136 Club Dr. Johnstown, PA 15905

For value received, I hereby transfer, endorse and assign the within Note and Deed of Trust / Mortgage securing the same, so far as the same pertains to said Note.

Pay to the order of: **SRP 2013-5, LLC**, Without Recourse

**Citizens National Bank of Meyersdale**

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_



TIMOTHY E. WALTERS

PRESIDENT

**Recording Requested by &  
When Recorded Return To:**  
Richmond Monroe Group  
PO Box 458  
Kimberling City, MO 65686  
SRP- 2013-5

---

**CORPORATE ASSIGNMENT OF MORTGAGE**

Seller's Loan #: 20011671  
Date of Assignment: June 21, 2013  
Assignor: CITIZENS NATIONAL BANK OF MEYERSDALE  
Assignee: SRP 2013-5, LLC

I hereby certify the precise address of the within named Assignor is 135 Center Street, Meyersdale, PA 15552.

I hereby certify the precise address of the within named Assignee is 4 Research Dr., 4<sup>th</sup> Floor, Shelton, CT 06484.

Executed By: CITIZENS NATIONAL BANK OF MEYERSDALE To: SRP 2013-5, LLC  
Date of Mortgage: December 29, 2006 Recorded: January 3, 2007 in Book/Reel/Liber: 2186  
Page/Folio: 1017 as Instrument No.: 1086090011 in the County of Cambria, State of Pennsylvania  
Property Address: 1136 Club Dr. Johnstown, PA 15905, in the Township of Westmont Borough

I do certify that the precise address of **SRP 2013-5**, LLC is 4 Research Dr, 4<sup>th</sup> Floor, Shelton CT 06484  
Attested By: S.F.

KNOW ALL MEN BY THESE PRESENTS, that for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the said Assignor hereby assigns unto the above-named Assignee, the said Mortgage having an original principal sum of \$135,000.00 with interest, secured thereby, with all moneys now owing or that may hereafter become due or owing in respect thereof, and the full benefit of all the powers and of all the covenants and provisos therein contained, and the said assignor hereby grants and conveys unto the said assignee, the assignor's beneficial interest under the Security Instrument.

TO HAVE AND TO HOLD the said Security Instrument, and the said property unto the said assignee forever, subject to the terms contained in said Security Instrument.

CITIZENS NATIONAL BANK OF MEYERSDALE

On 6/21/13

By: [Signature]

PRESIDENT

STATE OF PENNSYLVANIA

COUNTY OF ~~CAMBRIA~~ Somerset

On June 21, 2013, before me, Charlotte L. Clark, a Notary Public in and for Somerset County in the State of PA, personally appeared Timothy E. Walters of Citizens National Bank, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

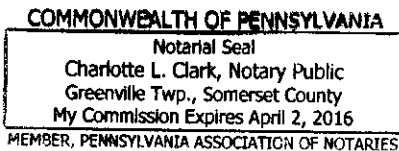
WITNESS my hand and official seal,

[Signature]

Name: Charlotte L. Clark

Notary Expires: 4-2-16

(Seal)



**ROBERT I. BOOSE, II, ESQ.**  
**FINAL**  
**CERTIFICATE OF TITLE**

**TO: THE CITIZENS NATIONAL BANK**  
**P. O. BOX 29**  
**MEYERSDALE, PENNSYLVANIA 15552-0029**

**PROPOSED MORTGAGOR: LANE M. LALONE AND LYNNE S. LALONE**  
**HUSBAND AND WIFE**

**PREMISES: ALL THAT CERTAIN PIECE OR PARCEL OF LAND SITUATE**  
**LOWER YODER TOWNSHIP, CAMBRIA COUNTY,**  
**PENNSYLVANIA, MORE FULLY BOUNDED AND DESCRIBED**  
**IN THE OFFICE OF THE RECORDER OF DEEDS OF CAMBRIA**  
**COUNTY, IN DEED BOOK VOLUME 2186, AT PAGE 1013.**

From examination of the records of the title to the above-described premises for the past forty (40) years, dating back from the date of this Certificate, we certify that, in our opinion, and to the extent the records examined are accurate, the same is good and marketable as set forth in your Mortgage for \$135,000.00, dated December 29, 2006, and recorded in the Recorder of Deeds Office at Cambria Pennsylvania, on January 3, 2007, in Record Book Volume 2186, at Page 1017, and that said mortgage constitutes a valid first lien on the premises, subject to the following encumbrances and other matters:

**MORTGAGES**

<u>MORTGAGOR</u>	<u>MORTGAGEE</u>	<u>RECORDED</u>	<u>R.B. VOL.</u>	<u>PAGE</u>	<u>AMOUNT</u>
[EXCEPT AS RECITED ABOVE]					



**JUDGMENTS**

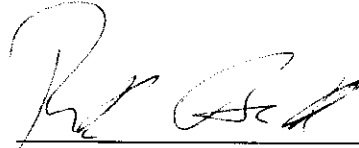
<u>DEFENDANT</u>	<u>PLAINTIFF</u>	<u>DATE OF ENTRY</u>	<u>NUMBER</u>	<u>AMOUNT</u>
[NONE OF RECORD]				

**OTHER OBJECTIONS**

1. There are no delinquent taxes returned to the Tax Claim Bureau.
2. Taxes, municipal claims, and other claims or liens not filed of record in the Courthouse of Cambria County are specifically excluded from this Certificate.
3. This Certificate does not certify to the location or quantity of land, the accuracy of lot lines, nor to the fact that any buildings on the land are within lot lines, to the location or right-of-way widths of any public roads, nor to any other matters not filed of record and indexed in the general indexes of the various offices in the Cambria County Courthouse.
4. This Certificate is good only to the party to which it is addressed and may not be assigned. Further, it is issued subject to all rights of persons who may be in possession under lease, or title, or claim of title, not of record, and to any matter which could be discovered by inspection of the premises.
5. This Certificate does not certify to the effects of zoning or other regulatory legislation affecting the premises or the conveyance thereof, including, but not limited to, the possible designation of the premises as a Wetlands Area by any governmental authority, or the designation of the premises as included with an Agricultural Security Area by any governmental entity, or regarding the availability of sewage facilities to serve the subject premises or the availability of a water source to serve the subject premises, or regarding the disposal of "hazardous waste", as that term is defined by the Pennsylvania law, upon or beneath the subject premises.
6. If any improvements have been made to the subject premises within the last four (4) months, this Certificate does not certify as to the right of any contractor or material supplier to perfect or attempt to perfect a mechanic's lien or materialman's lien, unless a legally effective Waiver of Right to File Lien or Release of Mechanic's Lien is filed of record.

