



Department of Revenue
State of Georgia

410 Trinity-Washington Building
Atlanta, Georgia 30334
(404) 656-4015

June 12, 2001

T. Jerry Jackson
Commissioner

[REDACTED]

RE: Protest of Intangible Recording Tax and Claim for Refund pursuant to
O.C.G.A. 48-6-76; [REDACTED]

Dear [REDACTED]:

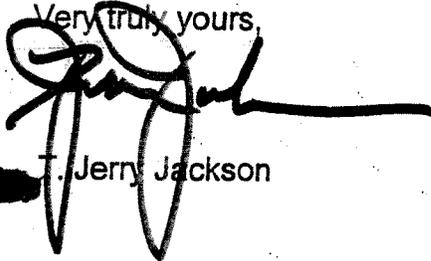
In reply to your request pursuant to O.C.G.A. 48-6-76 for a refund of intangible recording taxes paid under protest to the clerk of superior court, [REDACTED] on behalf of [REDACTED] on August 13, 1999, it is my determination that your request for a refund in the amount of [REDACTED] be denied. In reaching my determination, the contents of your letter dated September 1, 1999 together with the Deed To Secure Debt and Security Agreement executed on August 10, 1999 between [REDACTED] ("Grantor") and [REDACTED] ("Grantee") and the Promissory Note entered into between the parties on August 10, 1999 were considered, as well as the Claim for Refund.

The Promissory Note dated August 10, 1999 entered into between the parties contains two options to extend the term and postpone the Maturity Date for two additional periods of one year each, subject to the borrower satisfying four conditions at the time of each such extension. The borrower has an absolute right to two extensions of the maturity date upon meeting the conditions enumerated in the Promissory Note. The exercising of the first option to extend the maturity date would cause the term of repayment of the loan to extend beyond 36 months, making it a long-term loan.

Department of Revenue Rule 560-11-8-.03 (d) provides that a short-term note, with an option to extend or renew by the borrower, where any part of the principal or interest of the note becomes due, or may become due, more than three years from the date of execution is classified as a long-term note.

Since the Promissory Note between the parties and the Deed To Secure Debt And Security Agreement contain options to extend by the Borrower, which, if exercised would cause payments of principal or interest to become due more than 36 months from the execution of the loan, payment of intangible recording tax in the amount of [REDACTED] was due at the time the Deed To Secure Debt And Security Agreement was recorded on August 12, 1999.

Very truly yours,



Clerk of Superior Court, [REDACTED] Jerry Jackson

TJJ/JWM/jt