



COMMON INTEREST COMMUNITY RIDER

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

(Property Address)

The Property includes, but is not limited to, a unit in, together with an undivided interest in the common areas and facilities of, a Common Interest Community known as:

(Name of Common Interest Community)

The Property also includes Borrower's interest in the owners association or equivalent entity owning or managing the common elements of the Common Interest Community (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

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

A. Obligations. Borrower shall perform all of Borrower's obligations under the Common Interest Community's Legal Documents. The "Legal Documents" are the: (i) Declaration; (ii) articles of incorporation, trust instrument or an equivalent document which creates the Owners Association; and (iii) by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Legal Documents.

B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, for which Lender requires insurance, then (i) Lender may waive the provision in Section 3 of the Security Instrument for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 of the Security Instrument to maintain property insurance coverage on the Property may be deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan.

Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

In the event of distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the Common Interest Community, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the Common Interest Community, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Lender shall apply such proceeds to the sums secured by the Security Instrument as provided in Section 11 of the Security Instrument.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the Common Interest Community, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Legal Documents if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay Common Interest Community dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the 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 rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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

Borrower

Borrower