7. This Certificate does not certify the existence or extent of coal, oil, gas or other minerals, mining or exploration rights, or the obligations of support and liability for damages arising from the exercise of any mining or exploration rights.
8. Subject to the legal operation and effect of the plan notes, easements, conditions and encumbrances as shown on the Plan of Sunnemanor laid out for Ivy Hills, Inc., by Gray and Claflin, Engineers, which said plan is recorded in Plat Book Volume 4, at page 48.
9. UNDER and SUBJECT to a right of way dated October 22, 1957, and recorded May 6, 1958, in the office of the Recorder of Deeds of Cambria County in Deed Book Volume 713, at page 106.
10. UNDER and SUBJECT to a right of way dated May 6, 1958, and recorded June 7, 1958, in the office of the Recorder of Deeds of Cambria County in Deed Book Volume 713, at page 196..

Date: January 3, 2007



---

Robert I. Boose, II, Esq.



20011167

ER INSURANCE EXCHANGE  
DWELLING PROPERTY/LIAB INSURANCE

AMENDED DECLARATIONS 01 \*\* EFF 03/01/13

THIS CHANGE DOES NOT SUPERSEDE THE CANCELLATION

NOTICE WHICH IS EFF 03/02/13 \*

REASON FOR AMENDMENT - ELIMINATED 2ND MORTGAGEE ON UNIT 1

AGENT	ITEM 2. POLICY PERIOD	POLICY NUMBER
AA6341 JOHN F SEBAK	12/27/12 TO 12/27/13	Q24 2700956 P
ITEM 1. NAMED INSURED AND ADDRESS		ITEM 3. OTHER INTEREST

LANE LALONE &  
LYNN LALONE  
1116 FALL RUN RD  
ROCKWOOD PA 15557-8131

CITIZENS NATIONAL BANK  
P O BOX 29  
MEYERSDALE PA 15552-0029

AGENT - JOHN F SEBAK

1601 FREEPORT RD

AGENT PHONE - (724) 226-2942

NATRONA HEIGHTS PA 15065

COVERAGE BEGINS AND ENDS AT 12.00 NOON STANDARD TIME AT THE DESCRIBED LOCATION.

UNIT 1 - THE PROPERTY INSURED BY THIS POLICY IS LOCATED AT  
1136 CLUB DRIVE, JOHNSTOWN, CAMBRIA CO, PA 15905.

COVERAGES	LIMITS OF LIAB
DWELLING (COV A)	\$196,500

DEDUCTIBLE AMOUNT IS \$ 500 AT ABOVE LOCATION.

MORTGAGEE - UNIT 1  
CITIZENS NATIONAL BANK  
P O BOX 29  
MEYERSDALE PA 15552-0029

## NONDISCLOSURE STATEMENT

THE WITHIN POLICYHOLDER INSURANCE INFORMATION IS THE NAMED INSURER'S CONFIDENTIAL AND PROPRIETARY INFORMATION. IT IS DISCLOSED TO YOU IN CONFIDENCE AND ONLY AT THE REQUEST OF THE POLICYHOLDER TO CONFIRM POLICYHOLDER'S INSURANCE COVERAGE. YOU ARE NOT AUTHORIZED TO DISCLOSE THIS INFORMATION OR TO USE IT FOR ANY OTHER PURPOSE.

ANY UNAUTHORIZED USE OR DISCLOSURE OF THIS INFORMATION IS IMPROPER, AN INTENTIONAL INTERFERENCE WITH THE CONTRACTUAL RELATIONSHIP BETWEEN THIS POLICYHOLDER AND THIS NAMED INSURER, AND VIOLATIVE OF FEDERAL AND STATE LAW. IF YOU BREACH THE TERMS PURSUANT TO WHICH THIS DISCLOSURE IS MADE, THE INSURER WILL PURSUE ALL APPROPRIATE CIVIL, CRIMINAL AND EQUITABLE REMEDIES.

000044

CP AGTAMM 03/01/13

Erie  
Insurance  
Group100 Erie Ins. Pl  
Erie, PA 16530

20011671

ERIE I URANCE EXCHANGE  
DWELLING PROPERTY/LIAB INSURANCE

## RENEWAL CERTIFICATE

AGENT

ITEM 2. POLICY PERIOD

POLICY NUMBER

AA6341 JOHN F. SEBAK

12/27/11 TO 12/27/12 Q24 2700956 P

ITEM 1. NAMED INSURED AND ADDRESS

ITEM 3. OTHER INTEREST

LANE LALONE &  
LYNN LALONE  
1116 FALL RUN RD  
ROCKWOOD PA 15557-8131CITIZENS NATIONAL BANK  
P O BOX 29  
MEYERSDALE PA 15552-0029

AGENT - JOHN F. SEBAK

1601 FREEPORT RD

\*\*\*\*\*

AGENT PHONE - (724) 226-2942

NATRONA HEIGHTS PA 15065

COVERAGE BEGINS AND ENDS AT 12.00 NOON STANDARD TIME AT THE DESCRIBED LOCATION.

UNIT 1 - THE PROPERTY INSURED BY THIS POLICY IS LOCATED AT  
1136 CLUB DRIVE, JOHNSTOWN, CAMBRIA CO, PA 15905.COVERAGES LIMITS OF LIAB  
DWELLING (COV A) \$190,500MORTGAGEE - UNIT 1  
CITIZENS NATIONAL BANK  
P O BOX 29  
MEYERSDALE PA 15552-0029SECOND MORTGAGEE - UNIT 1  
FIRST SUMMIT BANK  
125 DONALD LANE  
P O BOX 5480  
JOHNSTOWN PA 15904-2829

## NONDISCLOSURE STATEMENT


THE WITHIN POLICYHOLDER INSURANCE INFORMATION IS THE NAMED INSURER'S CONFIDENTIAL AND PROPRIETARY INFORMATION. IT IS DISCLOSED TO YOU IN CONFIDENCE AND ONLY AT THE REQUEST OF THE POLICYHOLDER TO CONFIRM POLICYHOLDER'S INSURANCE COVERAGE. YOU ARE NOT AUTHORIZED TO DISCLOSE THIS INFORMATION OR TO USE IT FOR ANY OTHER PURPOSE.

