

RECORDING REQUESTED BY, AND
WHEN RECORDED, RETURN TO:

River Bend Limited Partnership
15 S.W. Colorado Ave., Suite A
Bend, OR 97702

98-28148

**CONSENT TO AMENDMENT, CONSENT TO SUPPLEMENTAL DECLARATION,
AND SUBORDINATION AGREEMENT**

DATE: June 12, 1998

AMONG: RIVER BEND LIMITED PARTNERSHIP, an
Oregon limited partnership ("River Bend")

AND: U.S. BANK NATIONAL ASSOCIATION, fka US BANK,
a national banking association (the "Bank")

AND: RIVER BLUFF PROPERTIES, L.L.C., an
Oregon limited liability company ("River Bluff")

Recitals:

A. River Bluff owns certain real property in Deschutes County, Oregon, which is legally described on the attached Exhibit A (the "Property").

B. Pursuant to the terms of that certain Supplemental Declaration For River Bend Covenants, Conditions and Restrictions, recorded in the Official Public Records of Deschutes County, Oregon, on January 30, 1998 in Book 478, Page 1865, Document No. 98-03912, the Property is subject to that certain Master Declaration of Covenants, Conditions, and Restrictions for River Bend, recorded in the Official Public Records of Deschutes County, Oregon, on November 4, 1997 in Book 468, Page 1683, Document No. 97-41096 (the "Master Declaration").

C. River Bend, as the Declarant (capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Master Declaration) under the Master Declaration, has prepared an amendment and restatement of the Master Declaration in the form of that certain Amended and Restated Master Declaration of Covenants, Conditions, and Restrictions for River Bend, recorded in the Official Public Records of Deschutes County, Oregon on June 26, 1998 in Book 499, Page 2948, Document No. 98-27427 (the "Amended Master Declaration"). River Bluff, as a Member, is willing to consent to the Amended Master Declaration.

D. Pursuant to Section 2.1 of the Master Declaration, River Bend, as the Declarant under the Master Declaration, has prepared the Supplemental Declaration of Covenants,

Conditions, and Restrictions for River Bend [Northside Terrace] (the "Northside Terrace Declaration"), subjecting certain Parcels, including the Property, to additional covenants, conditions, and restrictions. The Northside Terrace Declaration was recorded in the Official Public Records of Deschutes County, Oregon on June 30, 1998 in Book, ~~Page 500~~, *page 1867* Document No. 98-28147. River Bluff, as a Member, is willing to consent to subjecting the Property to the Northside Terrace Declaration.

E. The Bank financed a portion of the purchase price of the Property (the "Bank Loan"). The Bank Loan is evidenced by, among other documents and instruments, a Deed of Trust encumbering the Property recorded in the Official Public Records of Deschutes County, Oregon on July 17, 1997 in Book 455 at Page 0741 (the "Trust Deed"). The Trust Deed was modified by instrument recorded in the Official Public Records of Deschutes County, Oregon on January 30, 1998 in Book 478 at Page 1861.

F. The Bank is willing to subordinate the lien of the Trust Deed to the Amended Master Declaration and the Northside Terrace Declaration on the terms and conditions set forth in this Agreement.

Agreements:

In consideration of the foregoing and the mutual covenants of the parties contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Consent. River Bluff hereby consents to the amendment and restatement of the Master Declaration in the form of the Amended Master Declaration and to subjecting the Property to all of the conditions, and restrictions in the Northside Terrace Declaration.

2. Subordination. The Bank hereby subordinates the lien of the Trust Deed to the Master Declaration, the Northside Terrace Declaration, and to all existing and/or future amendments, modifications and supplements to either or both of such documents.

3. Miscellaneous Provisions.

3.1. Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns.

3.2. Waiver. Failure of any party at any time to require performance of any provision of this Agreement shall not limit such party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself.

3.3. Attorneys' Fees. In the event a suit, action, or other proceeding of any nature whatsoever, including any proceeding under the U.S. Bankruptcy Code, is instituted in connection with any controversy arising out of this Agreement or to interpret or enforce any

rights hereunder, the prevailing party shall be entitled to recover from the losing party its attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law.

