

to be effective as of the first day of the first Interest Period following the date of such notice; provided that in no event shall the Interest Rate Differential increase by more than one-half of one percentage point at any one such adjustment nor more than one and one-half percentage points over the term of this Note. For each such notice of a new Interest Rate Differential: (i) Borrower shall have thirty days after the date of such notice to notify Holder in writing that Borrower disapproves of the new Interest Rate Differential, in which event (A) the entire indebtedness hereunder shall be due and payable on or before the sixtieth day following the date of Holder's notice of a new Interest Rate Differential and (B) during such sixty day period, the Interest Rate shall continue to be based on the last Interest Rate Differential in effect prior to Holder's notice; or (ii) if Borrower does not so notify Holder of its disapproval, the new Interest Rate Differential shall be deemed reasonable and acceptable to Borrower and the Interest Rate based on the Interest Rate Differential so designated shall be binding hereunder.

3. ADJUSTMENTS IN PAYMENTS.

(a) For purposes of this Note, the "Payment Years" shall be each successive twelve-month period, the first of which shall begin on the first day monthly payments are due pursuant to paragraph 1(a) above.

(b) The initial monthly Payment Amount as set forth in paragraph 1(b) above shall be due during the first Payment Year.

(c) Effective as of the first day of each of the second through fifth Payment Years, the Payment Amount shall be increased by 7.5 percent of the Payment Amount in effect immediately prior to the applicable increase.

(d) Effective as of the first day of each of the sixth through tenth Payment Years, the Payment Amount shall be increased by 7.5 percent of the Payment Amount in effect immediately prior to the applicable increase; provided that if the increase in the Payment Amount in accordance with the above provisions of this subparagraph (d) for any Payment Year would cause the Payment Amount to exceed the "Full Payment Amount" computed as of the first day of such Payment Year, then as of such first day the Payment Amount shall equal such Full Payment Amount and thereafter shall be adjusted in accordance with subparagraph (e) below.

(e) Effective as of the first day of the eleventh Payment Year, and as of the first day of every fifth Payment Year thereafter, the Payment Amount shall be adjusted to equal the Full Payment Amount computed as of the effective date of each such adjustment.

(f) The "Full Payment Amount" shall be computed as of the first day of each of the Payment Years described in subparagraphs 3(d) and 3(e) and as of such days shall equal the amount that would repay (i) the unpaid Balance remaining immediately before the applicable Payment Year and (ii) all interest that would accrue hereunder at the applicable Interest Rate, in substantially equal monthly payments, over the remainder of the term of this Note; provided that in no event shall the Full Payment Amount be less than the initial Payment Amount. For purposes of (ii) above, the interest that would accrue hereunder shall be calculated at the Interest Rate in effect as of the first day of the applicable Payment Year, even though the Interest Rate subsequently may be increased or decreased pursuant to paragraph 2 above.

(g) Notwithstanding any other provision of this Note, in no event shall the Payment Amount be reduced below the initial Payment Amount.

4. APPLICATION OF PAYMENTS. Any payments made to Holder hereunder shall be applied first to accrued but unpaid interest and late fees, and then, to the outstanding principal amount hereof.

5. LATE FEE. Borrower shall pay to Holder a late fee of four percent of any monthly payment not received by Holder before the end of the fifteen (15) day period beginning on the date the payment is due.

6. ACCELERATION. If any amount payable under this Note is not paid when due, the entire Balance outstanding and accrued but unpaid interest thereon, and any other indebtedness hereunder, shall at once become due and payable at the option of Holder. Holder may exercise this option to accelerate during any default by Borrower regardless of any prior forbearance.

7. HOLDER'S COSTS UPON DEFAULT. In the event of a default hereunder, Borrower shall pay to Holder all of Holder's reasonable costs of collecting the amounts due hereunder, including but not limited to expenses of suit and reasonable attorney's fees.

8. PREPAYMENTS. Borrower may prepay in whole or in part the outstanding Balance under this Note and accrued interest thereon. No partial prepayment shall postpone the due date of any subsequent monthly payments or change the amount of such payments.

9. WAIVER. Presentment, notice of dishonor and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof.

10. PARTIES AND BINDING EFFECT. The term "Borrower" herein shall mean the undersigned, whether one or more parties, and the legal representatives, successors and assigns of the undersigned, subject to any limitations on conveyance or transfer contained in this Note or in the deed of trust securing this Note. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their legal representatives, successors and assigns. The term "Holder" herein shall mean the holder from time to time of this Note.

11. NOTICES.

(a) Any notice to Borrower provided for in this Note shall be given by mailing such notice by United States mail addressed to Borrower at the Property Address stated below, or to such other address as Borrower may designate by written notice to Holder. Any notice to Holder shall be given by mailing such notice by United States mail to Holder at the address stated in paragraph 1(c) above, or to such other address as may have been designated by written notice to Borrower.

(b) If Holder shall fail to give any notices of the adjustments provided for under this Note, Borrower shall nonetheless be obligated to make all payments and to perform all of its other obligations required hereunder. Notwithstanding the preceding sentence, if Holder shall fail to give any notice of a Payment Amount adjustment, then until such notice is given and appropriate adjustments made in Borrower's future obligations, the monthly payments required hereunder shall continue to be due, as provided in paragraph 1, in the amount of the Payment Amount most recently in effect hereunder. The Interest Rate adjustments provided in subparagraph 2(a) above shall be effective whether or not Holder gives any notice or notices of such adjustments.

12. MAXIMUM INTEREST. In no event shall the amount of interest due or payable hereunder (a) exceed the maximum rate of interest allowed by applicable law or (b) otherwise violate applicable law. In the event any payment is made which exceeds such maximum lawful rate or which otherwise violates applicable law, then the amount of such excess sum shall be credited as a payment of principal, unless Borrower shall notify Holder in writing that Borrower elects to have such excess sum returned to it forthwith. It is the express intent hereof that Borrower not pay and Holder not receive, directly or indirectly in any manner whatsoever, interest in excess of that which may be legally paid by Borrower under applicable law.

13. GOVERNING LAW. This Note shall be governed by and construed in accordance with the laws of the jurisdiction in which the property encumbered by the deed of trust securing this Note is located.

14. DEED OF TRUST. The indebtedness evidenced by this Note is secured by a deed of trust, dated of even date herewith, and reference is made to the deed of trust for rights as to acceleration of the indebtedness evidenced by this Note, including but not limited to acceleration if there is a conveyance or transfer of the property covered by such deed of trust.

PROPERTY ADDRESS:

3664 Ridgeview Road
Ijamsville, Maryland 21754

BORROWER:

William J. Limerick (SEAL)
Walter L. Limepick (SEAL)
Ingrid H. Limerick (SEAL)

(Execute Original Only)