

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Water Front Recreation, Inc.
PO Box 7139
Bend, OR 97708
Attn: Leslie Russell

Space Above for Recorder's Use

SC# 32309

CONSENT TO ENCUMBRANCE OF LEASEHOLD INTEREST

This Consent to Encumbrance of Leasehold Interest ("Consent to Encumbrance"), dated as of July 5, 2011 is entered into by and among James A. and Renee V. Hilliard, as lessee ("Lessee"), Water Front Recreation, Inc., a(n) Washington, Corporation, as lessor ("Lessor"), and PrimeLending, a(n) PlainsCapital Company, A Texas Corporation, ("Lender") with respect to the following:

Recitals

A. Lessor and Lessee entered into a Cabin Site Lease for Cabin Site #133 dated August 10, 1976, recorded in Skamania County, Washington Records in Book #5, Page #878, ("Lease"), by document entitled "Assignment, Assumption and Consent", dated July 5, 2011, recorded in Skamania County, Washington Records as AFN #2011178669, pertaining to the lease of real property (herein referred to as "Leased Property") and legally described as:

Abbreviated Legal: Lot #133 NORTH Woods page 7

Tax Parcel Number (s) 96-000133000000

B. Lessee wishes to encumber Lessee's leasehold interest in the Leased Property by assignment for security purposes of Lease in the form of a trust deed ("Leasehold Encumbrance") in favor of Lender to secure Lessee's obligations under a loan agreement, which Leasehold Encumbrance is being recorded concurrently with this Consent to Encumbrance in the official records of Skamania County.

C. The Lease prohibits assignment without prior consent of the Lessor. Lessor is willing to consent to the Leasehold Encumbrance subject to the terms and conditions of this Consent to Encumbrance.

Agreement

NOW, THEREFORE, the parties hereto agree as follows:

1. Consent to Encumbrance. Lessor hereby consents to the Leasehold Encumbrance, provided however, and upon the express condition, that neither such consent nor the collection of rent from the Lender shall be deemed a waiver or relinquishment for the future of the covenant against assignment or subletting and such conditional acceptance of the Lender as Lessee shall not be deemed a release or waiver from any further performance of the provisions of the Lease from and after the effective date of any assignment.

2. Assignment of the Lease Becoming Absolute. Lessor hereby further agrees that upon default by Lessee under the Leasehold Encumbrance to Lender, Lessor agrees to assignment by Lessee of all Lessee's leasehold interest in the Property becoming absolute to Lender upon written notice to Lessor, the cure of all defaults under the Lease, if any, and fulfillment and assumption of Lessee's obligations under the lease by Lender, subject to the terms and conditions of the Lease. This consent shall not be deemed a waiver for the future of the covenant against further assignment or subletting of the Lease without consent of Lessor.

Any subsequent transfer of the Leasehold may be made only with such written consent of Lessor and subject to the conditions relating to such transfer as are set forth in the Lease.

3. Time for Notice. Any notice to Lender under Section 5 may be given concurrently with the notice of default to Lessee, as provided in the Lease.

4. Lender's Right to Cure. Lessor may not terminate the Lease because of any default or breach under the Lease on the part of Lessee if Lender within thirty (30) days after Lessor's written notice to Lender of Lessor's intention to so terminate:

4.1 cures the default or breach within the time provided above; and

4.2 keeps and performs all of the covenants and conditions of the Lease including those requiring the payment of money by Lessee.

Lender's right to possession and quiet enjoyment of the Leasehold shall be subject to payment of all unpaid obligations owing to Lessor and full and faithful performance of all terms and conditions under the Lease by Lender.

5. Notices. All Notices hereunder shall be in writing and deemed given (a) when delivered personally, (b) three (3) days after the date the Notice is deposited in the U.S. mail, by registered or certified mail, return receipt requested, postage prepaid, (c) on the day the Notice is sent by electronic transmission, with receipt mechanically confirmed, or (d) one (1) day after the date the Notice is deposited for next day overnight delivery with a nationally recognized overnight courier service, addressed and/or sent by electronic transmission, as the case may be, as follows:

If to Lessor to: Water Front Recreation, Inc.
P.O. Box 7139
Bend, OR 97708-7139

Attention: Leslie Russell
Fax: 541/388-9058
Email: leslierussell79@gmail.com

If to Lessee to: James A. and Renee V. Hilliard
3865 SE Licyntia Lane
Milwaukie, OR 97222-6058
Phone: (503)652-4060
Email: _____

If to Lender to: PrimeLending, A Plains Capital Company
A Texas Corporation
18111 Preston Road
Suite 900
Attention: Kristi Harris
Fax: 866/908-3258
Email: kharris@primelending.com

Or to any other address as the parties may from time to time designate by a Notice in writing to the other parties.