3.4. Severability. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Agreement and the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

3.5. Integration. This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements among them with respect to such matters.

3.6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

3.7. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

River Bend:

RIVER BEND LIMITED PARTNERSHIP, an
Oregon limited partnership

By: The Bend Company, an Oregon corporation,
General Partner

By: William L. Smith
William L. Smith, President

Bank:

US BANK, a national banking association

By: [Signature]
Its: V.P.

River Bluff:

River Bluff Properties, L.L.C., an Oregon limited liability company

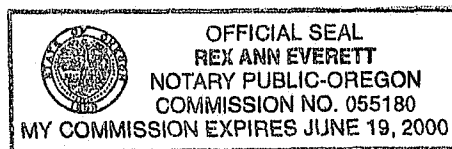
By: [Signature]Its: Member

STATE OF OREGON)

) ss.

County of DESCHUTES)

The foregoing instrument was acknowledged before me on this 12th day of June, 1998 by William L. Smith, who is President of The Bend Company, an Oregon corporation, general partner of River Bend Limited Partnership, an Oregon limited partnership, on behalf of the limited partnership.



[Signature]
Notary Public for Oregon

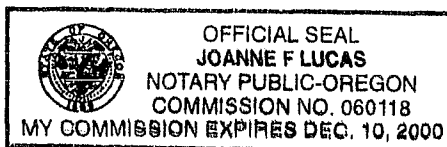
My Commission Expires: June 19, 2000

STATE OF OREGON)

) ss.

County of Deschutes)

The foregoing instrument was acknowledged before me on this 12 day of June, 1998 by Tom Van Hemmen, who is a Vice President of US Bank, on behalf of the bank.



[Signature]
Notary Public for Oregon

My Commission Expires: Dec 10, 2000

STATE OF OREGON

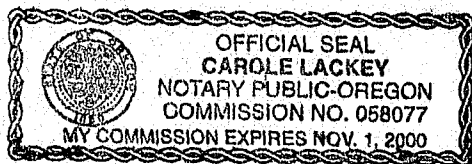
)

) ss.

County of DESCHUTES

)

The foregoing instrument was acknowledged before me on this 12 day of June, 1998 by Kevin J. Reilly, who is a member of River Bluff Properties, L.L.C. an Oregon limited liability company, on behalf of the limited liability company.



Carol Lackey
Notary Public for Oregon

My Commission Expires: 11-1-00

EXHIBIT "A"
DESCRIPTION SHEET

Lot Three (3) in Block Two (2) of MILL "A" AREA of SHEVLIN CENTER, SECOND ADDITION, City of Bend, Deschutes County, Oregon. Together with an undivided 3% interest in the land shown as a Private Way (Industrial Way) on the official plat of MILL "A" AREA OF SHEVLIN CENTER, City of Bend, Deschutes County, Oregon.

Also together with a non-exclusive easement for road purposes over and across the West 30 feet of the North 100 feet of Lot 2 in said Block 2.

EXCEPT, a tract of land situated in the Northwest Quarter (NW1/4) of Section Five (5), Township Eighteen (18) South, Range Twelve (12), East of the Willamette Meridian, Deschutes County, Oregon, said parcel being a portion of Lot Three (3), Block Two (2), Mill "A" Area of Shevlin Center Second Addition, said parcel being more particularly described as follows:

Beginning at a point on the West line of said Lot 3, Block 2, from said point the Northwest corner of said Lot 3 bears North 26°46'57" East, 98.03 feet; thence South 26°46'57" West, along said West line of Lot 3, 161.58 feet to the Southwest corner of Lot 3, Block 2; thence South 46°40'24" East, along the South line of said Lot 3, 17.79 feet; thence leaving said South line, North 27°42'14" East, 87.42 feet; thence North 13°40'04" East, 81.34 feet to the Point of Beginning.

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 JUN 30 AM 11:02

MARY SUE PENHOLLOW
COUNTY CLERK

BY: T. Lee DEPUTY

NO. 98-28138 FEE 35
DESCHUTES COUNTY OFFICIAL RECORDS