

SUBORDINATE DEED OF TRUST

Prepared By and when Recorded Mail To:

Space above this line reserved for Recorder's
Use only

Know all men by these presents:

The grantor is _____ ("*Borrower*").

The trustee is Wells Fargo Bank, National Association ("*Trustee*"), whose address is 201 Main Street, Suite 301, MAC T 5441-030, Fort Worth, Texas 76102.

The beneficiary is the Nortex Housing Finance Corporation, a Texas public non-profit corporation, ("*Issuer*"), whose address is 4309 Jacksboro Highway, Wichita Falls, Texas 76307.

Borrower irrevocably grants and conveys to Trustee and as assignee of the Issuer, in trust, with power of sale, 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 Borrower to be executed contemporaneously herewith. Trustee and Borrower acknowledge and agree that this Subordinate Deed of Trust is subject and subordinate in all respects to the liens, terms, covenants and conditions of the first Mortgage (as defined in the Origination, Sale and Servicing Agreement described above) 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 Borrower 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 Borrower'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 Borrower or a related entity of the Borrower), 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 Subordinate Deed of Trust is given to secure the payment of the principal sum of \$ _____, bearing interest at the rate of 6.15% per annum, according to the terms of a certain Second Lien Note of even date herewith, signed by the Borrower, 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 Subordinate Deed of Trust has a maturity of ten (10) years. The Second Lien Note and this Subordinate Deed of Trust and all sums due thereunder securing the property will be accelerated at the then principal balance if the Borrower sells or voluntarily refinances the first mortgage note. The Second Lien Note and this Subordinate Deed of Trust are not assumable.

In the event the Borrower defaults in the payment of said indebtedness, or fails to perform the other covenants and agreements hereof, the Trustee may foreclose this Subordinate Deed of Trust, as provided by law; and as often as any proceedings may be taken to foreclose this Subordinate Deed of Trust, the Borrower agrees to pay to the Trustee 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 Borrower, this Subordinate Deed of Trust shall become null and void.

The Borrower, in event of a foreclosure hereunder, hereby waives appraisalment of said premises, or not, at the option of the Trustee. Trustee will give the senior lien holder written notice of default and prior written notice of acceleration under this Subordinate Deed of Trust.

Trustee'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:
