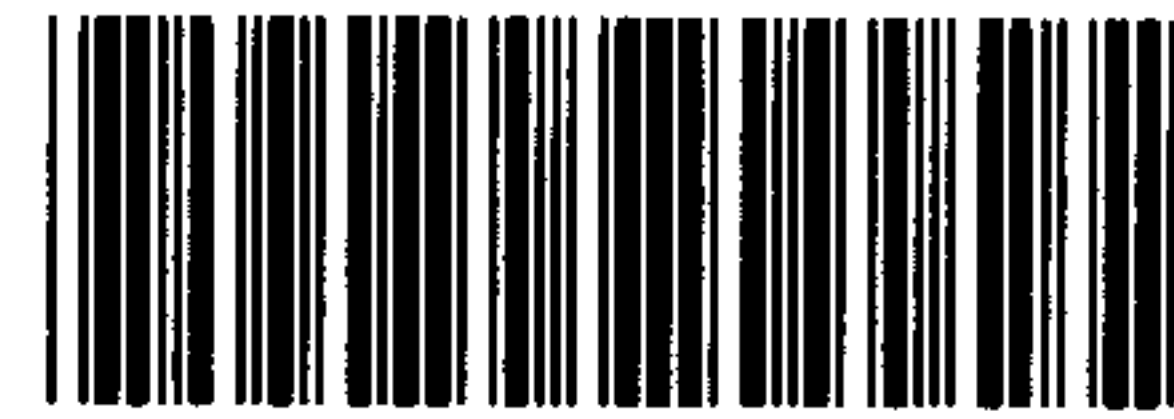


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INSTRUMENT # 2487580 12 PGSMar 03, 2009 09:06 AM
BOOK 3861 PAGE 1095J. K. "BUDDY" IRBY
Clerk Of Circuit Court
Alachua County, Florida
CLERK13 Receipt # 400591
Doc Stamp-Mort: \$166.60

2487580

12 PGS

MORTGAGE

THIS MORTGAGE ("Security Instrument") is made January 21, 2009. The mortgagor is Willie Mae Barnes, whose address is 838 SE 7th Ave. Gainesville, FL 32641 ("Borrower"). This Security Instrument is given to The City of Gainesville, a Municipal corporation, organized and existing under the laws of Florida, and whose address is 306 NE 6th Ave. Station 10B Gainesville, FL 32601 ("Lender"). Borrower owes Lender the total principal sum of **\$ 47,507.55**. This debt is evidenced by Borrower's Note(s) dated the same date as this Security Instrument ("Note" or "Note(s)"), which provides for a *deferral of monthly payments* if the Borrower complies with the terms of the Note(s) and this Security Instrument. The Note(s) provide(s) that the full debt, if not paid earlier (*or forgiven*), shall be due and payable on January 21, 2019, the "maturity date" of the Note(s). The loan evidenced by the Note(s) and secured by this Security Instrument (the "Loan") is/are being made pursuant to the program(s) set forth in the Rider(s) attached hereto and made a part hereof.

In addition to the Loan, the Borrower has a mortgage loan (the "First Mortgage Loan") from The City of Gainesville (the "Senior Lien Holder"), which loan is secured by a first mortgage lien on the property (the "First Mortgage"). The documents evidencing or securing the First Mortgage Loan are collectively referred to herein as the First Mortgage Loan Documents.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note(s), with interest as provided in the Note(s), and all renewals, extensions and modifications of the Note(s); (b) the payment of all other sums, with interest as provided in the Note(s), advanced under paragraph 8 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(s). For this purpose, Borrower irrevocably mortgages, grants and conveys to Lender and Lender's successors and assigns, with power of sale, subject to the rights of the Senior Lien Holder under the First Mortgage, the property located in Alachua County, Florida, which has the address of 838 SE 7th Ave. Gainesville, Florida 32641, and is further described as follows:

W H WAITS S/D PB A-153 LOTS 31 32 BK C OR 354/238

TO HAVE AND TO HOLD this property unto Lender and Lender's successors and assigns, forever, all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and, except for the First Mortgage and other encumbrances of record acceptable to the Senior Lien Holder, the Property is unencumbered. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to such encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note(s) and any late charges due under the Note(s).

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note(s), until the Note(s) is/are paid in full, a sum ("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; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 9, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an account 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. Section 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 Mortgage.