ANY UNAUTHORIZED USE OR DISCLOSURE OF THIS INFORMATION IS IMPROPER, AN INTENTIONAL INTERFERENCE WITH THE CONTRACTUAL RELATIONSHIP BETWEEN THIS POLICYHOLDER AND THIS NAMED INSURER, AND VIOLATIVE OF FEDERAL AND STATE LAW. IF YOU BREACH THE TERMS PURSUANT TO WHICH THIS DISCLOSURE IS MADE, THE INSURER WILL PURSUE ALL APPROPRIATE CIVIL, CRIMINAL AND EQUITABLE REMEDIES.

001244

WFS

11/12/11

DEPARTMENT OF HOMELAND SECURITY		FEDERAL EMERGENCY MANAGEMENT AGENCY		See the attached instructions	O.M.B. No. 1660-0040 Expires December 31, 2011
STANDARD FLOOD HAZARD DETERMINATION					
SECTION I - LOAN INFORMATION					
1. LENDER NAME AND ADDRESS:		2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal description may be attached):			
<b>LPS Acct #:</b> 100-0190-686 <b>Address:</b> THE CITIZENS NATIONAL BK - PORT 135 CENTER ST POX BOX 29 MEYERSDALE, PA 15552  <b>Phone:</b> (814) 634-5941 <b>Fax:</b> (814) 634-0052  <b>Loan Officer/Processor:</b>  <b>Delivery Method:</b> COM PDF SERVER - Pdf Print		<b>Borrower:</b> Lalone, Lane <b>Determination Address:</b> 1136 CLUB DR JOHNSTOWN, PA 15905 CAMBRIA COUNTY  APN/Tax ID:  Lot: Block: Phase:  Subdivision:  Section: Township: Range:  <b>Requested Address:</b> 1136 CLUB DR JOHNSTOWN, PA 15905			
3. LENDER I.D. NUMBER: 7919		4. LOAN IDENTIFIER: 20011671		5. AMOUNT OF FLOOD INSURANCE REQUIRED (optional):	
SECTION II					
A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION					
1. NFIP Community Name		2. County(ies)		3. State	4. NFIP Community Number
WESTMONT, BOROUGH OF		CAMBRIA COUNTY		PA	421139
B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING / MOBILE HOME					
1. NFIP Map Number or Community-Panel Number (Community Name, if not the same as "A")	2. NFIP Map Panel Effective / Revised Date	3. LOMA / LOMR	4. Flood Zone	5. No NFIP Map	
42021C0379D	June 19, 2012	Yes _____ Date _____	X		
C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)					
1. <input checked="" type="checkbox"/> Federal flood insurance is available (community participates in NFIP). <input checked="" type="checkbox"/> Regular Program <input type="checkbox"/> Emergency Program of NFIP 2. <input type="checkbox"/> Federal flood insurance is not available because community is not participating in the NFIP. 3. <input type="checkbox"/> Building / Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA). Federal flood insurance may not be available. CBRA/OPA designation date: _____					
D. DETERMINATION					
<b>IS BUILDING / MOBILE HOME IN A SPECIAL FLOOD HAZARD AREA (ZONES CONTAINING THE LETTERS "A" OR "V")?</b> <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, flood insurance is required by the Flood Disaster Protection Act of 1973. If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.					
E. COMMENTS (Optional)		HMDA Information		Compliance Quick Check	
LIFE OF LOAN DETERMINATION		State: 42 County: 021 MSA: MSA/MD: CT: 0113.00 BNA:		Is Flood Insurance Required? <u>NO</u>	
				Is NFIP Insurance Available? <u>YES</u>	
This flood determination is provided solely for the use and benefit of the entity named in Section 1, Box 1 in order to comply with the 1994 Reform Act and may not be used or relied upon by any other entity or individual for any purpose, including, but not limited to deciding whether to purchase a property or determining the value of a property.					
This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and any other information needed to locate the building / mobile home on the NFIP map.					
F. PREPARER'S INFORMATION (If other than Lender):				LPS ORDER NUMBER:	
NAME, ADDRESS, TELEPHONE NUMBER:				210-0201-462	
 <b>LPS National Flood</b> 1521 N Cooper St Fourth Floor Arlington, TX 76011-5942 Phone: 1.800.833.6347 Fax: 1.800.662.6347				DATE OF DETERMINATION:	
				1/22/2013 11:28:00 AM	



20011671

ER INSURANCE EXCHANGE  
DWELLING PROPERTY/LIAB INSURANCE

## RENEWAL CERTIFICATE

AGENT	ITEM 2. POLICY PERIOD	POLICY NUMBER
AA6341 JOHN F. SEBAK	12/27/12 TO 12/27/13	Q24 2700956 P
ITEM 1. NAMED INSURED AND ADDRESS	ITEM 3. OTHER INTEREST	

LANE LALONE &  
LYNN LALONE  
1116 FALL RUN RD  
ROCKWOOD PA 15557-8131CITIZENS NATIONAL BANK  
P O BOX 29  
MEYERSDALE PA 15552-0029AGENT - JOHN F. SEBAK  
\*\*\*\*\*

1601 FREEPORT RD

AGENT PHONE - (724) 226-2942

NATRONA HEIGHTS PA 15065

COVERAGE BEGINS AND ENDS AT 12.00 NOON STANDARD TIME AT THE DESCRIBED LOCATION.

UNIT 1 - THE PROPERTY INSURED BY THIS POLICY IS LOCATED AT  
1136 CLUB DRIVE, JOHNSTOWN, CAMBRIA CO, PA 15905.COVERAGES LIMITS OF LIAB  
DWELLING (COV A) \$196,500

DEDUCTIBLE AMOUNT IS \$ 500 AT ABOVE LOCATION.

