



200701180076

Skagit County Auditor

1/18/2007 Page 1 of 5 10:45AM

After Recording Return to:

Kenneth Dehn
Dehn Law Office, PLLC
5400 Carillon Point
Kirkland, WA 98033

Document title:

Sublease of Unit 9-12

Reference numbers of related documents:

200610060089, 200509290125 and 200606280155

Grantor:

48 Degrees North Hangar Owners Association

Grantee:

48° North Aviation, LLC

Legal Description:

Unit 9-12 of 48° North Hangar Condominium, according to the Declaration of Condominium recorded in Skagit County, Washington on October 6, 2006 under Auditor's Number 200606280155.

Assessor's Tax Parcel Numbers:

P125169, P125177, P125178 and P125185

248
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

JAN 18 2007

Amount Paid \$ 0
Skagit Co. Treasurer
By *[Signature]* Deputy

**SUBLEASE
OF UNIT 9-12**

WHEREAS, 48° North Aviation, LLC, a Washington limited liability company, ("48° North") is the original lessee of land under that certain Lease Agreement between 48° North and The Port of Anacortes, a Washington municipal corporation ("Ground Lessor") dated December 4, 2003 and recorded under Skagit County Auditor's Recording Number 200509290125, as amended in accordance with that certain First Amendment of Lease dated March 30, 2006 and recorded under Skagit County Auditor's Recording Number 200606280155 (the lease, as amended, the "Ground Lease");

WHEREAS, 48° North established a leasehold condominium ("the "Condominium") on the land that is subject to the Ground Lease by filing a Declaration of Condominium recorded in Skagit County, Washington on October 6, 2006 under Auditor's Number 200610060089 (the "Declaration"); and

WHEREAS, the Declarant has assigned the Ground Lease to the owners association of the Condominium, 48 Degrees North Hangar Owner's Association, a Washington nonprofit mutual benefit corporation formed under Chapter 24.06 of the Revised Code of Washington ("Owners Association");

NOW, THEREFORE, in consideration of the mutual promises, covenants and contingencies, the parties agree as follows:

(1) **Sublease.** In consideration of the assignment by 48° North to the Owners Association of the Ground Lease, the Owners Association hereby subleases to 48° North the following condominium Unit, for a term commencing upon consent by the Port of Anacortes as contained herein, and ending upon the expiration date of the Ground Lease or its sooner termination according to its terms, which Unit is described as follows:

Unit 9-12 of 48° North Hangar Condominium, according to the Declaration of Condominium recorded in Skagit County, Washington on October 6, 2006 under Auditor's Number 200610060089.

(2) **Rent Paid By Sublessee.** The Sublessee (along with the other owners of condominium units) is responsible for paying to the Owners Association a share (computed according to the Allocated Interests) of the rent and other sums due under the Ground Lease in the form of Assessments.

(3) **Sublease Subject to Ground Lease.** This Sublease is subject to all the terms and conditions of the Ground Lease which is incorporated herein by reference.

(4) **Sublessor's Liability.** Notwithstanding anything contained herein, the Owners Association shall at all times remain liable to the Ground Lessor for any and all obligations of the lessee contained in the Ground Lease. The Owners Association will be responsible for paying rent and all other sums due under the Ground Lease to the Ground Lessor. The



Association will collect the proportionate rents paid on the Ground Lease by the Unit Owners in the form of Assessments. For purposes of sections 64.34.220(2) and (3) of the Revised Code of Washington, the Association is designated as the representative of the Unit Owners on all matters relating to the Ground Lease including the collection of proportionate rents paid on the Ground Lease by the Unit Owners

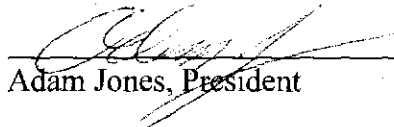
(5) **Termination of Ground Lease.** In the event that the Owners Association fails to pay in full the rent due under the Ground Lease to Ground Lessor, or otherwise fails to cure a default under the Ground Lease which would entitle the Ground Lessor to terminate the Ground Lease (whether such default is due to the action of the Owners Association, 48° North, unit owners or others), the Ground Lessor may terminate the entire Ground Lease and the interest of the Owners Association, 48° North, and all the unit owners in their respective Units, including where 48° North or other unit owners make timely payment of their proportionate share of the rent for the Ground Lease and/or otherwise comply with all covenants other than the payment of rent which if violated would entitle the Ground Lessor to terminate the Ground Lease.

(6) **No Merger of Sublease Interests.** The acquisition of the sublessee's interest in this Sublease shall not result in a merger of the Sublessor's interest with the Sublessee's interest except by express written consent of the Sublessor.

Dated this 20 day of November, 2006.

48 Degrees North Hangar Owners Association

By:

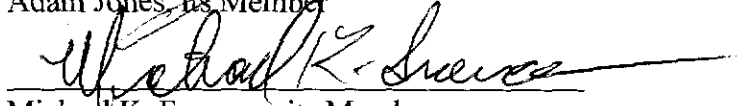

Adam Jones, President

48° North Hangar Aviation, LLC

By:


Adam Jones, its Member

By:



Michael K. Freeman, its Member



State of Washington)
) ss.
County of Skagit)

On this day personally appeared before me **Adam Jones**, to me known to be the **president of 48 Degrees North Hangar Owners Association**, a Washington nonprofit mutual benefit corporation, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated he was authorized to execute said instrument.

Given under my hand and official seal this 20 day of November, 2006.

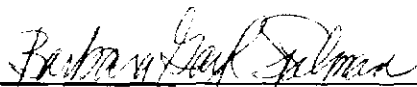


Notary Public in and for the State of Washington
Residing at Lake Stevens, WA
My appointment expires: 03/16/08

State of Washington)
) ss.
County of Skagit)

On this day personally appeared before me **Adam Jones**, to me known to be a **member of 48° North Aviation, LLC**, a Washington limited liability company, that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated he was authorized to execute said instrument.

Given under my hand and official seal this 20 day of November, 2006.



Notary Public in and for the State of Washington
Residing at Lake Stevens, WA
My appointment expires: 03/16/08



