

BY-LAWS

THE RIMROCK ASSOCIATION OF BEND, OREGON, INCORPORATED
A Nonprofit Corporation

ARTICLE I

NAME AND LOCATION

The name of the corporation is The Rimrock Association of Bend, Oregon, Incorporated, hereinafter referred to as the "association." The principal office of the corporation is located at Bend, Oregon, but meeting of the members and directors may be held at such places within the State of Oregon, County of Deschutes, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to "The Rimrock Association of Bend, Incorporated," its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Comprehensive Plan for Rimrock West, and such additions thereto as may hereafter be brought within the jurisdiction of the association.

Section 3. "Common Area" shall mean all real property owned by the association for the common use and enjoyment of the owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area. A "unit" is a lot.

Section 5. "Owner" shall mean and refer to the owner of record, whether one or more persons or entities, of the fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for the performance of the obligation.

When recorded return to:

The Rimrock Assoc. of Bend, Inc.
3916A Lower Village Road
Bend, Oregon 97701

Section 6. "Developer" shall mean and refer to R.C. Crum, his successor and assigns.

Section 7. "Plan" shall mean and refer to the "Replacement Comprehensive Plan for Rimrock West, which is applicable to the properties recorded in the Office of the Clerk of Deschutes County, Oregon in Deed Records for the association and recorded herewith.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Plan.

ARTICLE III MEETING OF MEMBERS

Section 1. Annual Meetings. The association shall hold an annual meeting of unit owners within 90 days following the close of each calendar year.

Section 2. Special Meetings. Special meetings of the association may be called by the President of the Board of Directors, a majority of the Board of Directors or by twenty-five percent (25%) of the unit (lot) owners.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to all homeowners of record to the Board of Directors. The last alphabetical list of homeowners provided by the Board of Directors shall constitute a valid list for this purpose. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting.

Section 4. Quorum. A quorum for any meeting of the association shall consist of the number of persons who are entitled to cast twenty percent (20%) of the votes which may be cast for the election of the Board of Directors and who are present in person or by proxy at the beginning of the meeting. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, signed and dated, and filed with the secretary prior to or at the meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his unit (lot).

ARTICLE IV

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a board of five (5) directors, who need not be members of the association.

Section 2. Term of office. Each director shall serve a three year term. The terms shall be staggered.

Section 3. Removal. Notwithstanding any contrary provision of the declaration or Plan, the owners may remove any member of the board of directors, with or without cause, by a majority vote of all owners present and entitled to vote at any meeting of the owners at which a quorum is present. No removal of a director is effective unless the matter of removal is an item on the agenda and stated in the notice of the meeting.

Section 4. Compensation. No director shall receive compensation for any service he may render to the association. However, a director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 4. Board meetings. All meetings of the board shall be open to owners. Minutes shall be kept of all meetings. All meetings, other than emergency meetings, shall be noticed by posting, pursuant to the Plan, at least three days prior to the meeting. Minutes shall be kept of emergency meetings.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee

shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Plan. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

MEETINGS OF DIRECTORS.

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly at such time and place and hour as may be fixed by resolution of the Board. Meetings shall not be held on a legal holiday. All meetings shall be open to association members and shall be noticed.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers and Duties. The board of directors may act on behalf of the association except as limited by the Plan and declaration. In the performance of their duties, officers and members of the board of directors shall exercise the care required of fiduciaries.

The board of directors shall exercise for the association all powers, duties and authority vested in or delegated to the association and not reserved to the membership by other provisions of these by-laws, the Articles of Incorporation, declarations or the the Plan, and in particular Section X of the Plan.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this association shall be elected annually by the Board and each shall hold office for one (1) year or until the next annual meeting unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The board may elect such other officers as the affairs of the association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the unanimous vote of the other members of the board. Any officer may resign at any time giving written notice to

the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to these by-laws.

Section 8. Duties. The duties of the officers are as follows:

(a) The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(b) The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the association together with their addresses, and shall perform such other duties as required by the Board.

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the association; keep proper books of account; cause an annual audit of the association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the members at its regular annual meeting, and deliver a copy to each of the members.

ARTICLE IX

COMMITTEES

The Board of Directors shall appoint an Architectural Control Committee, as provided in the Plan, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the association shall be subject to inspection by any member, at all times, during reasonable business hours. The Plan, the Articles of Incorporation, Building and Use Restrictions, and the By-Laws of the association shall be available for inspection by any member of the association. A reasonable fee may be charged for copies of these documents.

ARTICLE XI

ASSESSMENTS

As more fully provided in the Plan, each member is obligated to pay to the association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Assessments may be paid on an annual, quarterly or monthly basis as provided by the Board and any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, interest, costs, and reasonable attorney fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his lot.

ARTICLE XII
AMENDMENTS

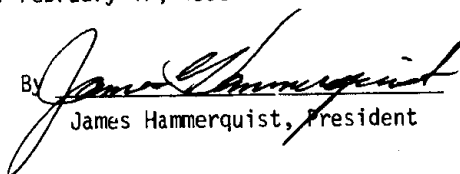
488 - 0204

Section 1. These By-laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these by-laws, the Articles shall control; and in the case of any conflict between the Comprehensive Plan and these By-laws, the Comprehensive Plan will prevail.

The above by-laws were amended and restated, with the approval of the members, to conform to the amended and restated Comprehensive Plan which was approved in writing by 41 of the 47 units in Rimrock West at the annual homeowners meeting of February 17, 1998.

By

A handwritten signature in cursive script, appearing to read "James Hammerquist", written over a horizontal line.

James Hammerquist, President

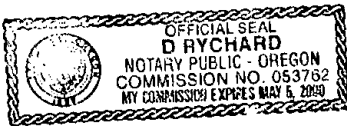
I, Clark W. Satre, Secretary of the Rimrock Association of Bend, Oregon, Inc. on February 17, 1998, swear that the amendments, deletions and restatement of the Comprehensive Plan for Rimrock West was duly approved in writing by 41 unit owners of the 47 units in Rimrock West at the annual homeowners meeting of February 17, 1998 in the manner provided in the Comprehensive Plan which was in effect at the time of that meeting. Eighty-seven percent (87%) of the unit owners voted their approval. The above by-laws were amended and restated to incorporate the changes made in the Comprehensive Plan.

By *Clark W. Satre*
Clark W. Satre, Secretary

STATE OF OREGON)
County of Deschutes)

DATED: 4-6-98

Personally appeared James Hammerquist and Clark W. Satre, who, being duly sworn, each for himself and not one for the other, did say that the former is the President and the latter was the Secretary on February 17, 1998 of the Rimrock Association of Bend, Oregon, Inc. a corporation, and that said instrument was signed on behalf of said corporation by authority of its board of directors; and each of them acknowledge said instrument to be its voluntary act. Before me:



D. Rychar
Notary Public for Oregon
My commission expires: May 5, 2000

When recorded return to:
The Rimrock Assoc. of Bend, Inc.
3916A Lower Village Road
Bend, Oregon 97701

STATE OF OREGON)
COUNTY OF DESCHUTES) SS.

I, MARY SUE PENHOLLOW, COUNTY CLERK AND
RECORDER OF CONVEYANCES, IN AND FOR SAID
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS RECORDED THIS DAY:

98 APR -7 PH12:02

MARY SUE PENHOLLOW
COUNTY CLERK

BY *[Signature]* DEPUTY

NO. 98-14066 FEE 45

DESCHUTES COUNTY OFFICIAL RECORDS