6. Successors and Assigns. The terms of this Consent to Encumbrance shall inure to the benefit of and be binding upon the parties, their successors and permitted assigns.

7. Effect of this Consent to Encumbrance. Except as provided in this Consent to Encumbrance, the Lease shall remain in full force and effect as originally written. The Leased Property is subject to a Master Lease with the State of Washington and all parties hereto agree that the terms of the Master Lease shall govern any inconsistent or conflicting provisions in this Consent to Encumbrance and all leases and assignments of lease are subject to the terms of the Master Lease.

8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9. Recitals. The recitals are true and correct and are a part of this Agreement.

Lessor:

Water Front Recreation, Inc.

By: Leslie M. Russell
Leslie M. Russell, President

Lessee:

By: James A. Hilliard
James A. Hilliard

By: Rehee V. Hilliard
Rehee V. Hilliard

Lender:

PrimeLending, A PlainsCapital
Company, A Texas Corporation

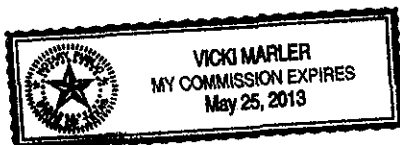
By: Kristi Harris

Kristi Harris
Senior Vice President

STATE OF Texas)
County of Collin) ss.

I certify that I know or have satisfactory evidence that Kristi Harris
is the person who appeared before me, and said person
acknowledged that he/she signed this instrument, on oath stated that he/she was authorized
to execute the instrument and acknowledged it as the 7-13-11 of Senior Vice President
to be the free and voluntary act of such party for the
uses and purposes mentioned in the instrument.

Dated: 7-13, 2011



Vicki Marler
(Signature)
Product Development Manager
Title
My Appointment Expires: MAY 25, 2013

STATE OF WASHINGTON
COUNTY OF CLARK

I certify that I know or have satisfactory evidence that James A. Hilliard and Renee V. Hilliard, is/are the person (s) who appeared before me, and said person (s) acknowledged that he/she/they signed this instrument and acknowledged it to be his/her/their free and voluntary act for the uses and purposes therein mentioned in this instrument

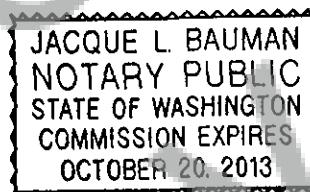
Dated: 7-18-11

Jacqueline L. Bauman

Notary Public in and for the State of

Residing at: Vancouver

My appointment expires: 10/20/13

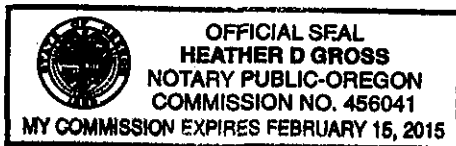


Page 5 of 6 – Consent to Encumbrance of Leasehold interest

STATE OF)
) ss.
County of)

I certify that I know or have satisfactory evidence that Leslie Russell
_____ is the person who appeared before me, and said person
acknowledged that he/she signed this instrument, on oath stated that he/she was authorized
to execute the instrument and acknowledged it as the President of
Water Front Rec. Inc to be the free and voluntary act of such party for the
uses and purposes mentioned in the instrument.

Dated: 7/19, 2011



Heather Gross
(Signature)
Personal Banker II
Title
My Appointment Expires: 2/15/2015

EXHIBIT 'A'

Lot 133, as shown on the Plat entitled Record of Survey for Water Front Recreation, Inc., dated May 16, 1974, on file and of record under Auditor File No. 77523, at Page 449, of Book 'J' of Miscellaneous Records of Skamania County, Washington, together with an appurtenant easement as established in writing on said Plat, for the joint use of the areas shown as roadway on the Plat. Subject to reservations by the United State of America in approved selection list number 259 dated March 4, 1953, and recorded September 4, 1953, at Page 23, of Book 52 of Deed, under Auditor File No. 62114, records of Skamania County as follows:

"...the provisions, reservations, conditions and limitations of Section 24, Federal Power Act of June 10, 1920, as amended...and the prior right of the Untied States, its licenses and permittees to use for power purposes that part withing Power Project No. 2071, 2111 and 264."