MORTGAGEE - UNIT 1  
CITIZENS NATIONAL BANK  
P O BOX 29  
MEYERSDALE PA 15552-0029SECOND MORTGAGEE - UNIT 1  
FIRST SUMMIT BANK  
125 DONALD LANE  
P O BOX 5480  
JOHNSTOWN PA 15904-2829

## NONDISCLOSURE STATEMENT

THE WITHIN POLICYHOLDER INSURANCE INFORMATION IS THE NAMED INSURER'S CONFIDENTIAL AND PROPRIETARY INFORMATION. IT IS DISCLOSED TO YOU IN CONFIDENCE AND ONLY AT THE REQUEST OF THE POLICYHOLDER TO CONFIRM POLICYHOLDER'S INSURANCE COVERAGE. YOU ARE NOT AUTHORIZED TO DISCLOSE THIS INFORMATION OR TO USE IT FOR ANY OTHER PURPOSE.

ANY UNAUTHORIZED USE OR DISCLOSURE OF THIS INFORMATION IS IMPROPER, AN INTENTIONAL INTERFERENCE WITH THE CONTRACTUAL RELATIONSHIP BETWEEN THIS POLICYHOLDER AND THIS NAMED INSURER, AND VIOLATIVE OF FEDERAL AND STATE LAW. IF YOU BREACH THE TERMS PURSUANT TO WHICH THIS DISCLOSURE IS MADE, THE INSURER WILL PURSUE ALL APPROPRIATE CIVIL, CRIMINAL AND EQUITABLE REMEDIES.

001887

WFS

11/17/12



## ADJUSTABLE RATE NOTE

**NOTICE TO BORROWER: THIS NOTE CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.**

December 29, 2006 Somerset Pennsylvania  
City State  
1136 Club Drive, Johnstown, Pennsylvania 15905  
Property Address City State Zip Code

### 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 135,000.00 (this amount will be called "principal"), plus interest, to the order of the Lender. The Lender is THE CITIZENS NATIONAL BANK  
Meyersdale, PA 15552

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder."

### 2. INTEREST

Interest will be charged on that part of outstanding principal which has not been paid. Interest will be charged beginning on the date I receive the principal and continue until the full amount of principal I receive has been paid.

Beginning on the date of this Note, I will pay interest at a yearly rate of 7.00 % (the "Initial Interest Rate"). The interest rate that I will pay will change in accordance with Section 4 of this Note until my loan is paid. Interest rate changes may occur on the 29 day of the month beginning on December 29, 2007, and on that day of the month every 12 months thereafter. Each date on which the rate of interest may change will be called a "Change Date."

### 3. PAYMENTS

#### (A) Time and Place of Payments

I will pay principal and interest by making payments every month. I will make my monthly payments on the 28th day of each month beginning on January 29, 2007. I will make these payments until I have paid all of the principal and interest and any other charges described below, that I may owe under this Note. I will pay all sums that I owe under this Note no later than December 2026 (the "Final Payment Date"). I will make my monthly payments at Citizens National Bank, 135 Center Street, Meyersdale, PA 15552 or at a different place if required by the Note Holder.

#### (B) Borrower's Payments Before They Are Due

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so. I may make a full prepayment or a partial prepayment without paying any penalty. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no delays in the due dates of my monthly payments, unless the Note Holder agrees in writing to those delays. My partial prepayment will reduce the amount of my monthly payments after the first Change Date following my partial prepayment. However, any reduction due to my partial prepayment may be offset by an interest rate increase.

#### (C) Amount of Monthly Payments

My initial monthly payments will be in the amount of U.S. \$ 1,046.65. If the interest rate that I pay changes, the amount of my monthly payments will change. Increases in the interest rate will result in higher payments (unless my prepayments since the last Change Date offset the increases in my monthly payments). Decreases in the interest rate will result in lower payments. The amount of my monthly payments will always be sufficient to repay my loan in full in substantially equal payments by the final payment date. In setting the monthly payment amount on each Change Date, the Note Holder will assume that the Note interest rate will not change again prior to the final payment date.

#### 4. INTEREST RATE CHANGES

##### (A) The Index

Any changes in the interest rate will be based on changes in an interest rate index which will be called the "Index." The Index is the: *[Check one box to indicate Index.]*

(1) ☐ \* "Contract Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major Types of Lenders" published by the Federal Home Loan Bank Board.

(2) ☒ \* Monthly Average Yield on United States Treasury Securities adjusted to a constant maturity of one (1) year as made available by the Federal Reserve Board.

If the Index ceases to be made available by the publisher, or by any successor to the publisher, the Note Holder will set the Note interest rate by using a comparable index.

##### (B) Setting the New Interest Rate

To set the new interest rate, the Note Holder will determine the change between the Base Index figure and the Current Index figure. The Base Index figure is 5.01. The Current Index figure is the most recent Index figure available 35 days prior to each Change Date. If the amount of the change is less than one-quarter of one percentage point, the change will be rounded to zero. If the amount of the change is one-quarter of one percentage point or more, the Note Holder will round the amount of the change to the nearest one-quarter of one percentage point.

If the Current Index figure is larger than the Base Index figure, the Note Holder will add the rounded amount of the change to the Initial Interest Rate. If the Current Index figure is smaller than the Base Index figure, the Note Holder will subtract the rounded amount of the change from the Initial Interest Rate. The result of this addition or subtraction will be the preliminary rate. If there is no change between the Base Index figure and the Current Index figure after rounding, the Initial Interest Rate will be the preliminary rate.

*[Check the appropriate box(es) to indicate whether there is any maximum limit on interest rate changes and/or limits on the interest rate under this Note; If no box is checked, there will be no maximum limit on changes and no limits on the interest rate.]*

(1) ☐ If this box is checked, there will be no maximum limit on changes in the interest rate up or down. The preliminary rate will be the new interest rate.

(2) ☒ If this box is checked, the interest rate will not be changed by more than one percentage points on any Change Date. The Note Holder will adjust the preliminary rate so that the change in the interest rate will not be more than that limit. The new interest rate will equal the figure that results from this adjustment of the preliminary rate.

The interest rate will never be more than 12.00 % or less than 2.00 %.

##### (C) Effective Date of Changes

Each new interest rate will become effective on the next Change Date. If my monthly payment changes as a result of a change in the interest rate, my monthly payment will change as of the first monthly payment date after the Change Date.

##### (D) Notice to Borrower

The Note Holder will mail me timely notice as required by law if the interest rate is to change. The notice will advise me of:

- (i) the new interest rate on my loan;
- (ii) the amount of my new monthly payment; and
- (iii) any additional matters which the Note Holder is required to disclose.

