

DEED OF TRUST

THIS DEED OF TRUST is made this _____ day of _____, 2004, by and between _____, TRUSTOR, whose address is _____ and FIRST AMERICAN TITLE COMPANY, TRUSTEE, whose address is 105 Trading Bay Road, Suite 103, and DENCO, INC., BENEFICIARY, whose address is 110 So. Willow St., Ste. 101, Kenai, Alaska 99611.

WITNESSETH: The Trustors GRANT, BARGAIN, SELL, and CONVEY to TRUSTEE IN TRUST WITH POWER OF SALE, that property described as

Lot _____, RIVER QUEST SUBDIVISION, according to Plat No. KN-2004-39, recorded on 7/16/04 at Serial No. 2004-006959, Kenai Recording District, Third Judicial District, State of Alaska.

TOGETHER with the tenements, hereditaments, and appurtenances thereunto belonging, or in anywise appertaining, the rents, issues, and profits thereof; SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits. To have and to hold the same, with the appurtenances unto Trustee.

THIS DEED OF TRUST IS MADE FOR THE PURPOSE OF SECURING: (1) Performance of each agreement of Trustors herein contained; and (2) Payment of the indebtedness evidenced by that Promissory Note executed on the _____ day of _____, 2004, by _____ in the principal sum of _____ plus _____ per cent (_____%) interest per annum on the principal sum, payable to the Beneficiary, DENCO, INC., or order.

A. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep said property in good condition and repair; to complete or restore promptly and in good and working manner any building which may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer, or permit any act upon said property in violation of law; to maintain and repair in an orderly manner, and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

2. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed.

3. To pay, before delinquent, all taxes and assessments affecting said property; to pay, when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; and to pay all costs, fees, and expenses of this Trust.

4. To pay immediately and without demand all sums expended by a Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the rate of _____ per cent (_____%) per annum as specified in the Promissory Note delivered herewith.

5. Should Trustor fail to make any payment or to do any act as herein provided, a Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may make or do the same in such and manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, pay necessary expenses, employ counsel, and pay counsel's reasonable fees.

B. IT IS MUTUALLY AGREED THAT:

1. Any award or damages in connection with any condemnation for public use of or injury to said property or any part thereof, is hereby assigned and shall be paid to Beneficiary who may apply or release such monies received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. At any time or from time to time, without liability and without notice, upon written request of Beneficiary and presentation of this Deed and said Promissory Note for endorsement, and without affecting the personal liability of any person for payment of indebtedness secured hereby, Trustee may reconvey all or any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

5. As additional security, Trustor hereby gives and confers upon Beneficiaries the right, power, and authority, during the continuance of these Trusts, to collect the rents, issues, and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues, and profits as they become due and payable. Upon any such default, a Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his/her own name sue for or otherwise collect such

rents, issues, and profits, including those past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as the Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. Default and Sale.

a. Upon default by Trustor in payment of any indebtedness secured hereby or in performance of any term and condition hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default, Beneficiary shall cause the Trustee to execute a written notice of such default and of his election to cause to be sold the herein described property to satisfy the obligation hereof, and shall cause such notice to be recorded in the office of the recorder of each recording district wherein said real property or some part hereof is situated. A copy of any notice of default and of any notice of sale hereunder shall be mailed to Trustor at their address set forth above.

b. Notice of sale having been given as then required by law and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustor, shall sell said property at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest and best bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, as hereunder defined, may purchase at such sale.

c. After deducting all costs, fees, and expenses of Trustee and of this Trust, including costs of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of all sums expended under the terms hereof, not then repaid with accrued interest at the rate of _____ percent (____%) per annum as specified in the promissory note; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

7. This Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term "Beneficiary" shall mean the holder and owner, including pledges of the note secured hereby, whether or not named as a beneficiary herein, or, if the note has been pledged, the pledgee thereof; in this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8. Trustee accepts this Trust when this Deed, duly exercised and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

9. Beneficiary may, from time to time, as provided by statute, appoint another Trustee in place and stead of Trustee herein named, and thereupon, the Trustee herein named shall be discharged and Trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee herein.

10. If two or more persons be designated as Trustee herein, any or all, powers granted herein to Trustee may be exercised by any of such persons, if the other person or persons is unable, for any reason, to act, and any recital of such liability in any instrument executed by any of such persons shall be conclusive against Trustors, their heirs, and assigns.

11. This Deed of Trust, or the rights hereunder, may not be assigned by Trustor without the prior express written consent of the Beneficiary. If Trustor attempts to assign or transfer rights or duties under this Deed of Trust without the prior express written consent of the Beneficiary, the balance due on the promissory note shall become immediately due and payable, without further demand by Beneficiary.

DATED: _____

TRUSTOR

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT)

ss.

THE FOREGOING INSTRUMENT was acknowledged before me this _____
day of _____, 2004 by _____.

Notary Public for the State of Alaska
My Commission Expires: _____

RECORD IN: **Kenai** Recording District

AFTER RECORDING RETURN TO:

First American Title
105 Trading Bay Road, Suite 103
Kenai, Alaska 99611