

THIS DEED OF TRUST, made this 29th day of November, 1988, among the Grantor, RAY S. LEWIS, DONNA G. LEWIS, his wife, LEROY OWEN LEWIS, ELIZABETH ANN LEWIS, his wife, and LILLIAN R. GOLT (herein "Borrower"), J. THOMAS RHODES, JR. and W. FRANKLIN SMITH, JR., (herein "Trustee"), and the Beneficiary, QUEENSTOWN BANK OF MARYLAND, a corporation organized and existing under the laws of the State of Maryland, whose address is Queenstown, Maryland, (herein "Lender").

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the Counties of Queen Anne's and Talbot, State of Maryland:

PARCEL ONE

ALL that lot or tract of land situate off Landing Neck Road, Trappe District, Talbot County, Maryland, and being more particularly shown on a plat entitled "Map of Partition of Lands Belonging to the Estate of Ella Brooks", made in January, 1937, and recorded in Liber No. 1, folio 100, a Plat Record Book for Talbot County, Maryland, and being Lot 4 on said Plat.

BEING a part of the same land granted and conveyed unto Ray S. Lewis and Donna G. Lewis, his wife, by deed from Charles R. Lyons, Jr., dated December 17, 1984, and recorded in Liber J.T.B. No. 594, folio 479 of the Land Records of Talbot County.

ESPECIALLY TOGETHER with the right of ingress and egress in and over a right of way leading in a northeasterly direction from the public roadway to the lots aforementioned, said right of way being shown on the aforementioned plat.

PARCEL TWO

ALL that lot or parcel of land, situate, lying and being on Kent Island, in the Fourth Election District of Queen Anne's County, Maryland, on the left or eastern side of the road leading down into Crab Alley Neck, which road leads off in a southerly direction from the Kent Narrows Stevensville Highway, the lot hereby conveyed being bounded on the northern side by the property of Medford Clendaniel, on the east by other property of John A. Gardner and N. Estelle K. Gardner, his wife; on the south by the property also of Gardner and on the west by the aforesaid Crab Alley Neck Road, and particularly described as follows:

BEGINNING for the same at the northwest corner of the lot hereby conveyed where it corners with the lands of Clendaniel, and running thence in an easterly direction with the Clendaniel lot a distance of three hundred feet, more or less, to the other lands of Gardner; thence in a southerly direction with the lands of Gardner a distance of seventy feet, being the rear line of this lot; thence at right angles and with the other lands of Gardner and running in a westerly direction a distance of three hundred feet to the Crab Alley Neck Road; and thence with the easterly side of the Crab Alley Neck Road and in a northerly direction a distance of seventy feet to the place of beginning, the said place of beginning being where this lot and the Clendaniel lot corner on these sides of the said Crab Alley Neck Road.

BEING the same land granted and conveyed unto Leroy Owen Lewis and Elizabeth Ann Lewis, his wife, by deed dated November 12, 1946, and recorded in Liber A.S.G. No. 15, folio 588 of the Land Records of Queen Anne's County.

PARCEL THREE

ALL that lot or parcel of land, situate, lying and being in Dominion, on the right or west side of the public road leading down Crab Alley Neck and Dominion towards Little Creek, on Kent Island, in the Fourth Election District of Queen Anne's County, Maryland, bounded on the north by lands of Medford E. Golt and Lola C. Golt, his wife, on the south by the lot of Walter Edward Clough and Dorothy Eileen Clough, his wife, on the west by other lands of Golt, and on the east by the aforesaid public

Queenstown Bank of Maryland
Parcels to be sold. 300.50

road, and more particularly described as follows:

BEGINNING for the lot hereby conveyed at a point on the western side of the Crab Alley Neck-Dominion Public Road where it corners with the southern line of the lot already owned by Golt, and running thence with the western edge of said public road in a southerly direction a distance of sixty feet to the lands of Walter Edward Clough and wife to an iron stake; thence with the Clough line in a westerly direction a distance of two hundred feet to a point; thence with other lands of Golt in a northerly direction a distance of sixty feet to the rear line of the George Harry Golt lot; thence with that lot in an easterly direction a distance of two hundred feet to the point of beginning where an iron stake is driven in the ground, containing twelve thousand (12,000) square feet of land, more or less.

BEING the same land granted and conveyed unto George Harry Golt and Lillian R. Golt, his wife, by deed from Medford E. Golt and Lola C. Golt, his wife, dated February 28, 1946, and recorded in Liber A.S.G. No. 13, folio 125 of the Land Records of Queen Anne's County. The said George Harry Golt having departed this life prior hereto.

