

NOTE

....., 19....

..... Navajo Nation (.....)
Property Address City Chapter State Zip Code

1. BORROWER’S PROMISE TO PAY

In return for a loan by Lender to Borrower, Borrower promises to pay U.S. \$..... (this amount will be called “principal”), plus interest, to the order of the Lender. Lender is Borrower understands that Lender may transfer this Note. Lender and anyone who takes this Note by transfer and who is entitled to receive payments under this Note is called “Note Holder.”

2. INTEREST

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

Borrower will pay the interest rate required by this Section 2 both before and after any default described in Section 4 of this Note.

3. PAYMENTS

Borrower will pay principal and interest by making payments each month of U.S. \$..... Borrower will make such payments on the day of each month beginning on, 19..... Borrower will make these payments every month until all of the principal and interest and any other charges, described below, that Borrower may owe under this Note are paid. Borrower’s monthly payments will be applied to interest before principal. If, on,, Borrower still owes amounts under this Note, Borrower will pay all those amounts, in full, on that date, which is called the “maturity date.”

Borrower will make such monthly payments at or at a different place if required by Note Holder.

4. BORROWER’S FAILURE TO PAY AS REQUIRED

(A) Late Charge for Overdue Payments

If Note Holder has not received the full amount of any monthly payment by the end of calendar days after the date it is due, Borrower will pay a late charge to Note Holder. The amount of the charge will be% of the overdue payment of principal and interest., but not less than U.S. \$..... and not more than U.S. \$..... Borrower will pay this late charge promptly, but only once on any late payment.

(B) Default

If Borrower does not pay the full amount of each monthly payment on the date it is due, Borrower will be in default.

(C) Notice of Default

If Borrower is in default, Note Holder may send Borrower notice as provided in Section 8 below telling Borrower that if Borrower does not pay the overdue amount by a certain date, Note Holder may require Borrower to pay immediately the full amount of principal which has not been paid and all the interest that Borrower owes on that amount. That date must be at least 60 days after the date on which the notice is delivered to Borrower.

(D) No Waiver By Note Holder

Even if, at a time when Borrower is in default, Note Holder does not require Borrower to pay immediately in full as described above, Note Holder will still have the right to do so if Borrower is in default at a later time.

(E) Payment of Note Holder’s Costs and Expenses

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

5. THIS NOTE SECURED BY A MORTGAGE

In addition to the protections given to Note Holder under this Note, a Mortgage of even date herewith protects Note Holder from possible losses which might result if Borrower does not keep the promises made in this Note. That Mortgage describes how and under what conditions Borrower may be required to make immediate payment in full of all amounts that Borrower owes under this Note.

6. BORROWER’S RIGHT TO PREPAY

Borrower has 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 Borrower make a prepayment, Borrower will tell Note Holder in writing that Borrower is doing so. A prepayment of all of the unpaid principal is known as a “full prepayment.” A prepayment of only part of the unpaid principal is known as a “partial prepayment.”

Borrower may make a full prepayment or a partial prepayment without any penalty. Note Holder will use all of Borrower’s prepayments to reduce the amount of principal that Borrower owes under this Note. If Borrower makes a partial prepayment, there will be no changes in the due dates or changes in the amounts of Borrower’s monthly payment unless Note Holder agrees in writing to those changes. Borrower may make a full prepayment at any time. If Borrower chooses to make a partial prepayment, Note Holder may require Borrower to make the prepayment on the same day that one of the monthly payments is due.

7. WAIVERS

Borrower waives his or her rights to require Note Holder to do certain things. Those things are: (A) to demand payment of amounts due (known as “presentment”); (B) to give notice that amounts due have not been paid (known as “notice of dishonor”). Anyone else who agrees to keep the promises made in this Note, or who agrees to make payments to Note Holder if Borrower fails to keep his or her promises under this Note, or who signs this Note to transfer it to someone else also waives these rights. These persons may include “guarantors, sureties and endorsers.”

8. GIVING OF NOTICES

Any notice to Borrower provided for in this Note shall be in writing and shall be delivered personally to Borrower, unless Borrower elects to receive notice only by certified mail, return receipt requested, to the mailing address designated herein, by checking box (a) below. If Borrower does not elect to receive notice only by certified mail, Borrower may require that personal delivery of written notice be accompanied by an oral Navajo language translation, by checking box (b) below. In addition, regardless of whether written notice upon Borrower is to be made by personal delivery or by certified mail, Borrower may require that written notice also be given to a debt counseling entity and/or to another person and/or entity, by certified mail, return receipt requested, to the mailing address(es) designated herein, by checking box(es) (c) and/or (d) below. [Check applicable box(es).]

- a. Only by certified mail, return receipt requested
- b. Written personal delivery accompanied by oral Navajo language translation
- c. Notice to the debt counseling entity selected by Borrower:
Name of entity:
Address:
Contact person:
Telephone:
- d. Notice to other individual or entity:
Name:
Address:
Contact Person (if any):
Telephone:

Notice by personal delivery shall be **deemed to have been received** on the date delivered with proof of delivery thereof. Notice by certified mail shall be **deemed to have been received** on the date shown on the return receipt received by Note

Holder, or, if no receipt is returned to Note Holder, twenty-one (21) days after mailing. Notice to Borrower shall be **deemed to have been received** on the latest date that notice is made in accordance with each of the methods selected by Borrower in this Note.

Any notice to Note Holder shall be deemed to have been given to Note Holder by mailing it by first class mail to Note Holder's address designated herein.

Any party, debt counseling entity and/or other person may change the address to which notice shall be delivered or mailed by notice to the other party(ies), entity and/or person.

9. 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 Borrower's rights or obligations under this Note will have all of Borrower's rights and must keep all of Borrower's promises made in this Note. Note Holder may enforce its rights under this Note against each person individually or against all of such persons together. This means that any one of such persons may be required to pay all of the amounts owned under this Note.

10. GOVERNING LAW; SEVERABILITY

This Note shall be governed by the law of the Navajo Nation and applicable federal law. The courts of the Navajo Nation shall have sole and exclusive jurisdiction with respect to all controversies or claims relating to or arising out of this Note. In the event that any provision or clause of this Note conflicts with applicable law, such conflict shall not affect other provisions of this Note which can be given effect without the conflicting provision. To this end the provisions of this Note are declared to be severable.

11. 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: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Note Holder may choose to make this refund by reducing the principal Borrower owes under this Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment.

.....
Borrower

.....
Borrower

.....
Borrower

(Sign Original Only)

ACCEPTANCE:

.....
Lender

.....
Attest