[**THIS CLERK'S COVER SHEET IS FOR INFORMATIONAL PURPOSE**]

1. The Date of the Document: _____
2. The Names of the Signatories of the Document: _____
3. The Grantee's Mailing Address: _____
4. Map and Parcel Identification Information, if Applicable: _____
5. The Original Loan Amount: _____
6. The Initial Maturity Date or Dates for Such Debt: The maturity date shall not be later than thirty (30) years from the date herein.
7. The Intangible Recording Tax: _____
8. Intangible Recording Tax Exemption Authority, if Applicable: _____
9. This Instrument was prepared by:
10. After recording, please return to:

NOTE: **THIS COVER SHEET DOES NOT MODIFY THE TERMS OF THE ATTACHED INSTRUMENT.**

This Instrument was prepared by:
After recording return to:

_____
_____
_____
_____

Georgia Housing and Finance Authority
Georgia Dream Second Mortgage Loan Subordinate Security Deed

THIS SUBORDINATE SECURITY DEED ("Security Instrument") is given on this _____ day of _____, 20____ by _____, an individual resident of the State of Georgia, having a mailing address of _____ _____ ("Borrower") in favor of _____ _____, a _____, having a mailing address of_____ ("Lender");

W I T N E S S E T H; That,

WHEREAS, Borrower owes Lender the principal sum of _____ Dollars (U.S. $_____) which is evidenced by that certain Georgia Dream Second Mortgage Note made by Borrower payable to the order of Lender and dated the same date as this Security Instrument (the "Note"); and

WHEREAS, in addition to the loan secured by this Security Instrument (the "Loan"), Borrower obtained a first security deed loan (the "First Security Loan") from _____ (the "Senior Lien Holder"), which is secured by a first security deed lien (the "First Security Deed") on the Property (as such term is hereinafter defined); the First Security Deed, together with any and all other documents evidencing or securing the First Security Loan are collectively referred to herein as the "First Security Deed Loan Documents;" and

WHEREAS, as a condition to Lender's making the Loan to Borrower, Lender has requested, and Borrower has agreed to execute and deliver this Security Instrument as security for the payment of the indebtedness owed by Borrower to Lender under the Note;

NOW THEREFORE, FOR AND IN CONSIDERATION of the sum of Ten and No/100 Dollars ($10.00), and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under Section 1.9 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note (collectively, the "Indebtedness"), Borrower hereby grants, bargains, sells, warrants, conveys aliens, remises, releases, assigns and set over and confirms to Lender and Lender's successors and assigns, with power of sale, subject to the rights of the Senior Lien Holder under the First Security Deed:

ALL THOSE CERTAIN lot(s), pieces(s) or parcel(s) of improved land located at _____, _____, _____ County, Georgia, and described on Exhibit "A" attached hereto and by this reference incorporated herein and made a part hereof;

TOGETHER WITH, all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property, and together with any and all replacements and additions thereto (hereinafter collectively referred to as the "Property).

TO HAVE AND TO HOLD the Property to the use, benefit and behoove of Lender, its successors and assigns, IN FEE SIMPLE forever.

THIS CONVEYANCE is intended to operate and is to be construed as a deed passing title to the Property to Lender and is made under those provisions of the existing laws of the State of Georgia relating to deeds to secure debt, and not as a mortgage.

Should the Indebtedness secured by this Security Instrument be paid according to the tenor and effect thereof when the same shall become due and payable, and should Borrower perform all covenants herein contained in a timely manner, then this Security Instrument shall be canceled and surrendered.

ARTICLE I
COVENANTS OF BORROWER

1.1 Payment of Principal and Charges. Borrower shall promptly pay when due the Indebtedness evidenced by the Note, and any other charges due under the Note and this Security Instrument, unless otherwise provided herein. Subject to the provisions of 24 C.F.R. 92.254 (a)(5)(ii)(A)(3), if applicable, the Indebtedness is due and payable on the earlier of (a) refinancing of the First Security Loan; (b) a sale or conveyance of the Property by the Borrower; (c) a foreclosure of the First Security Deed; or (d) a Default (either hereinafter defined or as defined in the First Security Deed), shall have occurred under the Note, this Security Deed or the First Security Deed. Should the Indebtedness not be fully satisfied after application of payment formula outlined in 24 C.F.R. 92.254 (a) (5) (ii) (A) (3) the remaining balance shall be forgiven by Lender.

1.2 Title to the Property. Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for the First Security Deed and other encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record as of the date of this Security Instrument.

