

**PROMISSORY NOTE**

Principal	Loan Date	Maturity	Loan No	Call	Collateral	Account	Officer	Initials
\$100,000.00	11-20-2000	12-31-2001		F133	44	1541536	83713	

References in the shaded area are for Lender's use only and do not limit the applicability of this document to any particular loan or item.

**Borrower:** THEODORE STEVENS  
CATHERINE A STEVENS

**Lender:** NATIONAL BANK OF ALASKA  
Main Branch  
C/O Central Loan Servicing  
PO Box 100600  
Anchorage, AK 99510-0600

**Principal Amount: \$100,000.00      Interest Rate: 9.500%      Date of Note: November 20, 2000**

**PROMISE TO PAY.** I promise to pay to NATIONAL BANK OF ALASKA ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Thousand & 00/100 Dollars (\$100,000.00), together with interest at the rate of 9.500% per annum on the unpaid principal balance from November 20, 2000, until paid in full.

**PAYMENT.** I will pay this loan in one principal payment of \$100,000.00 plus interest on December 31, 2001. This payment due December 31, 2001, will be for all principal and accrued interest not yet paid. In addition, I will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning December 31, 2000, with all subsequent interest payments to be due on the last day of each month after that. Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the annual interest rate over the number of days in a year (365 during leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. I will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing. Unless otherwise agreed or required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, and any remaining amount to any unpaid collection costs and late charges.

**PREPAYMENT.** I may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve me of my obligation to continue to make payments under the payment schedule. Rather, they will reduce the principal balance due.

**LATE CHARGE.** If a payment is 15 days or more late, I will be charged 10.000% of the regularly scheduled payment or \$25.00, whichever is less.

**DEFAULT.** I will be in default if any of the following happens: (a) I fail to make any payment when due. (b) I break any promise I have made to Lender, or I fail to comply with or to perform when due any other term, obligation, covenant, or condition contained in this Note or any agreement related to this Note, or in any other agreement or loan I have with Lender. (c) Any representation or statement made or furnished to Lender by me or on my behalf is false or misleading in any material respect either now or at the time made or furnished. (d) I die or become insolvent, a receiver is appointed for any part of my property, I make an assignment for the benefit of creditors, or any proceeding is commenced either by me or against me under any bankruptcy or insolvency laws. (e) Any creditor tries to take any of my property on or in which Lender has a lien or security interest. This includes a garnishment of any of my accounts with Lender. (f) Any of the events described in this default section occurs with respect to any guarantor of this Note. (g) Lender in good faith deems itself insecure.

If any default, other than a default in payment, is curable and if I have not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured (and no event of default will have occurred) if I, after receiving written notice from Lender demanding cure of such default: (a) cure the default within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance on this Note and all accrued unpaid interest immediately due, without notice, and then I will pay that amount. I am personally obligated and fully liable for the amount due under this Note. Lender has the right to sue on the Note and obtain a personal judgment against me for satisfaction of the amount due under the Note either before or after a judicial foreclosure of the Deed of Trust under AS 09.45.170 - 09.45.220. Lender, at its sole option, also has the right to sue on this Note and obtain a personal judgment against me for satisfaction of the amount due under the Note either before or after the exercise by Lender of any other right or remedy it may have to proceed against any of the collateral securing this Note. Lender may hire or pay someone else to help collect this Note if I do not pay. I also will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. If not prohibited by applicable law, I also will pay any court costs, in addition to all other sums provided by law. This Note has been delivered to Lender and accepted by Lender in the State of Alaska. If there is a lawsuit, I agree upon Lender's request to submit to the jurisdiction of the Alaska state courts in the Judicial District or nearest Lender's address shown above, or at Lender's option, to the jurisdiction of the courts wherever any Property is located. Lender and I hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or me against the other. This Note shall be governed by and construed in accordance with the laws of the State of Alaska.

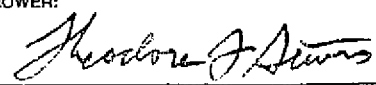

**RIGHT OF SETOFF.** I grant to Lender a contractual security interest in, and hereby assign, convey, deliver, pledge, and transfer to Lender all my right, title and interest in and to, my accounts with Lender (whether checking, savings, or some other account), including without limitation all accounts held jointly with someone else and all accounts I may open in the future, excluding however all IRA and Keogh accounts, and all trust accounts for which the grant of a security interest would be prohibited by law. I authorize Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on this Note against any and all such accounts.

**COLLATERAL.** This Note is secured by a Deed of Trust dated November 20, 2000, to a trustee in favor of Lender on real property located in ANCHORAGE, State of Alaska, all the terms and conditions of which are hereby incorporated and made a part of this Note.

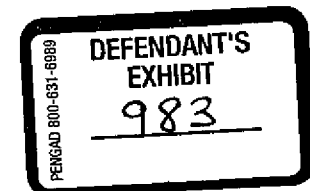
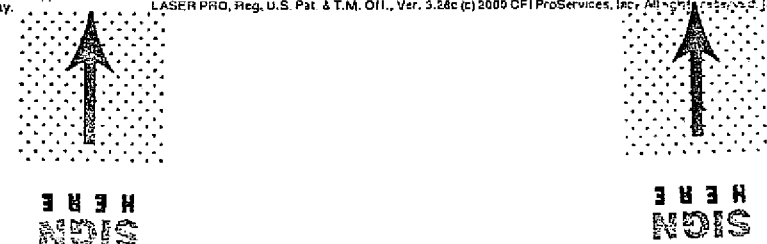
**STATUTE OF LIMITATIONS.** THE LIMITATION PERIOD FOR ENFORCING THIS AGREEMENT AND EACH RELATED DOCUMENT IS TEN (10) YEARS FROM THE DATE OF DISCOVERY BY LENDER, OF BORROWER'S BREACH OR ACT OF DEFAULT.

**GENERAL PROVISIONS.** Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. I and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, protest and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan, or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several. This means that the words "I", "me", and "my" mean each and all of the persons signing below.

**PRIOR TO SIGNING THIS NOTE, I, AND EACH OF US, READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. I, AND EACH OF US, AGREE TO THE TERMS OF THE NOTE AND ACKNOWLEDGE RECEIPT OF A COMPLETED COPY OF THE NOTE.**

**BORROWER:**  
  
 x \_\_\_\_\_  
 THEODORE STEVENS  
  
 x \_\_\_\_\_  
 CATHERINE A STEVENS

Fixed Rate, Single Pay. LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.26c (c) 2000 CFI ProServices, Inc. All rights reserved. JAK-D20 E3.28 TS37B JWL.N R1.0V1



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