

Loan Number:

# Rosebud Economic Development Corporation

## Down Payment Assistance

### NOTE

[Date]

[City]

[State]

[Property Address]

#### 1. BORROWER'S PROMISE TO PAY

In return for a loan that I have received, I promise to pay U.S. \$ \_\_\_\_\_ (this amount is called "Principal"), plus interest, to the order of the Lender. The Lender is ROSEBUD ECONOMIC DEVELOPMENT CORPORATION, which is a government instrumentality of the Rosebud Sioux Tribe.

I will make all payments under this Note in the form of cash, check or money order.

I understand that the Lender may transfer this Note. The Lender or anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called the "Note Holder."

I also agree to do all things required in the Security Instrument (defined below) to protect the Property. If you incur an expense because I do not fulfill all obligations under this Note or under the Security Instrument, I promise to pay those expenses under this Note.

#### 2. INTEREST

Interest will be charged on unpaid principal until the full amount of Principal has been paid. I will pay interest at a yearly rate of 0.00%.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in Section 6(B) of this Note.

#### 3. PAYMENTS

##### (A) Time and Place of Payments

I will not be required to make monthly payments of principal and interest. If, on \_\_\_\_\_,

I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "Maturity Date."

I UNDERSTAND THAT MONTHLY PAYMENTS ARE NOT REQUIRED BY THIS NOTE. THEREFORE, UNLESS THE PRINCIPAL AMOUNT IS ENTIRELY FORGIVEN UNDER SECTION 3 (B), A BALLOON PAYMENT OF THE ENTIRE OUTSTANDING PRINCIPAL AMOUNT WILL BE DUE ON THE MATURITY DATE.

I will make my payment at PO BOX 679210, DALLAS, TEXAS 75267-9210, or at a different place if required by the Note Holder.

##### (B) Principal Forgiveness

At the time I received the loan evidenced by this Note, I also received a loan secured by a Security Instrument with a first priority lien on the Property (the "First Lien Loan"). The First Lien Loan requires that I make monthly payments of principal and interest. If, at the end of the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, or 4<sup>th</sup> years of the term of this Note, or at the Maturity Date, none of the monthly payments of my First Lien Loan are 90 days or more past due, the Note Holder will forgive the Principal of this Note incrementally, as follows:

- (i) at the end of 1 year, 20% of the original Principal amount will be forgiven in month 12;
- (ii) at the end of 2 years, 40% of the original Principal amount, less the amount, if any, previously forgiven, will be forgiven in month 24;
- (iii) at the end of 3 years, 60% of the original Principal amount, less the amount, if any, previously forgiven, will be forgiven in month 36;
- (iv) at the end of 4 years, 80% of the original Principal amount, less the amount, if any, previously forgiven, will be forgiven in month 48; and
- (v) at the Maturity Date, month 60, the remainder of the outstanding Principal amount will be forgiven.

IF THE ENTIRE PRINCIPAL AMOUNT HAS NOT BEEN FORGIVEN BY THE MATURITY DATE, I UNDERSTAND THAT I WILL BE REQUIRED TO REPAY THE OUTSTANDING PRINCIPAL AMOUNT IN FULL, ON THE MATURITY DATE.

#### **4. BORROWER'S RIGHT TO PREPAY**

I have the right to make payments of Principal at any time before they are due. A payment of Principal only is known as a "Prepayment." When I make a Prepayment, I will tell the Note Holder in writing that I am doing so. I may not designate a payment as a Prepayment if I have not made all the monthly payments due under the Note.

I may make a full Prepayment or partial Prepayments without paying a Prepayment charge. The Note Holder will use my Prepayments to reduce the amount of Principal that I owe under this Note. However, the Note Holder may apply my Prepayment to the accrued and unpaid interest on the Prepayment amount, before applying my Prepayment to reduce the Principal amount of the Note. If I make a partial Prepayment, there will be no changes in the due date or in the amount of my monthly payment unless the Note Holder agrees in writing to those changes.

#### **5. LOAN CHARGES**

If a law, which applies to this loan and which sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from me which exceeded permitted limits will be refunded to me. The Note Holder may choose to make this refund by reducing the Principal I owe under this Note or by making a direct payment to me. If a refund reduces Principal, the reduction will be treated as a partial Prepayment.

#### **6. BORROWER'S FAILURE TO PAY AS REQUIRED**

##### **(A) Late Charge for Overdue Payments**

There are no monthly payments required on this loan. In addition, no monthly interest will be charged or accrued on this loan.

##### **(B) Notice from Note Holder**

There are no monthly payments required on this loan. In addition, no monthly interest will be charged or accrued on this loan.

##### **(C) Default**

There are no monthly payments required on this loan. In addition, no monthly interest will be charged or accrued on this loan.

##### **(D) Payment of Note Holder's Costs and Expenses**

If the Note Holder has required me to pay immediately in full, the Note Holder will have the right to be paid back by me for all of its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorneys' fees.

**7. GIVING OF NOTICES**

Unless applicable law requires a different method, any notice that must be given to me under this Note will be given by delivering it or by mailing it by first class mail to me at the Property Address above or at a different address if I give the Note Holder a notice of my different address.

Any notice that must be given to the Note Holder under this Note will be given by delivering it or by mailing it by first class mail to the Note Holder at the address stated in Section 3(A) above or at a different address if I am given a notice of that different address.

**8. OBLIGATIONS OF PERSONS UNDER THIS NOTE**

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together. This means that any one of us may be required to pay all of the amounts owed under this Note.

**9. SECURED NOTE. IMMEDIATE PAYMENT IN FULL MAY BE REQUIRED.**

In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust, or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note.

**10. SUBORDINATION**

The Note Holder will not give consideration to a request to subordinate the lien of the Security Instrument, or the loan evidenced by this Note.

**11. OCCUPANCY**

Borrower shall occupy, establish and use the Property as Borrower’s principal residence within sixty days after the execution of this Note (or within sixty days of a later sale or transfer of the Property) and shall continue to occupy the Property as Borrower’s principal residence for at least 5 years after the date of occupancy, unless Lender determines that requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower’s control. Borrower shall notify Lender of any extenuating circumstances.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

\_\_\_\_\_(Seal)  
-Borrower

\_\_\_\_\_(Seal)  
-Co-Borrower