Appendix II

Sample Secured Promissory Note
SECURED PROMISSORY NOTE

Principal: ___________________________  Date: ___________________________
Place: Oneida Indian Nation

FOR VALUE RECEIVED, the undersigned, ___________________________, an individual
who is an enrolled Member of the Oneida Indian Nation (hereinafter referred to as "Borrower"),
hereby promises to pay to the order of the Oneida Indian Nation, a sovereign Indian nation
(hereinafter referred to as "Holder"), the principal sum of ___________________________
DOLLARS ($__________).

This Note is executed in consideration of the Contribution provided by Holder to
Borrower of ___________________________ Dollars ($______) pursuant to the Holder’s Home
Contribution Program established by Ordinance 00-____ and administered by the Nation
Housing Corporation in accordance with Chapter 7 of the Oneida Indian Nation Housing Code.

This Note is secured by a pledge of (i) Borrower’s right to use and occupy the
improvements located on the real property described on Exhibit A attached hereto pursuant to a
Use Rights and Homeowner Agreement (the “Home”), (ii) any Distribution Proceeds from the
Nation to the Borrower as a member in good standing of the Oneida Indian Nation, and (iii)
[other] ___________________________ (collectively, the “Collateral”).

This Note shall be a non-interest bearing note.

The principal balance of this Note shall be reduced ("Vested") in equal annual amounts
sufficient to fully amortize the principal balance hereunder over a ten (10) year period, providing
that each year that Borrower maintains a Use Rights and Homeowner Agreement and uses the
Home as the Borrower’s principal residence. Vesting occurs on the anniversary date of the Use
Rights and Home Agreement in accordance with the foregoing sentence. Once the Borrower
has maintained the Use Rights and Homeowner Agreement for a consecutive ten (10) year
period, the Contribution shall be fully Vested and this Note shall be satisfied and of no further
force or effect.

Payment under this Note shall be deferred for a period of ten (10) years from the date
hereof; provided that, at the option of Holder, the non-Vested principal of this Note shall become
immediately due and payable in the event that: (i) Borrower, without approval of the Holder,
ceases to reside in the Home for which the Holder provided to the Borrower the Contribution to
which this Note relates for a period in excess of thirty consecutive (30) days; (ii) Borrower
transfers or attempts to transfer the Use Rights and Homeowner Agreement or attempts to
transfer the Home, without approval of the Holder; (iii) Borrower is the sole signatory of the Use
Rights and Homeowner Agreement and Borrower dies; or (iv) Borrower violates any provision
of the Use Rights and Homeowner Agreement, Ordinance 00-____, or any provision of the
Oneida Nation Housing Code, as may be amended from time-to-time.
Borrower and all others who may become liable for all or any part of this Note, agree hereby to be jointly and severally bound, and jointly and severally (i) waive and renounce any and all homestead exemption rights and the benefits of all valuation and appraisement privileges as against this debt or any renewal or extension hereof; (ii) waive presentment, demand, protest, notice of nonpayment, notice of dishonor, and any and all lack of diligence or delays in the collection or enforcement hereof; (iii) expressly consent to the release or substitution of any of the collateral securing this Note; and (iv) expressly consent to any extension of the time for payment of this Note and any other indulgence or forbearance by Holder. Any such extension, release, substitution, indulgence, or forbearance may be made without notice to any party and without in any way affecting the personal liability of any party liable hereon.

All payments hereunder shall be payable to the order of Holder at the Nation Housing Corporation, Oneida Nation Homelands, 267 Union Street, RD 2, Oneida, New York, 13421 or at such place and such person as shall be designated in writing from time to time by Holder. The principal on this Note shall be payable in immediately available funds in lawful money of, or used by, the Oneida Indian Nation that is legal tender for public and private debts at the time of payment.

This Note shall be binding upon Borrower and its successors and assigns and shall inure to the benefit of Holder and its successors and assigns. This Note shall be governed by and construed in accordance with the laws of the Oneida Indian Nation.

IN WITNESS WHEREOF, the undersigned, with full power and authority to do so, intending that this Note shall constitute an instrument under seal, has caused these presents to be executed, delivered, and sealed on the day and year first above written.

BORROWER:

WITNESS:

________________________________ (Seal)

Name: ____________________________
Address: __________________________

________________________________ (Seal)

Name: ____________________________
Address: __________________________
ONEIDA INDIAN NATION  )ss:

On the _____ day of __________, in the year _____, before me, the undersigned officer, personally appeared ______________________, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her their capacity(-ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the same.

[Signature]
[Office of person taking the acknowledgment]