PARCEL FOUR

ALL that part of the farm called or known as "The Mary C. McCready Farm" situate, lying and being on Kent Island in the Fourth Election District of Queen Anne's County, State of Maryland, on the public road leading from the Store of, or formerly of, Harry Jones to the public landing on Crab Alley Creek, which is described as follows, that is to say:

BEGINNING for the same at a point on the right (or Western) side of said road at the end of the wire fence which divides the house field of said farm from the next field of said farm and which fence begins on the side of said road and runs to the barn of said farm, the beginning point being the post forming the end (on the road) of said fence, and running from the point of beginning in a Southerly direction and with a line drawn parallel with the middle of said road a distance of Sixty (60) feet to a point; thence with a line drawn parallel with said fence and running with the direction of said fence a distance of two hundred (200) feet to a point; thence with a line drawn parallel with the first line hereof but running in the reverse direction thereof a distance of Sixty (60) feet to a point on the line of said fence; thence with the line of said fence a distance of two hundred (200) feet to the point of beginning on said road.

BEING the same land granted and conveyed unto George Harry Golt and Lillian R. Golt, his wife, by deed from George Harry Golt, dated January 5, 1976, and recorded in Liber C.W.C. No. 100, folio 461 of the Land Records of Queen Anne's County. The said George Harry Golt having departed this life prior hereto.

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject, however, to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property are herein referred to as the "Property";

TO SECURE to Lender the repayment of sums advanced, including future advances, not to exceed ONE HUNDRED FORTY THOUSAND DOLLARS (\$140,000.00), with interest due thereon, of which Sixty-Three Thousand Seven Hundred Dollars (\$63,700.00) has been advanced as evidenced by a promissory note dated November 29, 1988, said indebtedness and any future advances, if not sooner paid, to be due and payable on 2009.

Borrower covenants that Borrower is lawfully seised of the estate hereby

conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend specially the title to the Property against any and all claims and demands.

COVENANTS. Borrower and Lender covenant and agree as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall promptly pay when due the principal and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any Future Advances, as well as late charges, secured by this Deed of Trust.

2. **TAXES; CHARGES, LIENS.** Borrower shall pay all taxes, water and sewer fees, assessments and other charges, fines and impositions attributable to the property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Deed of Trust.

3. **APPLICATION OF PAYMENTS.** Unless applicable law provides otherwise, all payments received by Lender under the Note, and any future advances evidenced by a Note, shall be applied by Lender first to the interest and late charges payable on the Note(s), then to principal of the Note(s).

4. **INSURANCE.** That they will insure and keep insured buildings and improvements now or which may hereafter be placed on the said premises against loss or damage by fire, flood, lightning, windstorm and tornado in companies and amounts satisfactory to the Lender, any policy evidencing such insurance to be deposited with and loss thereunder to be payable to the Lender as its interest may appear. Subject to the consent of the Lender, sums so received by the Lender may be used to pay for reconstruction of the destroyed improvements or, if not so applied, at the option of the Lender, may be applied in payment of any indebtedness, matured or unmatured, secured by this Deed of Trust.

5. **PRESERVATION AND MAINTENANCE OF PROPERTY.** Borrower will keep all improvements now or hereinafter located on the premises in good repair; that they will maintain and work the premises hereby conveyed in a good and husbandlike manner; that they will commit no waste; that they will not cut or remove or permit to be cut or removed any wood or timber from said premises without the written consent of the Lender, and that they will make all proper renewals, replacements, and additions to the property, and not tear down the improvements or materially change them or permit them to be torn down or materially changed without the prior written consent of the Lender.

6. **PROTECTION OF LENDER'S SECURITY.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, or sales for delinquent governmental liens, then Lender at Lender's option, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, payment of governmental liens, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this paragraph 6, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder.

7. **INSPECTION.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

8. **CONDEMNATION.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or

part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

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

9. **BORROWER NOT RELEASED.** Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by any reason of any demand made by the original Borrower and Borrower's successors in interest.

10. **FORBEARANCE BY LENDER NOT A WAIVER.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

11. **REMEDIES CUMULATIVE.** All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. **SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CAPTIONS.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

13. **NOTICE.** Except for any notice required under applicable law to be given in another manner, any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

14. **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 Deed of Trust, (b) the creation of a purchase money security interest for household appliances, or (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant. Lender may, at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable.

15. **ACCELERATION; REMEDIES.** Upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, the Lender in accordance with Subtitle W of the Maryland Rules of Procedure, or any other general or local laws, including any amendments or supplements or additions thereto which do not materially change or impair the remedy, do hereby (a) declare their assent to the passage of a decree for the sale of the property; and (b) authorize the Trustee, after such default has occurred as aforesaid, to sell the mortgaged property. Any such sale, whether under the assent to a decree or power of sale, may be made by the Trustee either as an entirety or in such separate parcels and on such terms and at such places and in such manner as the Trustee may deem advisable.

Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided by this paragraph or by law, including, but not limited to, reasonable attorney's fees.

