



AFTER RECORDING RETURN TO:

River Ridge Townhomes of
Mt. Bachelor Village
19717 Mt. Bachelor Drive
Bend, Oregon 97702
Attn: Cynthia Chandler

**SECOND AMENDMENT TO DECLARATION OF
RIVER RIDGE TOWNHOMES OF MT. BACHELOR VILLAGE**

THIS SECOND AMENDMENT TO DECLARATION OF RIVER RIDGE TOWNHOMES OF MT. BACHELOR VILLAGE (this "Amendment") is made and entered into effective this 25th day of October, 2007 by River Ridge Townhomes Homeowners Association, Inc., an Oregon nonprofit corporation (the "Association").

RECITALS

A. Mount Bachelor Village Corporation, an Oregon corporation ("Declarant"), executed that certain Declaration of River Ridge Townhomes of Mt. Bachelor Village dated as of October 13, 1994 and recorded in the official records of Deschutes County, Oregon on October 21, 1994 as Document No. 94-42137 (the "Original Declaration").

B. The Association executed that certain First Amendment to Declaration of River Ridge Townhomes of Mt. Bachelor Village dated as of December 6, 2004 and recorded in the official records of Deschutes County, Oregon on December 6, 2004 as Document No. 2004-72466 (the "First Amendment"). The Original Declaration, as amended by the First Amendment, is hereinafter referred to as the "Declaration."

C. The Association desires to amend the Declaration as provided herein pursuant to and in accordance with Section 12.1 of the Original Declaration.

AGREEMENT

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. Replacement of Section 3.6. Section 3.6 of the Original Declaration is hereby deleted in its entirety and replaced with the following:

Section 3.6 Insurance.

3.6.1 Insurance Maintained by the Association. The Board of Directors shall obtain and maintain in effect, in the name of and on behalf of the Association, from an insurance company authorized to do business in the State of Oregon:

(a) general comprehensive public liability insurance for the benefit of the Association and its members, covering occurrences in the Common Areas or otherwise arising from the performance of the Association's maintenance responsibilities under the Declaration and with a policy limit, as determined by the Board of Directors, but not less than One Million Dollars (\$1,000,000.00) per occurrence and in the aggregate; and

(b) fire and extended coverage casualty insurance with respect to all Living Units and all insurable Improvements located in the Common Areas in an amount equal to one hundred percent (100%) of the replacement cost thereof.

The Board of Directors shall use commercially reasonable efforts to obtain a general liability policy that contains, if available, cross-liability endorsements or other appropriate provisions for the benefit of the Association, the Board of Directors, the Owners and other insureds, as their interests may be determined by the Board of Directors, ensuring all against liability to each other insured as well as third parties. The Board of Directors shall obtain the required casualty insurance for any Living Units and/or insurable Improvements located in Common Areas that are annexed into River Ridge Townhomes as soon as reasonably possible after such annexation. Any proceeds of insurance policies owned by the Association shall be received, held in a segregated account and distributed to all interested parties, as determined by the Board of Directors. The insurance obtained by the Board of Directors on behalf of the Association shall not be brought into contribution with any insurance obtained by the individual Owners or their mortgagees. The cost of obtaining the foregoing insurance shall be a common expense of the Association and shall be paid for out of the operating assessments in accordance with Article 10.

3.6.2 Insurance Maintained by Owners. Each Owner shall obtain and maintain in effect, from an insurance company authorized to do business in the State of Oregon:

(a) general comprehensive public liability insurance with respect to such Owner's Lot covering property damage and personal injury with a policy limit of at least Seven Hundred Fifty Thousand Dollars (\$750,000.00) per occurrence and in the aggregate; and

(b) fire and extended coverage casualty insurance with respect to such Owner's personal property and Betterments.

