

Tax-Exempt Financing Rider

THIS TAX-EXEMPT FINANCING RIDER is made this _____ day of _____, _____ and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned _____ ("Borrower") to secure Borrower' s Note ("Note") to _____ ("Lender") of the same date and covering the property described in the Security Instrument and located at: _____ [Property Address]

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

Lender, or such of its successors or assigns as may by separate instrument assume responsibility for assuring compliance by the Borrower with the provisions of this Tax-Exempt Financing Rider, may require immediate payment in full of all sums secured by this Security Instrument if:

- (a) All or part of the Property is sold or otherwise transferred by Borrower to a purchaser or other transferee:
 - (i) Who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (i)(2) of the Internal Revenue Code; or
 - (ii) Who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code (except that "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1)); or
 - (iii) At an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 percent for targeted area residences), all as provided in Section 143(e) and (1)(2) of the Internal Revenue Code; or
 - (iv) Who has a gross family income in excess of the applicable median family income as provided in section 143(f) and (i)(2) of the Internal Revenue Code; or
- (b) Borrower fails to occupy the property described in the Security Instrument without prior written consent of Lender or its successors or assigns described at the beginning of this Tax-Exempt Financing Rider, or
- (c) Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for the loan secured by this Security Instrument

References are to the Internal Revenue Code as amended and in effect on the date of the issuance of bonds, the proceeds of which will be used to finance the purchase of the Security Instrument and are deemed to include implementing regulations.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Tax-Exempt Financing Rider.

_____-Borrower _____-Borrower
_____-Borrower _____-Borrower

_____ [Space Below This Line for Acknowledgment] _____

STATE OF IDAHO,
County _____

On this _____ day of _____, before me, _____ a Notary Public in and for said county and state, personally appeared _____, known or proved to me to be the person(s) who executed the foregoing instrument, and acknowledged to me that he/she/they executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notary Public residing at: _____

My Commission Expires: _____