

CONVENTIONAL AND RD TAX-EXEMPT FINANCING RIDER

THE BORROWER HEREBY INCORPORATES THE FOLLOWING COVENANTS into the Deed of Trust: Notwithstanding anything to the contrary contained in the Deed of Trust,

"Transfer of the Property; Assumption. If all of the Property or an interest therein is sold, leased, or otherwise transferred (including, without limitation, any transfer by devise or descent) without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust, provided that without Lender's prior written consent the Property or any interest therein shall not be conveyed or transferred to lienor or any other person or entity as a result of the enforcement of any such subordinate lien or encumbrance, (b) the creation of a purchase money security interest for household appliances, or (c) a transfer by operation of law upon the death of a joint tenant, Lender may, at Lender's option, declare all the sums secured by this Deed of Trust to be immediately due and payable. Lender shall waive such option to accelerate if, prior to any sale by the Borrower, Lender:

- (i) has received from Borrower a written notification that Borrower intends to sell the Property and a written request that Lender waive its right to accelerate upon such occurrence:
- (ii) communicates to Borrower in writing its waiver of such right:
- (iii) has received a complete application for loan assumption from the person to whom the Property is sold:
- (iv) determines, based upon representations contained in such application and upon Lender's independent verifications, that such person qualifies (as to minimum and maximum income and otherwise) for a loan under Lender's eligibility criteria for Lender's home loan program for persons and families of low and moderate income:
- (v) determines that all of the requirements of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated pursuant thereto have been satisfied with respect to such requested assumption; and
- (vi) accepts, by execution thereof, a written assumption agreement among itself, the Borrower and person to whom the property is to be sold.

If Lender has waived its option to accelerate as provided above, Lender shall allow the person to whom the property is to be sold to assume the obligations of the Note and this Deed of Trust. If Lender exercises such option to accelerate, Lender shall mail borrower notice of acceleration in accordance with the terms hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by the terms hereof.

FURTHER, Borrower agrees and understands that Lender, in carrying out its public purposes, has been induced to make the loan secured by this Deed of Trust by Borrower's statements and representations in Borrower's loan application and affidavits made a part thereof, in Borrower's acceptance of Lender's loan commitment and in documents, affidavits and statements signed by Borrower at closing. Borrower hereby covenants and warrants that such statements and representations were true, correct and complete as of the date of the application and are true, correct and complete as of the date of this Deed of Trust. Borrower further agrees that in the event that any such statement or representation is untrue, incorrect or incomplete (whether willful, inadvertent or otherwise) as of the date of such application or as of the date of this Deed of Trust, the Borrower shall be in breach of this Deed of Trust and Lender shall have the right to exercise its remedies under this Deed of Trust and shall, in addition have the right to increase the interest rate on the outstanding principal balance (and to make appropriate increase in the monthly payment of principal and interest) to the then prevailing market interest rate as determined by Lender.

FURTHER, Borrower covenants and warrants that all of the terms and conditions of the Mortgage Loan Commitment from Lender to Borrower for the loan secured by this Deed of Trust and any amendments thereto have been fully complied with or satisfied, and Borrower agrees that any failure to so comply with or satisfy such terms and conditions shall constitute a default under this Deed of Trust and shall give rise to Lender's remedies under this Deed of Trust.

FURTHER, notwithstanding the provisions of the Deed of Trust, Borrower covenants and agrees to occupy the Property as Borrower's principal place of residence.

FURTHER, the following provision is hereby incorporated into the Deed of Trust:

"Lender shall pay or, at its option, credit to the Mortgagor such amounts, if any, as Lender shall in its sole discretion determine to be required by the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated pursuant thereto in such manner and at such time as the Lender shall elect in accordance therewith. The Lender is under no obligation to maximize or earn any amount which must be so paid or credited to the Borrower. Furthermore, the Lender is under no obligation to pay or credit any amounts to the Borrower if the Borrower is then in breach of any covenant or agreement in this Deed of Trust or if the Property has been sold pursuant to the terms hereof or in lieu thereof has been conveyed by the Borrower to the Lender."

FURTHER, Borrower covenants and agrees that if the Lender or any successor in interest as to this indebtedness at some future date transfers or assigns the debts or any part of the debt heretofore described to a third party, including without limitation the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any other federally chartered corporation, at the sole option of the Lender or such other successor, this Attachment shall terminate and have no further force or effect, and this Deed of Trust as it appears before this Attachment shall thereupon become operative and of full force and effect.

Borrower Signature

Borrower Signature