Upon any sale of the property by the Trustee, the Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including, but not limited to, a counsel fee of Five Hundred Dollars (\$500.00)

for conducting any proceeding without contest; if said proceedings shall be conducted with contest then reasonable attorneys fees and costs and expenses shall be allowed in excess of Five Hundred Dollars (\$500.00); (b) to all costs and expenses of the sale, including, but not limited to, Trustee's fees of 10% of the first Three Thousand Dollars (\$3,000.00) of the gross sales price and 5% of the sales price in excess of said Three Thousand Dollars (\$3,000.00); (c) to all sums secured by this Deed of Trust; and (d) the excess, if any, to the person or persons legally entitled thereto.

16. SATISFACTION SUBSEQUENT TO ADVERTISEMENT. That if the said property shall be advertised for sale, as herein provided, and shall not be sold, the Trustee or Trustees acting hereunder shall be entitled to one-half (1/2) of the commission above provided, to be computed on the unpaid balance of the debt hereby secured, and the same is hereby secured in a like manner as other charges and expenses attending the execution of this trust, and shall bear interest at the rate provided in the Note or Notes secured hereby.

17. FUTURE ADVANCES. Upon request of Borrower, Lender, at Lender's option prior to release of this Deed of Trust, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Deed of Trust, not including sums advanced in accordance herewith to protect the security of this Deed of Trust, exceed \$140,000.00.

18. RELEASE. Upon payment of all sums secured by this Deed of Trust, Lender or Trustee shall release this Deed of Trust without charge to Borrower. Borrower shall pay all costs of recordation, if any.

19. SUBSTITUTE TRUSTEE. Lender at Lender's option may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument recorded in the city or county in which this Deed of Trust is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.

WITNESS:

Witness as to all

Ray S. Lewis (SEAL)
Ray S. Lewis

Donna G. Lewis (SEAL)
Donna G. Lewis, his wife

Leroy Owen Lewis (SEAL)
Leroy Owen Lewis

Elizabeth Ann Lewis (SEAL)
Elizabeth Ann Lewis, his wife

Lillian R. Golt (SEAL)
Lillian R. Golt

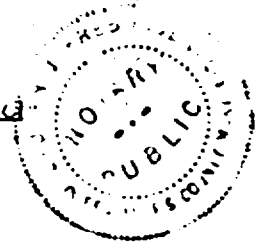
STATE OF MARYLAND, QUEEN ANNE'S COUNTY, TO WIT:

I HEREBY CERTIFY, that on this 29th day of November, 1988, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared RAY S. LEWIS, DONNA G. LEWIS, his wife, LEROY OWEN LEWIS,

ELIZABETH ANN LEWIS, his wife, and LILLIAN R. GOLT 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 therein contained.

WITNESS my hand and Notarial Seal.

Lauren J. Inberg
Notary Public
My commission expires: 7/1/90

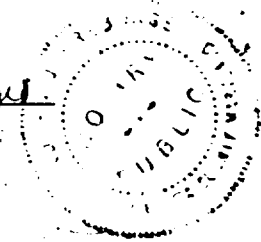


STATE OF MARYLAND, QUEEN ANNE'S COUNTY, TO WIT:

I HEREBY CERTIFY, that on this *29th* day of *November*, 1988, before me, the subscriber, a Notary Public of the State and County aforesaid, personally appeared MICHAEL R. FOSTER, Agent of the party secured by the foregoing Deed of Trust, and made oath in due form of law that the consideration recited in said Deed of Trust is true and bona fide as therein set forth and that the actual sum of money advanced at the closing transaction by the secured party was disbursed by the party secured to the Borrower or to the person responsible for the disbursement of funds in the closing transaction or their respective agent at a time no later than the execution and delivery by the Borrower of this Deed of Trust; and also made oath that he is the agent of the party or parties secured and is duly authorized to make this affidavit.

WITNESS my hand and Notarial Seal.

Lauren J. Inberg
Notary Public
My commission expires: 7/1/90



ALLOCATION OF STAMPS

The loan of \$140,000.00 is secured by lands in Queen Anne's and Talbot Counties, therefore the payment of stamps have been apportioned as follows:

<u>Queen Anne's Co. Properties</u>		<u>Talbot Co. Properties</u>	
Parcel 2 - assessed value	\$51,620	Parcel 1 - assessed value	\$16,700
Parcel 3 & 4 - assessed value	44,980		
Total assessed value	\$96,600		\$16,700
% of total	85%		15%

Total Deed of Trust - \$140,000.00
 Queen Anne's County - 119,000.00 x \$4.40 = \$523.60
 Talbot County - 21,000.00 x \$3.30 = \$ 69.30

RECORDED
CLERK, CIRCUIT COURT
1988 NOV 30 AM 8 57
QUEEN ANNE'S COUNTY

MTG DT 0#
 RECD FEE 32.00
 POSTAGE .50
 RECD TAX 523.60
 SUBTOTAL 556.10
 CHECK/NO 556.10
 #142260 C001 R00 T08:54
 11/30/88

FOR RELEASE SEE LIBER mwm 401 PAGE 444