1.3 Funds for Taxes and Insurance. Subject to the provisions set forth in this Section 1.3, Borrower shall pay to Lender upon Lender's request, on the first day of each month, until the Note is paid in full, a sum (the "Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; and (d) yearly flood insurance premiums. Items (a) through (d) are collectively called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the Federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 *et seq* . ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law. The Borrower shall not be obligated to make such payments of Funds to the Lender to the extent that the Borrower makes such payments to the Senior Lien Holder in accordance with the First Security Deed.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case, borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under Section 2.2, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale of the Property, as a credit against the sums secured by this Security Instrument.

If this Security Instrument is subject to any first-priority security deed (the "Prior Security Deed") encumbering the Property, including, without limitation, the First Security Deed, and such Prior Security Deed provides for the Borrower to make the payments required in this Section 1.3, then Borrower's compliance with the covenants in the Prior Security Deed shall be deemed to be in compliance with the provisions of this Section 1.3.

1.4 Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under Sections 1.1 and 1.3 hereof shall be applied: first, to amounts payable under Section 1.3; second, to interest due, if any; third, to principal due; and last, to any late charges or other fees due under the Note.

1.5 Prior Security Deed; Charges; Liens. Borrower shall perform all the Borrower's obligations under the First Security Deed, including Borrower's covenants to make payments when due. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in Section 1.3, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Except for the lien of the First Security Deed, Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which, in the Lender's opinion, operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. Except for the lien of the First Security Deed, if Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of such notice.

1.6 Subordination. Lender and Borrower acknowledge and agree that this Security Instrument is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Security Deed and to all advances heretofore made or which may hereafter be made pursuant to the First Security Deed, including all sums advanced for the purposes of (a) protecting or further securing the lien of the first Security Deed, curing defaults by the Borrower under the First Security Deed or for any other purpose expressly permitted by the First Security Deed and/or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property.

The terms and provisions of the First Security Deed are paramount and controlling and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure or assignment to the Secretary of Housing and Urban Development of the First Security Deed, any provisions herein or any provisions in any other collateral agreement restricting the use of the Property to low or moderate income households or otherwise restricting the Borrower's ability to sell the Property shall have no further force or effect. Any persons (including his successors or assigns) receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the First Security Deed shall receive title to the Property free and clear from such restrictions.

Further, in the event a default occurs under the First Security Loan, Borrower shall provide Lender with written notice of such default. In the event the Senior Lien Holder acquires title to the Property pursuant to a deed in lieu of foreclosure, the lien of this Security Instrument shall automatically terminate upon the Senior Lien Holder's acquisition of title.

Further, the Borrower and the Lender agree that whenever the Note or this Security Instrument gives the Lender the right to approve or consent with respect to any matter affecting the property (or the construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and right of approval or consent with regard to the same matter is also granted to the Senior Lien Holder pursuant to the First Security Deed, the Senior Lien Holder's approval or consent or failure to approve or consent, as the case may be, shall be binding on the Borrower and the Lender.

1.7 Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's right in the Property in accordance with Section 1.9.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgagee clause. All requirements hereof pertaining to insurance shall be deemed satisfied if the Borrower complies with the insurance requirements under the First Security Deed. All original policies of insurance required pursuant to the First Security Deed shall be held by the Senior Lien Holder; provided, however, Lender may be named as a loss payee as its interest may appear and may be named as an additional insured. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier, the Senior Lien Holder and Lender. Lender may make proof of loss if not made promptly by the Senior Lien Holder or the Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Subordinate Security Deed, or (b) to the restoration or repair of the damaged Property. Any excess insurance proceeds over the amount required to pay all outstanding indebtedness under the Note and this Subordinate Security Deed shall be paid to the entity legally entitled thereto.

Any application of proceeds to principal shall not extend or postpone any due date of the payments referred to in Sections 1.1 and 1.3 or change the amount of the payments. If under Section 2.2 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

Notwithstanding the above, the Lender's right to collect and apply the insurance proceeds hereunder shall be subject and subordinate to the rights of the Senior Lien Holder to collect and apply such proceeds in accordance with the First Security Deed.