#### 5. BORROWER'S FAILURE TO PAY AS REQUIRED

##### (A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any of my monthly payments by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 6.00 % of my overdue payment of principal and interest. I will pay this late charge only once on any late payment.

##### (B) Default

If I do not pay the full amount of each monthly payment by the date stated in Section 3(A) above, I will be in Default.

##### (C) Notice From Note Holder

If I am in Default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me.

Even if, at a time when I am in Default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in Default at a later time.

*\*If more than one box is checked or if no box is checked, and Lender and Borrower do not otherwise agree in writing, the first index named will apply.*

**(D) Payment of Note Holder's Costs and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all its reasonable costs and expenses to the extent not prohibited by applicable law. Those expenses may include, for example, reasonable attorneys' fees.

**6. WAIVERS**

Anyone who signs this Note to transfer it to someone else (known as an "endorser") waives certain rights. Those rights are (A) the right to require the Note Holder to demand payment of amounts due (known as "presentment") and (B) the right to require the Note Holder to give notice that amounts due have not been paid (known as "notice of dishonor").

**7. GIVING OF NOTICES**

Except for the notice provided in Section 4(D), any notice that must be given to me under this Note will be given by mailing it by certified mail. All notices will be addressed to me at the Property Address above. Notices will be mailed to me at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by certified mail to the Note Holder at the address stated in Section 3(A) above. Notices will be mailed to the Note Holder at a different address if I am given a notice of that different address.

**8. RESPONSIBILITY OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each of us is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any guarantor, surety, or endorser of this Note is also obligated to do these things. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

Any person who takes over my rights or obligations under this Note will have all of my rights and must keep all of my promises made in this Note. Any person who takes over the rights or obligations of a guarantor, surety, or endorser of this Note is also obligated to keep all of the promises made in this Note.

**9. LOAN CHARGES**

It could be that this loan is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with this loan would exceed permitted limits. If this is the case, then: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (B) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

**10. THIS NOTE SECURED BY A MORTGAGE**

In addition to the protections given to the Note Holder under this Note, a Mortgage, dated ~~December~~ 29, 2006, ..... protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Mortgage describes how and under what conditions I may be required to make immediate payment in full of all amounts that I owe under this Note. One of those conditions relates to any transfer of the property covered by the Mortgage. In that regard, the Mortgage provides in paragraph 17:

"17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower Notice of Acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower must pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof."

"If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) a change in the Base Index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 17."

Lynne S. Lalone      Borrower      (Seal)

..... (Seal)  
**Borrower**  
*(Sign Original Only)*

### ADJUSTABLE RATE LOAN RIDER

NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

A rider is made this 29th day of December 2006 and is incorporated into and shall be deemed to amend and supplement the Mortgage to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note: The Citizens National Bank, Meyersdale, PA (lender) the same date (the "Note") and covering the property described in the Security Instrument and located at  
1136 Club Drive, Johnstown, Pennsylvania 15905

Property Address

Modifications. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

#### A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note has an "Initial Interest Rate" of 7.00 %. The Note interest rate may be increased or decreased beginning on December 29 2007 and on that day of the month every year.

Changes in the interest rate are governed by changes in an interest rate index called the "Index." The index is the: monthly average yield on the U.S. Treasury Securities adjusted to a maturity of one (1) year.

The interest rate cannot be changed by more than one (1) percentage point at any Change Date.

If the interest rate changes, the amount of Borrower's monthly payments will change as provided in the Note. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments. The interest rate will not be increased more than 5% above the initial rate during the term of the loan.

#### B. LOAN CHARGES

It could be that the loan secured by the Security Instrument is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan would exceed permitted limits. If this is the case, then (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (B) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by

reducing the principal owed under the Note or by making a direct payment to Borrower.

### C. PRIOR LIENS

If Lender determines that all or any part of the sums secured by this Security Instrument are subject to a lien which has priority over this Security Instrument, Lender may send Borrower a notice identifying that lien. Borrower shall promptly act with regard to that lien as provided in paragraph 4 of the Security Instrument or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.

### D. TRANSFER OF THE PROPERTY

If there is a transfer of the Property subject to paragraph 18 of the Security Instrument, Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) a change in the Base Index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 18.

By signing this, Borrower agrees to all of the above.

\_\_\_\_\_(SEAL)  
Lane M. Lalone

\_\_\_\_\_(SEAL)  
Lynne S. Lalone



**Additional conditions for the Mortgage:**

Borrower shall submit to Lender annual financial information statements not later than seven (7) months after the end of its fiscal year. Such information may include, but shall not be limited to, federal and state income tax returns, profit and loss statements, annual balance sheets, income and expense statements and such other financial information as the Lender may require. Failure to comply with this covenant may be considered an act of default and, in addition, shall entitle the Lender to impose a late fee of \$100.00 per month until the desired information has been submitted.

Borrower shall promptly notify Lender in writing of any proposed changes in its organizational structure, business plan, plans for expansion or contraction of the business, change of ownership, and any other event or events which might materially change its present business model.

Borrower shall immediately notify the Lender in writing of any contingent liability or liabilities occurring after the date of this transaction, whether such is based on events prior to or after this Date.

**EXHIBIT "A" - LEGAL DESCRIPTION**

ALL THAT certain lot or piece of land situate, lying and being in Westmont Borough, formerly Lower Yoder Township, Cambria County, Pennsylvania, bounded and described as follows:

BEGINNING at a point on the westerly line of Club Drive, at the line of Lot No. 37 on the hereinafter mentioned plan; thence along line of Club Drive by a curve to the right having a radius of 254 feet, an arc distance of 90 feet to a point at line of Lot No. 39; thence along line of Lot No. 39, South 31 degrees 33' 10" West a distance of 205.27 feet to a point at line of Lot No. 82; thence along line of Lot No. 82, North 27 degrees 18' 07" West a distance of 27.13 feet to a point, corner of Lot No. 37; thence along line of Lot No. 37, North 11 degrees 15' 04" East a distance of 187.08 feet to line of Club Drive, the place of beginning. BEING Lot No. 38 on the plan of Sunnemanor laid out for Ivy Hills, Inc., by Gray and Claflin, Engineers, which said plan is recorded in Plat Book Volume 4, at page 48.

