

PROMISSORY NOTE

\$350,000.00

1/15, 2003 ²⁰⁰⁴ _{OS}

FOR VALUE RECEIVED, the undersigned promises to pay to **LORAN LEE**, also known as **C. Loran Lee, single**, whose mailing address is **13-3775 Kalapana Highway, Pahoa, Hawaii 96778**, or order, the sum of **THREE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$350,000.00)**, with interest thereon from the 15th day of JANUARY, 2003 ²⁰⁰⁴ _{OS} until fully paid at **eight percent (8%)** per annum, principal and interest payable in lawful money of the United States as follows:

Interest only shall be payable monthly, commencing on the 15th day of JANUARY, ^{FEBRUARY} _{OS} and on the 15th day of each month thereafter, which amount on the original balance shall be **TWO THOUSAND THREE HUNDRED THIRTY-THREE AND 33/100 DOLLARS (\$2,333.33)**, said payments to continue until the 15th day of JANUARY, 2008 ²⁰⁰⁹ _{OS}, at which date there shall be due a final payment to include all principal and interest then owing.

There shall be no premium charged to the Maker hereof for prepayment at any time of up to **ONE HUNDRED THOUSAND AND NO/100 DOLLARS (\$100,000.00)** of the original balance of this Promissory Note. However, if any further prepayment is made, there shall be a premium of **FORTY-FIVE THOUSAND AND NO/100 DOLLARS (\$45,000.00)** charged to the Maker hereof.

If any installment be not paid when the same becomes due, then, or at any time during such default, the entire principal and interest owing hereon shall become due and payable at the election of the holder hereof, and notice of such election is hereby waived.

The undersigned shall pay to the Note holder a late charge of five percent (5%) of any monthly installment not received by the Note holder within fourteen (14) days after the installment is due.

If this Note is placed in the hands of an attorney for collection, or if suit is brought hereon, the undersigned promises to pay the costs of collection, including reasonable attorneys' fees.

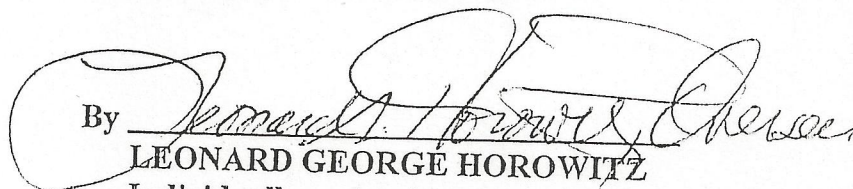
The makers, endorsers and guarantors hereof, each jointly and severally, waive diligence, presentment, demand of payment, notice of non-payment, protest and notice of protest.

No. P-4
Rec'd & Marked _____
Exhibit _____ for identification
_____ in evidence
Date _____
Clerk _____

This Promissory Note is secured by a Mortgage of even date herewith.

THE ROYAL BLOODLINE OF DAVID,
a Washington nonprofit corporation

By


LEONARD GEORGE HOROWITZ
Individually and as its Overseer