1.8 Occupancy, Preservation, Maintenance and Protection of the Property; Leasehold. Borrower shall at all times occupy, establish, and use the Property as Borrower's principal residence and shall continue to occupy the Property as Borrower's principal residence for a period of 5 years if the second mortgage is less than $15,000.00, 10 years if the second mortgage is $15,000.00 or more but $40,000.00 or less, or 15 years if the second mortgage is more than $40,000.00 from the date hereof. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

1.9 Protection of Lender's Rights in the Property. In the event a Default (as such term is hereinafter defined) occurs under this Security Instrument, or there is a legal proceeding that may affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument (including sums secured by the First Security Deed), appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may act under this Section 1.9, Lender does not have to do so.

Any amounts disbursed by Lender under this Section 1.9 shall become additional Indebtedness of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate of 10% per annum and shall be payable, with interest, upon notice from Lender to Borrower requesting payment. Notwithstanding anything to the contrary contained in this document, if the Borrower's first Mortgage is FHA-insured, and the Borrower's default results solely from Borrower's violation of the owner-occupancy restrictions contained herein, then Borrower is not contractually liable for Lender's expenses or any other amounts except for repayment of the original indebtedness.

Prior to taking any actions under this Section 1.9, however, Lender shall notify the Senior Lien Holder of such Default in the manner provided in Section 3.4 of this Security Instrument and shall provide the Senior lien Holder with the opportunity to cure any such Default under this Security Instrument. All amounts advanced by the Senior Lien Holder to cure a Default hereinunder shall be deemed advanced by the Senior Lien Holder and shall be secured by the First Security Deed. In addition, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days prior written notice. Any action by Lender hereunder to foreclose or accept a deed in lieu of foreclosure shall be subject to the "due on sale" provisions of the First Security Deed.

Lender and Borrower further agree that a Default hereunder may, in Senior Lien Holder's sole discretion, constitute a Default under the First Security Deed. In the event the Senior Lien Holder deems a Default hereunder to be a Default under the First Security Loan, the Senior Lien Holder shall have the right to exercise all rights and remedies under the First Security Deed.

1.10 Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for inspection.

1.11 Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of the First Security Deed.

In the event of a total taking of the Property, the proceeds shall be applied first to all amounts due and owing to the Senior Lien Holder under the First Security Loan, then to the sums secured by this Security Instrument, whether then due, with any excess paid to Borrower. In event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone any due date of the payments referred to in Sections 1.1 and 1.3 or change the amount of such payments.

1.12 Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances (as such term is hereinafter defined) on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law (as such term is hereinafter defined). The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Prior to taking any such remedial action, however, the Borrower shall notify the Senior Lien Holder that such remedial action is necessary and shall obtain the Senior Lien Holder's prior written consent for such remedial action. As used in this Section 1.12, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Section 1.12, "Environmental Law" means federal laws and laws of the State of Georgia that relate to health, safety or environmental protection.

ARTICLE 2
DEFAULT AND REMEDIES

2.1 Events of Default. Any one or more of the following events or conditions shall constitute a"Default" under this Security Instrument:

(a) If any forfeiture action or proceeding, whether civil or criminal, is begun which in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest and Borrower has failed to cure such a default within 60 days after the date on which such action or proceeding is commenced by failing to cause the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest; provided, such 60 day grace period set forth in this subsection (a) shall not apply to any other Default expressly set forth in this Section 2.1 or to any other covenant or condition with respect to which a limitation as to time or grace period or right to cure is expressly provided herein or in the Note; or

(b) If Borrower, during the loan application process or during the term of the Loan, gave or gives materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the Loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence and representations contained in this Security Instrument; or

(c) If the second mortgage is $15,000.00 or less and Borrower, during the five (5) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(d) If the second mortgage is more than $15,000.00 but less than $40,000.00 and Borrower, during the ten (10) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(e) If the second mortgage is more than $40,000.00 and Borrower, during the fifteen (15) year period beginning with the date of execution of the Subordinate Security deed, fails to occupy the Property as a principal residence; or

(f) Except for a conveyance to the Senior Lien Holder under the First Security Deed, and unless approved in writing by Lender (pursuant to applicable rules and regulations of Lender at such time), 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); or

(g) If the First Security Loan, or any portion thereof, is refinanced by Borrower; or

(h) Failure by Borrower to observe or perform any of the terms, covenants, agreements or conditions contained in this Security Instrument, the Note, or any other instrument, document or agreement evidencing and/or securing the Loan.

2.2 Acceleration; Remedies.

(a) Upon the occurrence of a Default, and subject to any applicable cure periods, if any, Borrower shall immediately pay in full all sums secured by this Security Instrument, subject to the provisions of 24 C.F.R. 92.254 (a) (5) (ii) (A) (3), if applicable; provided however, this provision shall not be enforced by Lender if such provision is prohibited by federal law as of the date of execution of this Security Instrument.