BEING the same premises conveyed unto Lane M. LaLone, a married man, by Deed of John Taormina, Jr., single, and Jeffrey Taormina and Marcy Ann Taormina, his wife, by Deed dated December \_\_\_\_\_, 2005, and intended to be recorded along with this Mortgage.

# THIS DEED

MADE THE 22nd day of December in the year of our Lord Two Thousand Six (2006)

BETWEEN **JOHN TAORMINA, JR.**, single, AND **JEFFREY TAORMINA AND MARCY ANN TAORMINA**, his wife, all presently of Melbourne, Florida,  
**GRANTORS**

A N D

**LANE M. LALONE**, a married man, presently of Rockwood, Pennsylvania,  
**GRANTEE**

**WITNESSETH**, that in consideration of **ONE HUNDRED TWENTY THOUSAND AND 00/100 (\$120,000.00) DOLLARS**, in hand paid, the receipt whereof is hereby acknowledged, the said Grantors do hereby grant and convey to the said Grantee, his heirs and assigns,

**ALL** that certain lot or piece of land situate, lying and being in Westmont Borough, formerly Lower Yoder Township, Cambria County, Pennsylvania, bounded and described as follows:

**BEGINNING** at a point on the westerly line of Club Drive, at the line of Lot No. 37 on the hereinafter-mentioned plan; thence along line of Club Drive by a curve to the right having a radius of 254 feet, an arc distance of 90 feet to a point at line of Lot No. 39, thence along line of Lot No. 39, South 31° 33' 10" West a distance of 205.27 feet to a point at line of Lot No. 82, thence along line of Lot No. 82, North 27° 18' 07" West a distance of 27.13 feet to a point, corner of Lot No. 37; thence along line of Lot No. 37, North 11° 15' 04" East a distance of 187.08 feet to line of Club Drive, the place of beginning. Being Lot No. 38 on the plan of Sunnemanor laid out for Ivy Hills, Inc., by Gray and Claflin, Engineers, which said plan is recorded in Plat Book Volume 4, Page 48.

**BEING** the same premises which became vested in Edward Zucco and Geraldine Zucco, husband and wife, by deed of Rudolph Zucco, otherwise Rudolph Zucco and Vesta Zucco, husband and wife, dated December 9, 1961, and recorded on December 19, 1961, in the Office of the Recorder of Deeds in and for Cambria County, Pennsylvania, in Record Book Volume 762, at Page 403.

Edward Zucco predeceased his wife, Geraldine, whereupon sole title became vested in Geraldine as the surviving tenant by the entirety. Geraldine passed away testate on September 9, 2005, and her Last Will and Testament was duly probated in the Register of Wills Office in the County of Cambria; and the said real estate hereinabove described was specifically devised to John Taormina, Jr., and Jeffrey Taormina. Marcy Ann Taormina is now married to Jeffrey Taormina, and she is signing for the purpose of transferring any and all marital interest which she may have acquired in these premises by virtue thereof.

**UNDER AND SUBJECT** to any and all exceptions, reservations, restrictions and conditions contained in the chain of title.

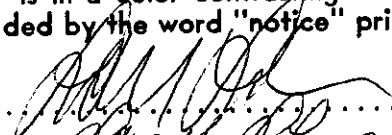
THE GRANTORS HEREIN STATE THAT THE HEREINABOVE DESCRIBED PREMISES IS NOT PRESENTLY BEING USED FOR THE DISPOSAL OF HAZARDOUS WASTE, NOR TO THE BEST OF THEIR KNOWLEDGE, INFORMATION AND BELIEF HAS IT EVER BEEN USED FOR THE DISPOSAL OF HAZARDOUS WASTE. THIS STATEMENT IS MADE IN COMPLIANCE WITH THE SOLID WASTE MANAGEMENT ACT OF 1980-97.

662 B

## NOTICE

In accordance with the provisions of "The Bituminous Mine Subsidence and Land Conservation Act of 1966", I/we, the undersigned grantee/grantees, hereby certify that I/we know and understand that I/we may not be obtaining the right of protection against subsidence resulting from coal mining operations and that the purchased property may be protected from damage due to mine subsidence by a private contract with the owners of the economic interest in the coal. I/we further certify that this certification is in a color contrasting with that in the deed proper and is printed in twelve point type preceded by the word "notice" printed in twenty-four point type.

Witness:

  
.....  
Lynne S. Calore 98.05.102.....  
.....

This ..... day of .....

AND the said Grantors hereby covenant and agree that they will warrant specially the property hereby conveyed.

This document may not sell, convey, transfer, include or insure the title to the coal and right of support underneath the surface land described or referred to herein, and the owner or owners of such coal may have the complete legal right to remove all of such coal, and, in that connection, damage may result to the surface of the land, and any house, building or other structure on or in such land. The inclusion of this notice does not enlarge, restrict or modify any legal rights or estates otherwise created, transferred, excepted or reserved by this instrument.

IN WITNESS WHEREOF, the said Grantors have hereunto set their hands and seals the day and year first above written.

Signed, Sealed and Delivered  
in the Presence of

Patricia J. Clark  
WITNESS

John Taormina, Jr.  
John Taormina, Jr.

Patricia J. Clark  
WITNESS

Jeffrey Taormina  
Jeffrey Taormina

Patricia J. Clark  
WITNESS

Marcy Ann Taormina  
Marcy Ann Taormina

STATE OF FLORIDA

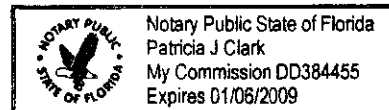
COUNTY OF Brevard

:  
: SS:  
:

On this, the 22 day of December, 2006, before me, the undersigned officer, personally appeared John Taormina, Jr., Jeffrey Taormina and Marcy Ann Taormina, his wife, known to me (or satisfactorily proven) to be the persons 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.

Patricia J. Clark  
Notary Public



**CERTIFICATE OF RESIDENCE**

I do hereby certify that the precise residence and complete post office addresses of the within  
named Grantees is: 1116 Fall Run Road Rockwood, Pa 15357

December, 2006

Jeffrey Taormina  
Marcy Ann Taormina  
Agent for Grantees  
John D. Taormina  
Attorney for Grantees

This document was prepared by:

Timothy C. Leventry, Esquire  
LEVENTRY, HASCHAK & RODKEY, LLC  
1397 Eisenhower Boulevard  
Richland Square III, Suite 202  
Johnstown, PA 15904  
814-266-1799

Club Drive  
Property

2006.11

CC.