MORTGAGE

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 paragraph 23, 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 as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note(s); second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note(s).

4. Prior Mortgages; Charges; Liens. The Borrower shall perform all of the Borrower's obligations under the First Mortgage 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 paragraph 2, 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 paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Except for the lien of the First Mortgage, Borrower shall promptly discharge any other lien which shall have attained 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 Mortgage, 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 such lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. 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 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 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. The terms and provisions of the First Mortgage 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 of the First Mortgage, any provisions herein or any provisions in any other collateral agreement restricting 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 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.

6. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards including 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 the 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 rights in the Property in accordance with paragraph 8.

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 Mortgage. All original policies of insurance required pursuant to the First Mortgage 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 copies of 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 to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 23 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 rights 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 Mortgage.

7. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 120 days after the execution of this Security Instrument or the issuance of the Certificate of Occupancy. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that 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. Borrower may cure such a default and reinstate, as provided in paragraph 19, by causing the action or proceeding to be dismissed with 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. Borrower shall also be in default if Borrower, during the loan application process, gave 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(s), including but not limited to, representations concerning (i) Borrower's occupancy of the Property as a principal residence and (ii) Borrower's income. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

The Borrower acknowledges that this Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the property is located), limiting the Property's use to *eligible housing as defined by the Lender in its application documents*. The use and occupancy restrictions may limit the Borrower's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Lender to the remedies provided in Section 23 hereof.

8. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly 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 Mortgage), appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 8, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 8 shall become additional debt 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 Note(s) rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

Prior to taking any actions under this Section 8, however, Lender shall notify the Senior Lien Holder of such default, in the manner provided in Section 23 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 hereunder shall be deemed advanced by the Senior Lien Holder and shall be secured by the First Mortgage. 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 Mortgage.

Lender and Borrower further agree that a default hereunder shall constitute a default under the First Mortgage. In the event of a default hereunder, the Senior Lien Holder shall have the right to exercise all rights and remedies under the First Mortgage.

9. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost

substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

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

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 Mortgage.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess 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 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 the 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 the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

12. 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.

13. 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, subject to the provisions of paragraph 18. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note(s): (a) is co-signing this Security Instrument only to mortgage, grant and convey the 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 any accommodations with regard to the terms of this Security Instrument or the Note(s) 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.

14. 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(s) 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(s).

15. 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 Property Address or any other address Borrower designated 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 designated 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:

City of Gainesville
306 NE 6th Ave. P.O. Box 490 Station 10B
Gainesville, FL 32601

or such other address the Senior Lien Holder designated 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 paragraph.

16. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note(s) conflict(s) with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note(s) which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note(s) are declared to be severable.

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

18. Transfer of the Property or a Beneficial Interest in Borrower. Except for a conveyance to the Senior Lien Holder under the First Mortgage, if all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower and the Senior Lien Holder prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Notwithstanding Lender's right to invoke any remedies hereunder, as provided in Section 8 above, 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.

The Borrower and the Lender agree that whenever the Note(s) or this Security Instrument gives the Lender the right to approve or consent with respect to any matter affecting the Property (or construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and a right of approval or consent with regard to the same matter is also granted to the Senior Lien Holder pursuant to the First Mortgage, 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.

19. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of said contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note(s) as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 18.

20. Sale of Note(s); Change of Loan Servicer. The Note(s) or a partial interest in the Note(s) (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 monthly payments due under the Note(s) and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note(s). If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 15 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

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

22. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances 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. 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 paragraph 22, "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 paragraph 22, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

23. Acceleration Remedies. Lender shall give notice to Borrower and the Senior Lien Holder prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument. 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. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured by the Borrower 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 in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Notwithstanding Lender's right to invoke any remedies hereunder, as provided in Section 8 above, 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 paragraph 23, including, but not limited to, reasonable attorneys' fees and costs of this evidence.