For purposes of this Section 3.6.2, "Betterments" shall mean any and all Owner upgrades and Owner improvements to a Living Unit after the initial sale of the Living Unit by Declarant, other than


replacements of items that were included within the Living Unit at the time of original sale with items of similar nature or quality. Betterments may include, without limitation, upgraded appliances, built-in fixtures, building expansions, and outbuildings or other detached structures added by an Owner other than Declarant. No Owner shall be obligated to obtain any of the insurance described in Section 3.6.1 above, nor shall the insurance obtained by an Owner (or such Owner's mortgagee) be brought into contribution with any insurance obtained by the Board of Directors on behalf of the Association. The Board of Directors shall have the right, but not the obligation, to request evidence that an Owner has procured the required insurance. Upon written request of the Board of Directors, an Owner shall present a certificate of insurance evidencing the required insurance coverage. The Board of Directors shall have the right, but not the obligation, to increase the insurance coverage limits established by this Section 3.6.2 from time to time to reflect increases in the cost of living. Such increases shall require neither an amendment to this Section 3.6.2 nor a vote of the Owners, and shall be effected, if at all, by providing written notice to each Owner not less than thirty (30) days prior to the effective date of such increased coverage limits.

2. Approval. The Owners holding at least seventy-five percent (75%) of the voting power of the Association have approved this Amendment effective as of the date set forth above in accordance with Section 12.1 of the Original Declaration.
3. Defined Terms. Any capitalized term utilized herein and not otherwise defined shall have the meaning ascribed to such term in the Original Declaration.
4. Effect of Amendment. Except as expressly amended hereby, the Declaration remains unamended and in full force and effect.

*(Remainder of Page Intentionally Left Blank;
Signature Page Follows)*

IN WITNESS WHEREOF, this Amendment is executed to be effective as of the date first set forth above.

ASSOCIATION: RIVER RIDGE TOWNHOMES HOMEOWNERS
ASSOCIATION, INC., an Oregon
nonprofit corporation

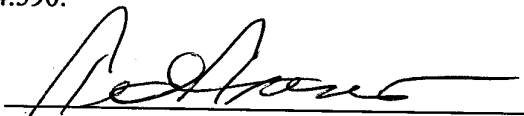
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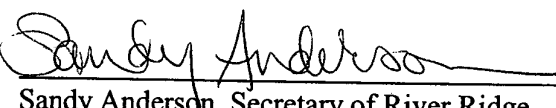
Name: Ted Freres

Title: President

CERTIFICATE OF ASSOCIATION

The President and Secretary of River Ridge Townhomes Homeowners Association, Inc. hereby certify that the foregoing Amendment has been approved as of the effective date set forth above, in accordance with Section 12.1 of the Original Declaration and ORS 94.590, and may be executed and recorded as set forth in ORS 94.590.

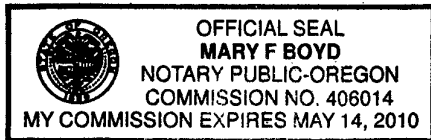

Ted Freres, President of River Ridge Townhomes
Homeowners Association, Inc.


Sandy Anderson, Secretary of River Ridge
Townhomes Homeowners Association, Inc.

(Acknowledgments on Following Page)

STATE OF OREGON)
) ss.
COUNTY OF Deschutes)

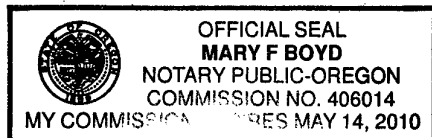
The foregoing instrument was acknowledged before me the 2nd day of November, 2007, by Ted Freres, who is the President of River Ridge Townhomes Homeowners Association, Inc., an Oregon nonprofit corporation, on behalf of the nonprofit corporation.



Mary F Boyd
Notary Public for the State of Oregon
My Commission Expires: 5/14/10

STATE OF OREGON)
) ss.
COUNTY OF Deschutes)

The foregoing instrument was acknowledged before me the 25th day of October, 2007, by Sandy Anderson, who is the Secretary of River Ridge Townhomes Homeowners Association, Inc., an Oregon nonprofit corporation, on behalf of the nonprofit corporation.



Mary F Boyd
Notary Public for the State of Oregon
My Commission Expires: 5/14/10