## ADJUSTABLE RATE NOTE

NOTICE TO BORROWER: THIS NOTE CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

December 29, 2006 Somerset Pennsylvania  
 City State  
 1136 Club Drive, Johnstown, Pennsylvania 15905  
 Property Address City State Zip Code

## 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ 135,000.00 (this amount will be called "principal"), plus interest, to the order of the Lender. The Lender is THE CITIZENS NATIONAL BANK  
 Meyersdale, PA 15552

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note will be called the "Note Holder."

## 2. INTEREST

Interest will be charged on that part of outstanding principal which has not been paid. Interest will be charged beginning on the date I receive the principal and continue until the full amount of principal I receive has been paid.

Beginning on the date of this Note, I will pay interest at a yearly rate of 7.00% (the "Initial Interest Rate"). The interest rate that I will pay will change in accordance with Section 4 of this Note until my loan is paid. Interest rate changes may occur on the 29 day of the month beginning on December 29, 2007 and on that day of the month every 12 months thereafter. Each date on which the rate of interest may change will be called a "Change Date."

## 3. PAYMENTS

## (A) Time and Place of Payments

I will pay principal and interest by making payments every month. I will make my monthly payments on the 28th day of each month beginning on January 29, 2007. I will make these payments until I have paid all of the principal and interest and any other charges described below, that I may owe under this Note. I will pay all sums that I owe under this Note no later than December 29, 2026 (the "Final Payment Date").  
 I will make my monthly payments at Citizens National Bank, 135 Center Street, Meyersdale, PA 15552 or at a different place if required by the Note Holder.

## (B) Borrower's Payments Before They Are Due

I have the right to make payments of principal at any time before they are due. A payment of principal only is known as a "prepayment." When I make a prepayment, I will tell the Note Holder in writing that I am doing so. I may make a full prepayment or a partial prepayment without paying any penalty. The Note Holder will use all of my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no delays in the due dates of my monthly payments, unless the Note Holder agrees in writing to those delays. My partial prepayment will reduce the amount of my monthly payments after the first Change Date following my partial prepayment. However, any reduction due to my partial prepayment may be offset by an interest rate increase.

## (C) Amount of Monthly Payments

My initial monthly payments will be in the amount of U.S. \$ 1,046.65. If the interest rate that I pay changes, the amount of my monthly payments will change. Increases in the interest rate will result in higher payments (unless my prepayments since the last Change Date offset the increases in my monthly payments). Decreases in the interest rate will result in lower payments. The amount of my monthly payments will always be sufficient to repay my loan in full in substantially equal payments by the final payment date. In setting the monthly payment amount on each Change Date, the Note Holder will assume that the Note interest rate will not change again prior to the final payment date.

#### 4. INTEREST RATE CHANGES

##### (A) The Index

Any changes in the interest rate will be based on changes in an interest rate index which will be called the "Index." The Index is the: [Check one box to indicate Index.]

(1) ☐ \* "Contract Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major Types of Lenders" published by the Federal Home Loan Bank Board.

(2) ☒ Monthly Average Yield on United States Treasury Securities adjusted to a constant maturity of one (1) year as made available by the Federal Reserve Board.

If the Index ceases to be made available by the publisher, or by any successor to the publisher, the Note Holder will set the Note interest rate by using a comparable index.

##### (B) Setting the New Interest Rate

To set the new interest rate, the Note Holder will determine the change between the Base Index figure and the Current Index figure. The Base Index figure is 5.01. The Current Index figure is the most recent Index figure available 35 days prior to each Change Date. If the amount of the change is less than one-quarter of one percentage point, the change will be rounded to zero. If the amount of the change is one-quarter of one percentage point or more, the Note Holder will round the amount of the change to the nearest one-quarter of one percentage point.

If the Current Index figure is larger than the Base Index figure, the Note Holder will add the rounded amount of the change to the Initial Interest Rate. If the Current Index figure is smaller than the Base Index figure, the Note Holder will subtract the rounded amount of the change from the Initial Interest Rate. The result of this addition or subtraction will be the preliminary rate. If there is no change between the Base Index figure and the Current Index figure after rounding, the Initial Interest Rate will be the preliminary rate.

[Check the appropriate box(es) to indicate whether there is any maximum limit on interest rate changes and/or limits on the interest rate under this Note; if no box is checked, there will be no maximum limit on changes and no limits on the interest rate.]

(1) ☐ If this box is checked, there will be no maximum limit on changes in the interest rate up or down. The preliminary rate will be the new interest rate.

(2) ☒ If this box is checked, the interest rate will not be changed by more than one percentage points on any Change Date. The Note Holder will adjust the preliminary rate so that the change in the interest rate will not be more than that limit. The new interest rate will equal the figure that results from this adjustment of the preliminary rate.

The interest rate will never be more than 12.00 % or less than 2.00 %.

##### (C) Effective Date of Changes

Each new interest rate will become effective on the next Change Date. If my monthly payment changes as a result of a change in the interest rate, my monthly payment will change as of the first monthly payment date after the Change Date.

##### (D) Notice to Borrower

The Note Holder will mail me timely notice as required by law if the interest rate is to change. The notice will advise me of:

- (i) the new interest rate on my loan;
- (ii) the amount of my new monthly payment; and
- (iii) any additional matters which the Note Holder is required to disclose.

#### 5. BORROWER'S FAILURE TO PAY AS REQUIRED

##### (A) Late Charge for Overdue Payments

If the Note Holder has not received the full amount of any of my monthly payments by the end of 15 calendar days after the date it is due, I will pay a late charge to the Note Holder. The amount of the charge will be 5.00 % of my overdue payment of principal and interest. I will pay this late charge only once on any late payment.

##### (B) Default

If I do not pay the full amount of each monthly payment by the date stated in Section 3(A) above, I will be in Default.

##### (C) Notice From Note Holder

If I am in Default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal which has not been paid and all the interest that I owe on that amount. That date must be at least 30 days after the date on which the notice is mailed to me.

Even if, at a time when I am in Default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so if I am in Default at a later time.

\*If more than one box is checked or if no box is checked, and Lender and Borrower do not otherwise agree in writing, the first Index named will apply.