If Lender invokes the power of sale, Lender shall mail copies of a notice of sale in the manner prescribed by applicable law to Borrower, the Senior Lien Holder and to the other persons prescribed by applicable law. Lender shall publish the notice of sale by public advertisement for the time and in the manner prescribed by applicable law. Lender, without demand on Borrower, shall sell the Property at public auction to the highest bidder for cash at the time and place and under the terms designed in the notice of said in one or more parcels and in any order Lender determines. Lender may postpone sale of all or any parcel of the Property to any later time on the same date by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Lender shall deliver to the purchaser Lender's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Lender's deed shall be prima facie evidence of the truth of the statements made therein. Lender shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

24. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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

INSTRUMENT # 2487580 12 PGS

26. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- Home Investment Partnership Program Rider
- (RCMP) Program Rider
- SHIP Program Rider
- Affordable Housing Program Rider
- Community Development Block Grant (CDBG) Program Rider
- City of Gainesville General Revenue Fund Program Rider
- Compliance Rider
- American Dream Downpayment Initiative (ADDI) Program Rider

BY SIGNING BELOW, the Borrower and the Lender accept and agree to the terms and covenants contained in this Security Instrument.

Witnesses:

[Handwritten signature]

Willie Mae Barnes (SEAL)
 Willie Mae Barnes -Borrower
 _____ (SEAL)
 -Borrower
 _____ (SEAL)
 -Borrower

STATE OF FLORIDA
 COUNTY OF ALACHUA

The foregoing instrument was acknowledged before me this 21th day of January, 2008, by Willie Mae Barnes. He/she is personally known to me or has produced a Driver's License as identification.

[Handwritten signature]
 Print Name: Benina Jones-Sumwashe BENINA JONES-SUMWASHE
 Notary Public, State of Florida at Large Notary Public - State of Florida
 My Commission expires: My Commission Expires Nov 1, 2009
 My Commission number: Commission # DD 476577
 Bonded By National Notary Assn.

This Form Document No. _____
 is a legal instrument approved by the City Attorney.
 Any deviations from its intended use should be
 authorized by the City Attorney.

INSTRUMENT # 2487580 12 PGS

SHIP PROGRAM RIDER

THIS SHIP RIDER is made this 21st day of January 2009, and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to The City of Gainesville (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

W H WAITS S/D PB A-153 LOTS 31 32 BK C OR 354/238

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

1. The loan evidenced by the S.H.I.P. Loan Program Note (the "Note") and secured by this Security Instrument (the "Loan") is being made pursuant to the SHIP Program and the regulations issued thereunder [William E. Sadowski Act of 1992, as amended (92-317, Laws of Florida), and in accordance with City of Gainesville Local Housing Plan Chapter .

2. Paragraph 7 of the Mortgage is hereby amended to add the following additional provision:

"7. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument or the issuance of the Certificate of Occupancy. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that 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. Borrower may cure such a default and reinstate, as provided in paragraph 19, by causing 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. Borrower shall also be in default if Borrower, during the loan application process, gave 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 (i) Borrower's occupancy of the Property as a principal place of residence and (ii) Borrower's income. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

The Borrower acknowledges that this Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to "eligible housing" within the meaning of the SHIP Program. The use and occupancy restrictions may limit the Borrower's ability to rent the Property. The violation of any use and occupancy restrictions may, if not prohibited by federal law, entitle the Lender to the remedies provided in Section 23 hereof.

3. Paragraph 18 of the Mortgage is hereby amended to add the following additional provision:

"18. Transfer of the Property or a Beneficial Interest in Borrower. Except for a conveyance to the Senior Lien Holder under the First Mortgage, if all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower and the Senior Lien Holder prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Notwithstanding Lender's right to invoke any remedies hereunder, as provided in Section 8 of Mortgage , 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.

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 construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and a right of approval or consent with regard to the same matter is also granted to the Senior Lien Holder pursuant to the First Mortgage, 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.

4. **Special SHIP Covenants Representations.** The Borrower covenants, represents, and warrants to the Lender that: (a) the Borrower, along with his/her/their family, intends to reside as a household in the Property; (b) the Borrower is a **First-Time Homebuyer** as defined by the **SHIP Program Guidelines**; (c) the Borrower's total family income at the time of its application for the Loan was less than or equal to **eighty percent (80%)** of Alachua County median income, and (d) the Borrower is eligible to participate in the Lender's **SHIP Downpayment Assistance Program** and its homeownership assistance program thereunder.

REQUEST FOR NOTICE OF DEFAULT -----AND FORECLOSURE UNDER SUPERIOR----- MORTGAGES OR DEEDS OF TRUST

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page 1 of this Mortgage, of any default under the superior encumbrance under the superior encumbrance and of any sale or other foreclosure action.

