Vol M05 Page 52912

PROMISSORY NOTE Page 1 of 3

State of Oregon, County of Klamath Recorded 07/12/05 9:04a m
Vol M05 Pg 529/2-/3
Linda Smith, County Clerk
Fee \$ 260 # of Pgs 2

Date: April 02, 2005

Principal Loan amount: one hundred thousand dollars. (\$100,000.00)

Due Date: April 1, 2010

For value received from Dennis J. Devous in the form of cash and/ or debt instruments the undersigned Arnold Scott Devous, ("the Borrower"), of Ross Creek Road, Deer Mountain, Utah promises to pay to the order of Dennis J. Devous, (the "Lender"), of 3817 Mesa Road, Billings, Montana, 59102, (or at such other place as the Lender may designate in writing) the agreed upon value of \$100,000 plus interest as described herein. "The Lender" shall provide funding to the Borrower for debt consolidation and operating capital in the form of cash, debt instruments or assistance with financing, including use of credit cards.

The unpaid principal and accrued interest shall be payable as follows:

No interest will accrue during the funding period or until August 1, 2005, whichever is later. On August 1, 2005 interest will begin to accrue at a flat rate of five hundred dollars (\$500) per month and continue until the balance is paid in full. The first payment will be due August 1, 2005 in the amount of five hundred (\$500), which is an amount equal to the monthly interest for August, paid in advance. Thereafter, a minimum monthly installment payment of (\$500.00) must be received by the first of each month. The Borrower further agrees to periodically agree to make substantial principal reduction payments to have the loan paid in full on or before, July 31, 2010.

The Borrower promises to pay a late charge of fifty dollars (\$50.00) plus additional fees equal to five dollars per day and accumulating until paid in full. This charge shall accrue as liquidated damages in lieu of actual damages, and not as a penalty. If any installment is not paid when due, the remaining unpaid balance and accrued interest shall become due immediately at the option of the Lender.

Promissory Note Page 3 of 3

If any one or more of the provisions of this Note are determined to be unenforceable, in whole or in part, for any reason, the remaining provisions shall remain fully operative.

All payments of principal and interest on this Note shall be paid in the legal currency of the United States. Borrower waives presentment for payment, protest, and notice of protest and nonpayment of this Note.

No renewal or extension of this Note, delay in enforcing any right of the Lender under this Note, or assignment by Lender of this Note shall affect the liability of the Borrower. All rights of the Lender under this Note are cumulative and may be exercised concurrently or consecutively at the Lender's option.

This Note shall be construed in accordance with the laws of the State of Montana.

Encumbrance on Specific Property located in Klamath County, Oregon with Legal description as follows:

Lot 14, Block 1, tract 1216, First Edition to Chia Park, according to the official plat thereof on file in Klamath County, Oregon

Signed this  $2^{-9}$  day of April 2005.

Borrower: Arnold Scott Devous

By:

Arnold Scott Devous

STATE OF MONTANA

)ss.

COUNTY OF YELLOWSTONE

Whereby, **ARNOLD SCOTT DEVOUS** appeared personally before me with proper identification to execute the foregoing instrument.

This day of April 2005

Witness my hand and official seal

Notary Public

My Commission expires

IMA L. REID

NOTARY PUBLIC for the State of Montana Realding at Billings, Hontana

Mr