Georgia Housing and Finance Authority
Georgia Dream Second Mortgage Loan
Promissory Note

_____, 20_____ _____
(city) (State)

_____
(Property Address)

1. Borrower's Promise to Pay. In return for a loan that I, _____ (the "Borrower") have received, I promise to pay U.S. $_____ (this amount is called "principal"), plus any other charges due hereunder, to the order of the Lender. The Lender is _____ whose address is _____ _____ 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."
2. Interest. Interest will not be charged, nor will interest accrue, on the principal. However, if I default, interest on amounts paid by the Note Holder, and certain charges, may accrue and I will be obligated to pay those amounts.
3. Payments. There will be no required monthly or annual payments. The principal shall be due in full as provided in paragraph 1.1 of the Subordinate Security Deed (as that term is referenced in paragraph 10 hereof).
4. Borrower's Right to Prepay. I have the right to make a payment of principal at any time before it is due. A payment of principal 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 make a full prepayment or partial prepayments without paying any prepayment charge. The Note Holder will use all my prepayments to reduce the amount of principal that I owe under this Note. If I make a partial prepayment, there will be no change in the date on which the principal shall be due 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 any 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 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 Default.

(A) Violation of Subordinate Security Deed. If I do not comply with all the terms of the Subordinate Security Deed within the periods, if any, described therein, I will be in default.

(B) Default. If I do not repay the principal at the time required by the Subordinate Security Deed, I will be in default.

(C) Notice of Default. If I am in default, the Note Holder may send me a written notice telling me that if I do not pay the overdue amount by a certain date, the Note Holder may require me to pay immediately the full amount of principal. That date must be at least 30 days after the date on which the notice is delivered or mailed to me.

(D) No Waiver by Note Holder. Even if, at a time when I am in default, the Note Holder does not require me to pay immediately in full as described above, the Note Holder will still have the right to do so at a later time.

(E) Payment of Note Holder's Costs and Expenses. If the Note Holder has required me to pay immediately in full as described above the Note Holder will have the right to be paid back by me for all its costs and expenses in enforcing this Note to the extent not prohibited by applicable law. Those expenses include, for example, reasonable attorney's fees. Notwithstanding anything to the contrary contained in this document, if the Borrower's first mortgage is FHA insured, and Borrower's default results solely from Borrower's violation of the owner-occupied restrictions contained herein, then borrower is not contractually liable for the lender's expenses or any other amounts except for repayment of the original indebtedness.

(F) Termination of Owner Occupancy Requirement. The owner occupancy requirement is terminated upon foreclosure or deed-in-lieu of foreclosure, or if the mortgage is assigned to the Secretary.

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. I will promptly notify the Note Holder if my mailing address should change. Any notice that must be given to the Note Holder under this Note will be given by mailing it by first class mail to the Note Holder at the address specified on the first page hereof or 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 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 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 the amounts owed under this Note.

9. Waivers. I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require the Note Holder to demand payment of amounts due. "Notice of dishonor" means the right to require the Note Holder to give notice to other persons that amounts due have not been paid.

10. Additional Provisions. In additions to the protections given to the Note Holder under this Note, a Subordinate Security Deed, dated the same date as this Note, (the "Subordinate Security Deed"), protects the Note Holder from possible losses which might result if I do not keep the promises which I make in this Note. The Subordinate Security Deed is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Security Deed (defined below). The Subordinate Security Deed describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. "First Security Deed" means a Security Deed dated on or about the same date of this Note, which protects the holder of

the first Note made by me payable to the order of _____

(the "Senior Lien Holder") which protects the Senior Lien Holder if I do not keep the promises which I made in such first Note. Two of those conditions are described as follows:

(A) Transfer of the Property or a Beneficial Interest in Borrower. Unless approved in writing by Note Holder (pursuant to applicable rules and regulations of Lender at such time), and except for a conveyance to the Senior Lien Holder, if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person), Borrower shall immediately pay in full all sums secured by the Subordinate Security Deed; and

(B) Refinancing of the Loan Secured by the First Security Deed. In the event the loan secured by the First Security Deed is refinanced, Borrower shall immediately pay in full all sums secured by the Subordinate Security Deed.

IN WITNESS WHEREOF, Borrower has signed and sealed this Note as of the day and year first above written.

BORROWER:

BY: _____

Printed Name: _____

BORROWER:

BY: _____

Printed Name: _____

BORROWER:

BY: _____

Printed Name:_____