

PROMISSORY NOTE

\$ [AMOUNT]

[DATE]

FOR VALUE RECEIVED, the undersigned Buyer promises to pay to or order of DENCO, INC., Seller, the principal sum of [AMOUNT] (\$AMOUNT), plus interest on the principal at the rate of EIGHT AND ONE HALF percent (8-1/2%) per annum, payable as follows:

(1) An earnest money deposit of [AMOUNT] (\$AMOUNT) payable to Seller, receipt of which is hereby acknowledged;

(2) An additional down payment of [AMOUNT] (\$AMOUNT) by no later than [DATE];

(3) Succeeding monthly installments of [AMOUNT] (\$AMOUNT) to the holder of this Promissory Note, beginning [DATE], until the principal balance, plus accrued interest, plus accrued costs or attorney fees, has been paid in full.

The term of this note is FIVE (5) years. This note is due and payable in full on [DATE]. Interest is payable as a part of each installment. Payments shall be applied to principal and interest according to an annual amortization schedule for a conventional mortgage.

Each monthly installment payment is due on the 15th day of each month, beginning [DATE], with a ten (10) day grace period. Any installment payment received after the 25th of the month shall be deemed a default. All payments shall be made to the individual or entity appointed by the holder of the note to receive payments: Wells Fargo Bank. A late fee of \$50 accrues on all monthly installments received after the 25th of the month. An annual fee of \$120.00 per year to process the monthly payments is due and payable each year, which shall be paid by Buyer.

The undersigned Buyers may pay all or any part of the principal balance remaining unpaid at any time hereafter. Any partial prepayment shall be applied against the principal amount outstanding, unless the note is in default; in which case the prepayment shall be applied first to the accrued interest and escrow fees, and then to the principal amount in default, and shall not postpone the due date of any subsequent installments or change the amount of such installments unless the holder of this note shall otherwise agree in writing.

This note is to be construed according to the laws of the State of Alaska, and is secured by a Deed of Trust on real property described as follows:

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.

The Buyer may not assign this Promissory Note without the prior express written consent of the Seller. If Buyer attempts to assign or transfer rights or duties under this Promissory Note without the prior express written consent of the Seller, the balance due on the promissory note shall become immediately due and payable, without further demand by Seller.

Buyer promises to pay all real property taxes assessed on the real property described above, when due.

Should default be made in payment of any installment or term under this note, and if such default is not made good by payment received within 30 days after the due date of said installment, or by cure of the term in default, then the entire sum of principal, plus accrued interest at the rate of 8-1/2% per annum from the due date of the installment, shall become immediately due and payable at the option of the holder of this note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

In the event that an action is instituted to collect this note or any part thereof, the undersigned promises to pay the holder hereof, in addition to the balance remaining due hereon, all costs of collection and a reasonable attorney's fee.

For value received, each and every person signing or endorsing this note, waives presentment, demand, protest and notice of nonpayment thereof, and binds himself as a principal and not as a surety.

DATED: _____

BUYER

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: _____