5. The Borrower covenants that the information Borrower provided on the "Downpayment/Closing Costs Assistance Program Application and Reservation Form: and on the S.H.I.P. Program Income

Certification" form is true and accurate. If the City of Gainesville, Florida, determines that Borrower fraudulently provided false information, the face amount of the Note secured by this Mortgage shall immediately become due and payable without demand.

6. Borrower covenants and agrees that Borrower is income eligible as required by the S.H.I.P. Program as of the date of loan commitment by the first mortgage lender.

7. Notwithstanding any other provisions to the contrary herein, the Borrower covenants and agrees as follows: (a) Borrower shall own the property for a period commencing ten (10) years from the date of this Mortgage; (b) Borrower shall occupy the property as his or her principal place of residence for a period commencing ten (10) years from the date of this Mortgage; (c) Borrower shall not lease or rent the property whether for cash payment or not; (d) Borrower shall maintain the property in compliance with the City of Gainesville, Florida Minimum Housing Code. Borrower hereby consents to, and hereby grants access to the property described herein to agents of the City of Gainesville, Florida, including the City of Gainesville Code Enforcement Division, or designee(s), to enter upon the premises and to inspect the property each year during the term of the Loan secured hereby for the purpose of ensuring compliance with this property maintenance provision. If the event Borrower shall breach any of the foregoing covenants, the Lender shall be entitled to the remedies provided in Section 23 of the Mortgage.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Rider.

Willie Mae Barnes (Seal)
Willie Mae Barnes-Borrower

-Borrower (Seal)

05-801.tpl
07/13/05

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INSTRUMENT # 2487580 12 PGS

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM RIDER

THIS COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM RIDER is made this 21th day of January 2009 and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to The City of Gainesville (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

W H WAITS S/D PB A-153 LOTS 31 32 BK C OR 354/238

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenants and agree as follows:

1. The loan evidenced by the Community Development Block Grant (CDBG) Program Note (the "Note") and secured by this Security Instrument (the "Loan") is being made pursuant to the Community Development Block Grant (CDBG) regulations issued thereunder [Title I, of the Housing and Community Development Act of 1974, as amended (Title 42 USC 5301 et seq.)].

2. Paragraph 7 of the Mortgage is hereby amended to add the following additional provision:
"7. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 120 days after the execution of this Security Instrument or the issuance of the Certificate of Occupancy. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that 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. Borrower may cure such a default and reinstate, as provided in paragraph 19, by causing 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. Borrower shall also be in default if Borrower, during the loan application process, gave 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 (i) Borrower's occupancy of the Property as a principal place of residence and (ii) Borrower's income. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

The Borrower acknowledges that this Property is subject to certain use and occupancy restrictions (which may be further evidenced by a separate agreement recorded in the land records where the Property is located), limiting the Property's use to "eligible housing" within the meaning of the Community Development Block Grant (CDBG) Program. The use and occupancy restrictions may limit the Borrower's ability to rent the Property. The violation of any use and occupancy restrictions may entitle the Lender to the remedies provided in Section 23 hereof if such action is not prohibited by federal law.

3. Paragraph 18 of the Mortgage is hereby amended to add the following additional provision:
"18. Transfer of the Property or a Beneficial Interest in Borrower. Except for a conveyance to the Senior Lien Holder under the First Mortgage, if all or any part of the Property or any interest in it is sold or transferred without Lender's prior written consent Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower and the Senior Lien Holder prior written notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Notwithstanding Lender's right to invoke any remedies hereunder, as provided in Section 8 above, 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.

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 construction of any improvements thereon) or otherwise (including the exercise of any "due on sale" clause), and a right of approval or consent with regard to the same matter is also granted to the Senior Lien Holder pursuant to the First Mortgage, 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.

4. Community Development Block Grant (CDBG) Program Covenants and Representations. The Borrower covenants, represents, and warrants to the Lender that: (a) the Borrower, along with his/her/their family, intends to reside as a household in the Property; (b) the Borrower is a qualified purchaser as defined by the Community Development Block Grant (CDBG) Program Guidelines; (c) the Borrower's total family income at the time of its application for the Loan in accordance with the guidelines of the Community Development Block Grant (CDBG) Program, and (d) the Borrower is eligible to participate in the Lender's Community Development Block Grant (CDBG) Program and its homeownership assistance program thereunder.

