

**SECOND LIEN MORTGAGE**

Prepared By and when Recorded Mail To:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Know all men by these presents:

That \_\_\_\_\_ hereinafter called Mortgagor, whether one or more, has mortgaged, and hereby mortgages and warrants, to Wells Fargo Bank, National Association, as Trustee, hereinafter called Mortgagee, and as assignee of the Nortex Housing Finance Corporation, whether one or more, the following described real estate and premises situated in the Eligible Loan Area, as defined in the Origination, Sale and Servicing Agreement by and among the Authority, U.S. Bank Home Mortgage-MRBP Division as the Servicer and the various Lenders, to-wit:

with all the improvements hereon and appurtenances thereunto belonging; and warrant the title to the same, subject to a prior lien evidenced by a first mortgage from the Mortgagor to be executed contemporaneously herewith. Mortgagee and Mortgagor acknowledge and agree that this Second Lien Mortgage is subject and subordinate in all respects to the liens, terms, covenants and conditions of the first Mortgage and to all advances heretofore made or which may hereafter be made pursuant to the first Mortgage including all sums advanced for the purpose of (a) protecting or further securing the lien of the first Mortgage, curing defaults by the Mortgagor under the first Mortgage or for any other purpose expressly permitted by the first Mortgage or (b) constructing, renovating, repairing, furnishing, fixturing or equipping the Property. In the event of a foreclosure or deed in lieu of foreclosure of the first Mortgage, 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 Mortgagor's ability to sell the Property shall have no effect on subsequent owners or purchasers of the Property. Any person, including his successors or assigns (other than the Mortgagor or a related entity of the Mortgagor), receiving title to the Property through a foreclosure or deed in lieu of foreclosure of the first Mortgage shall receive title to the Property free and clear from such restrictions.

This Second Lien Mortgage is given to secure the payment of the principal sum of \$\_\_\_\_\_, bearing interest at the rate of [\_\_\_\_\_] % per annum, according to the terms of a certain Second Lien Note of even date herewith, signed by the Mortgagor, the payment thereon

being due on or before the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, as provided by the Second Lien Note.

The Second Lien Note secured by this Second Lien Mortgage has a maturity of ten (10) years. The Second Lien Note and this Second Lien Mortgage and all sums due thereunder securing the property will be accelerated at the then principal balance if the Mortgagor sells or voluntarily refinances the first mortgage note. The Second Lien Note and this Second Lien Mortgage are not assumable.

In the event the Mortgagor defaults in the payment of said indebtedness, or fails to perform the other covenants and agreements hereof, the Mortgagee may foreclose this Second Lien Mortgage, as provided by law; and as often as any proceedings may be taken to foreclose this Second Lien Mortgage, the Mortgagor agrees to pay to the Mortgagee a sum equal to the amount of attorney's fees incurred in collecting the amounts due hereunder, in addition to other sums due, which shall be a further lien secured hereby. Upon the due payment of said indebtedness and the performance of other covenants and agreements hereof by the Mortgagor, this Second Lien Mortgage shall become null and void.

The Mortgagor, in event of a foreclosure hereunder, hereby waives appraisalment of said premises, or not, at the option of the Mortgagee. Mortgagee will give the senior lien holder written notice of default and prior written notice of acceleration under this Second Lien Mortgage.

Mortgagee's rights to collect and apply any 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 Mortgage.

Signed and Delivered this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_

State of Texas                    )  
  ) ss  
County of \_\_\_\_\_        )

Before me on this day personally appeared the foregoing individual(s) known to me to be the person(s) whose true and genuine signature(s) were subscribed to the foregoing instrument in my presence.

[Seal]

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_