(b) Lender shall give notice to Borrower and the Senior Lien Holder prior to acceleration of the indebtedness following the occurrence of any Default under this Security Agreement. The notice shall specify: (a) the Default; (b) the action required to cure the Default; (c) a date, not less than 30 days from the date the notice is given to Borrower (and with respect to the Senior Lien Holder, 60 days from the date the notice is given to the Senior Lien Holder), by which the Default must be cured; and (d) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. If the Default is not cured on or before the date specified in the notice, and the Senior Lien Holder has not exercised its right to cure the Default, then Lender at its option may require immediate payment of the sums secured by this Security Instrument, subject to the provisions of 24 C.F.R. 92.254 (a)(5)(ii)(A)(3), if applicable, without further demand and may invoke the power of sale granted by Borrower and any other remedies permitted by applicable law.

Borrower hereby appoints Lender as its agent and attorney-in-fact for Borrower to exercise the power sale. Notwithstanding Lender's right to invoke any remedies hereunder, the Lender agrees that it will not commence foreclosure proceedings or accept a deed in lieu of foreclosure or exercise any other rights or remedies hereunder until it has given the Senior Lien Holder at least 60 days' prior written notice. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 2.2, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

(c) If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower and to the Senior Lien holder in the manner provided in Section 3.4 and shall give notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Lender, without further demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Lender determines. Lender or its designee may purchase the Property at any sale.

(d) Lender shall convey to the purchaser indefeasible title to the Property, and Borrower hereby appoints Lender Borrowers' agent and attorney-in-fact to make such conveyance and to execute any and all documents necessary to affect such conveyance. The recitals in the Lender's deed shall be prima facie evidence of the truth of the statements made therein. Borrower covenants and agrees that Lender shall apply the proceeds of the sale in the following order: (i) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (ii) to sums secured by this Security Instrument; and, (iii) any excess to the person or persons legally entitled to it. The power and agency granted are coupled with an interest, are irrevocable by death or otherwise and are cumulative to the remedies for collection of debt as provided by law.

(e) If the Property is sold pursuant to this Section 2.2, Borrower, or any person holding possession of the Property through Borrower, shall immediately surrender possession of the Property to the purchaser at the sale. If possession is not surrendered, Borrower or such person shall be a tenant holding over and may be dispossessed in accordance with applicable law.

ARTICLE 3
MISCELLANEOUS

3.1 Borrower Not Released; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment (or otherwise modify amortization of the sums secured by this Security Instrument), by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

3.2 Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent; provided, however, that such modification or accommodation shall not be made without the prior written consent of the Senior Lien Holder.

3.3 Loan Charges. If the Loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the 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 Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

3.4 Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the address of the Property or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice required to be given to the Senior Lien Holder shall be given by first class mail to the following address:

_____

_____

_____

or such other address as the Senior Lien Holder designates by notice to the Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this Section.

3.5 Governing Law; Severability. This Security Instrument shall be governed by federal law and the laws of the State of Georgia. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

3.6 Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

3.7 Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with Section 3.4 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payment should be made. The notice will also contain any other information required by applicable law.

3.8 No Assignment. Until the loan secured by the First Security Deed has been satisfied in full, the Lender and the Borrower agree that the Note and the Security Instrument will not be assigned without the Senior Lien Holder's prior written consent.

3.9 Release. Upon payment of all sums secured by this Security Instrument, Lender shall cancel this Security Instrument without charge to Borrower, other than the recordation costs which shall be paid by Borrower.

3.10 Modification of First Security Deed Loan Documents. The Lender consents to any agreement or arrangement in which the Senior Lien Holder waives, postpones, extends, reduces or modifies any provisions requiring the payment of money.

3.11 Waiver of Homestead. Borrower waives all rights of homestead exemption in the Property.

3.12 Assumption Not a Novation. Lender's acceptance of an assumption of the obligations of this Security Instrument and the Note, and any release of Borrower in connection therewith, shall not constitute a novation.

BORROWER HEREBY ACCEPTS AND AGREES to the terms and covenants in this Security Instrument.

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

Signed, sealed and delivered in the presence of:

BORROWER(S)

_____

Unofficial Witness

By: _____ (SEAL)
Printed Name:

_____

Notary Public

By: _____ (SEAL)
Printed Name:

[NOTARY SEAL]