**REQUEST FOR NOTICE OF DEFAULT
-----AND FORECLOSURE UNDER SUPERIOR-----
MORTGAGES OR DEEDS OF TRUST**

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page 1 of this Mortgage, of any default under the superior encumbrance under the superior encumbrance and of any sale or other foreclosure action.

5. The Borrower covenants that the information Borrower provided on the Community Development Block Grant (CDBG) Program Application and Reservation Form is true and accurate. If the City of Gainesville, Florida, determines that Borrower fraudulently provided false information, the face amount of the Note secured by this Mortgage shall immediately become due and payable without demand.

6. Borrower covenants and agrees that Borrower is income eligible as required by the Community Development Block Grant (CDGB) Program as of the date of loan commitment by the first mortgage lender.

7. Notwithstanding any other provisions to the contrary herein, the Borrower covenants and agrees as follows: (a) Borrower shall own the property for a period commencing ten (10) years from the date of this Mortgage; (b) Borrower shall occupy the property as his or her principal place of residence for a period commencing ten (10) years from the date of this Mortgage; (c) Borrower shall not lease or rent the property whether for cash payment or not; (d) Borrower shall maintain the property in compliance with the City of Gainesville, Florida Minimum Housing Code. Borrower hereby consents to, and hereby grants access to the property described herein, to agents of the City of Gainesville, Florida, the City of Gainesville Code Enforcement Division, or its designee(s), to enter upon the premises and to inspect the property each year during the term of the Loan secured hereby for the purpose of inspecting the property to ensure compliance with this property maintenance provision. If the event Borrower shall breach any of the foregoing covenants, the Lender shall be entitled to the remedies provided in Section 23 of the Mortgage.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Rider.

 (Seal)
Willie Mae Barnes -Borrower

_____(Seal)
-Borrower

05-801.tpl
07/13/05

**This Form Document No. _____
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INSTRUMENT # 2487580 12 PGS

COMPLIANCE RIDER

THIS RIDER is made this 21th day of January 2009, and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Security Instrument") of the same date, given by the undersigned (the "Mortgagor") to secure Mortgagor's Note(s) to The City of Gainesville (the "Mortgagee") of the same date and covering the Property described in the Security Instrument and located at:

W H WAITS S/D PB A-153 LOTS 31 32 BK C OR 354/238

In addition to the covenants and agreements made in the Security Instrument, Mortgagor and Mortgagee further covenants and agree as follows:

1. Lost, Misplaced, Omitted, Misstated, and/or Inaccurate Documents.

In the event that any document is lost, misplaced, misstated, omitted, or inaccurately reflects the true and correct terms and conditions of the Loan, the Mortgagor agrees to execute, re-execute, acknowledge, initial, and deliver to Mortgagee or its agent any and all documents the Mortgagee deems necessary to replace or correct the lost, misplaced, misstated, omitted and/or inaccurate documents. Mortgagor agrees to deliver the requested document(s) within ten (10) days after receipt by Mortgagee of written or verbal request from Mortgagee or its agent.

2. Uncollected, Under collected, and/or Omitted Fees

In the event that any fee previously disclosed to the Mortgagor as a cost or fee required as a condition of Mortgagee providing the Loan is uncollected, under collected, or omitted for whatever reason from the loan closing, the Mortgagor agrees to pay Mortgagee or its agent within ten (10) days after receipt by Mortgagee of written or verbal request from Mortgagee or its agent.

3. Failure to Deliver Replacement Documents

Should the Mortgagor fail to deliver documents requested by Mortgagee or its agent within ten (10) days after receiving the Mortgagee's request to do so, the Mortgagor agrees to be liable for any and all loss or damage which Mortgagee sustains thereby, including but not limited to all reasonable attorney's fees and cost incurred by Mortgagee. Should the Mortgagor fail to deliver documents requested by Mortgagee or its agent within sixty (60) days after receiving the Mortgagee's request to do so, the Mortgagee may, at its option, declare all sums secured hereby immediately due and payable.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and provisions contained in this Rider.

Willie Mae Barnes (Seal)
Willie Mae Barnes-Mortgagor

-Mortgagor (Seal)

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05/07/98

**This Form Document No. P98-0096
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INSTRUMENT # 2487580 12 PGS