**(D) Payment of Note Holder's Costs and Expenses**

If the Note Holder has required me to pay immediately in full as described above, the Note Holder will have the right to be paid back by me for all its reasonable costs and expenses to the extent not prohibited by applicable law. Those expenses may include, for example, reasonable attorneys' fees.

**6. WAIVERS**

Anyone who signs this Note to transfer it to someone else (known as an "endorser") waives certain rights. Those rights are (A) the right to require the Note Holder to demand payment of amounts due (known as "presentment") and (B) the right to require the Note Holder to give notice that amounts due have not been paid (known as "notice of dishonor").

**7. GIVING OF NOTICES**

Except for the notice provided in Section 4(D), any notice that must be given to me under this Note will be given by mailing it by certified mail. All notices will be addressed to me at the Property Address above. Notices will be mailed to me at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by mailing it by certified mail to the Note Holder at the address stated in Section 3(A) above. Notices will be mailed to the Note Holder at a different address if I am given a notice of that different address.

**8. RESPONSIBILITY OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each of us is fully and personally obligated to pay the full amount owed and to keep all of the promises made in this Note. Any guarantor, surety, or endorser of this Note is also obligated to do these things. The Note Holder may enforce its rights under this Note against each of us individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

Any person who takes over my rights or obligations under this Note will have all of my rights and must keep all of my promises made in this Note. Any person who takes over the rights or obligations of a guarantor, surety, or endorser of this Note is also obligated to keep all of the promises made in this Note.

**9. LOAN CHARGES**

It could be that this loan is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with this loan would exceed permitted limits. If this is the case, then: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (B) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the principal I owe under this Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

**10. THIS NOTE SECURED BY A MORTGAGE**

In addition to the protections given to the Note Holder under this Note, a Mortgage, dated ~~December~~ 29, 2006, ..... protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Mortgage describes how and under what conditions I may be required to make immediate payment in full of all amounts that I owe under this Note. One of those conditions relates to any transfer of the property covered by the Mortgage. In that regard, the Mortgage provides in paragraph 17:

"17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower Notice of Acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower must pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof."

An Adjustable Rate Loan Rider supplements the Mortgage and provides:

"If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) a change in the Base Index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 17."

Lane M. Lalene      Borrower      (Seal)

Lynne S. Lalene      Borrower      (Seal)

..... (Seal)  
Borrower  
(Sign Original Only)

### ADJUSTABLE RATE LOAN RIDER

NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

A rider is made this 29th day of December 2006 and is incorporated into and shall be deemed to amend and supplement the Mortgage to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note: The Citizens National Bank, Meyersdale, PA (lender) the same date (the "Note") and covering the property described in the Security Instrument and located at

1136 Club Drive, Johnstown, Pennsylvania 15905

Property Address

Modifications. In addition to the covenants and agreements made in the Security Instrument. Borrower and Lender further covenant and agree as follows:

#### A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note has an "Initial Interest Rate" of 7.00 %. The Note interest rate may be increased or decreased beginning on December 29 2007 and on that day of the month every year.

Changes in the interest rate are governed by changes in an interest rate index called the "Index." The index is the: monthly average yield on the U.S. Treasury Securities adjusted to a maturity of one (1) year.

The interest rate cannot be changed by more than one (1) percentage point at any Change Date.

If the interest rate changes, the amount of Borrower's monthly payments will change as provided in the Note. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments. The interest rate will not be increased more than 5% above the initial rate during the term of the loan.

#### B. LOAN CHARGES

It could be that the loan secured by the Security Instrument is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan would exceed permitted limits. If this is the case, then (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (B) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by

reducing the principal owed under the Note or by making a direct payment to Borrower.

#### C. PRIOR LIENS

If Lender determines that all or any part of the sums secured by this Security Instrument are subject to a lien which has priority over this Security Instrument, Lender may send Borrower a notice identifying that lien. Borrower shall promptly act with regard to that lien as provided in paragraph 4 of the Security Instrument or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.

#### D. TRANSFER OF THE PROPERTY

If there is a transfer of the Property subject to paragraph 18 of the Security Instrument, Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) a change in the Base Index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 18.

By signing this, Borrower agrees to all of the above.

\_\_\_\_\_(SEAL)  
Lane M. Lafone

\_\_\_\_\_(SEAL)  
Lynne S. Lafone

**Additional conditions for the Mortgage:**

Borrower shall submit to Lender annual financial information statements not later than seven (7) months after the end of its fiscal year. Such information may include, but shall not be limited to, federal and state income tax returns, profit and loss statements, annual balance sheets, income and expense statements and such other financial information as the Lender may require. Failure to comply with this covenant may be considered an act of default and, in addition, shall entitle the Lender to impose a late fee of \$100.00 per month until the desired information has been submitted.

Borrower shall promptly notify Lender in writing of any proposed changes in its organizational structure, business plan, plans for expansion or contraction of the business, change of ownership, and any other event or events which might materially change its present business model.

Borrower shall immediately notify the Lender in writing of any contingent liability or liabilities occurring after the date of this transaction, whether such is based on events prior to or after this Date.

**EXHIBIT "A" - LEGAL DESCRIPTION**

ALL THAT certain lot or piece of land situate, lying and being in Westmont Borough, formerly Lower Yoder Township, Cambria County, Pennsylvania, bounded and described as follows:

BEGINNING at a point on the westerly line of Club Drive, at the line of Lot No. 37 on the hereinafter mentioned plan; thence along line of Club Drive by a curve to the right having a radius of 254 feet, an arc distance of 90 feet to a point at line of Lot No. 39; thence along line of Lot No. 39, South 31 degrees 33' 10" West a distance of 205.27 feet to a point at line of Lot No. 82; thence along line of Lot No. 82, North 27 degrees 18' 07" West a distance of 27.13 feet to a point, corner of Lot No. 37; thence along line of Lot No. 37, North 11 degrees 15' 04" East a distance of 187.08 feet to line of Club Drive, the place of beginning. BEING Lot No. 38 on the plan of Sunnemanor laid out for Ivy Hills, Inc., by Gray and Claflin, Engineers, which said plan is recorded in Plat Book Volume 4, at page 48.

BEING the same premises conveyed unto Lane M. LaLone, a married man, by Deed of John Taormina, Jr., single, and Jeffrey Taormina and Marcy Ann Taormina, his wife, by Deed dated December \_\_\_\_\_, 2006, and intended to be recorded along with this Mortgage.