

Return Address:
Whidbey Island Bank
450 SW Bayshore Drive
Oak Harbor, WA 98277



Skagit County Auditor \$151.00
3/27/2014 Page 1 of 8 2:08PM

WASHINGTON STATE COUNTY AUDITOR/RECORDER'S INDEXING FORM (Cover Sheet)

Please print or type information

CHICAGO TITLE

Document Title(s) (or transactions contained therein):

620020789

1. Ground Lessor Estoppel Certificate and Consent

Reference Number(s) of Documents assigned or released:

Auditor's File No.: Document Title:

201002260162

Grantor(s) (Last name first, then first name and initials):

1. Port of Anacortes
2.
3.
4. _____ Additional names on page __ of document.

Grantee(s) (Last name first, then first name and initials):

1. 48 Degrees North Aviation LLC
2.
3.
4. _____ Additional names on page __ of document.

Legal Description (abbreviated: i.e. lot, block, plat or section, township, range):

Assessor's Property Tax Parcel/Account Number:

_____ Additional legal is on page __ of document.

The Auditor/Recorder will rely on the information provided on the form. The staff will not read the document to verify the accuracy or completeness of the indexing information provided herein.

After Recording Return To:
Whidbey Island Bank
450 SW Bayshore Drive
Oak Harbor, W A 98277

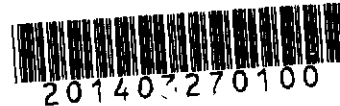
GROUND LESSOR ESTOPPEL CERTIFICATE AND CONSENT

Reference No.:
Grantor:
Grantee:
Abbr. Legal:
Tax Parcel No.:

Date:
To:
Re: Lease Agreement dated December 4, 2007
Property:
Lessor: Port of Anacortes
Lessee: 48° North Aviation, LLC

The Port of Anacortes ("Lessor"), being the present owner and lessor of certain land and premises located in the County of Skagit, State of Washington (the "Leasehold Property"), as more fully described in the Lease Agreement dated **December 4, 2007** by and between Lessor and 48° North Aviation, LLC ("Lessee"), recorded on **February 26, 2010** under **Skagit County Auditor's No. 201002260162** (hereinafter referred to as the "Ground Lease"), understands and acknowledges that Whidbey Island Bank ("Lender") is about to make a loan to Philip Kairez and Carolyn Kairez (the "Kairezes"), to be secured by the Kairezes' interest in Unit 4019-3 of 48° North Hanger Phase II, a Leasehold Condominium (the "Unit 4019-3 Sublease"), as more particularly described herein. Lessor further understands that it is a condition of the making of said loan that this certificate and consent be furnished to Lender. In consideration of the mutual benefits to be derived therefrom, Lessor agrees and certifies as follows:

1. Except as stated in paragraph 2 below, the Ground Lease is in full force and effect and has not been assigned by the Lessor, modified, supplemented or amended in any way, and that without prior notice to Lender as provided herein and Lender's consent, there shall be no cancellation, surrender or modification of the Ground Lease by mutual agreement of the parties thereto.



2. On or about **February 10, 2010**, Lessor executed the Assignment of Ground Lease to 48° North Hanger Phase II Owners Association ("Owners Association"), which Assignment of Ground Lease was **recorded on February 26, 2010 under Skagit County Auditor's No. 201002260163**. On or about May 27, 2010, Owners Association and Lessee executed the Unit 4019-3 Sublease, whereby Owners Association subleased its interest in Unit 4019-3 to Lessee, which Unit 4019-3 Sublease was **recorded on May 27, 2010 under Skagit County Auditor's No. 201005270081**. The Ground Lease, Assignment of Ground Lease and Unit 4019-3 Sublease are collectively referred to herein as the "Lease Documents." The Lessor has not approved or has knowledge of any other subleases, memoranda, amendments or other agreements with respect to the Ground Lease. Except as stated herein, Lessor has no knowledge of any other sublease, assignment, transfer, hypothecation or pledge of the Lessee's interest in the Ground Lease.

3. Lessor has consented to and approved the Lease Documents, and there is no default presently known to exist under the Lease Documents in the payment of rent or in the observance or performance of any other covenant or condition to be observed or performed by the Lessee or any other party to any of the Lease Documents, and Lessor has no knowledge of any facts or information that, with the giving of notice, passage of time, or both, would constitute a default under any of the Lease Documents.

4. The term of the Ground Lease expires on December 4, 2037, which term may be extended as set forth in paragraph 1.3 of the Ground Lease.

5. Lessor consents to the execution and recording of deed(s) of trust and other loan and security documents pledging the Kairezes' interest in the Unit 4019-3 Sublease and Unit 4019-3 to Lender, which granting of security includes an assignment of the Kairezes' interest in the Unit 4019-3 Sublease to Lender, to secure the loans or other financial accommodations Lender is making or will make to the Kairezes, and to the attachment of said security interests to the Kairezes' interest in the Unit 4019-3 Sublease and Unit 4019-3. In no event shall the deed(s) of trust and other loan security documents attach to the Lessor's real property.

6. In the event of any violation or default in any of the covenants or agreements contained in the Ground Lease, Lessor shall provide Lender with written notice of said violation or default. Upon receipt of written notice of any default, Lender shall have 30 days after service of such notice upon Lender to remedy or cause to be remedied the defaults complained of, and Lessor shall accept such performance as if the same had been done by the party obligated in connection therewith. If the default is one that cannot reasonably be cured by Lender (such as insolvency, bankruptcy or other judicial proceedings against the defaulting party, or the failure to maintain continuous business operations), then Lessor will not terminate the Ground Lease so long as Lessor receives all sums due under the Lease Documents as they pertain to the Unit 4019-3 Sublease for the period during which Lender is in possession of 4019-3, or so long as Lender reassigns the Unit 4019-3 Sublease to a new sublessee satisfactory to the Lessor, to the extent required, which consent to assignment shall not be unreasonably withheld under the terms of Ground Lease.



7. In the event the Ground Lease is not timely renewed as permitted under the terms thereof, Lessor agrees, if Lender so elects, to enter into a new ground lease with Lender as it pertains to the Unit 4019-3 Sublease for the remainder of the renewal term, effective as of the date of such termination, with conditions, covenants and agreements as contained in the Ground Lease and any assignments and consent to assignments related thereto, except as provided herein. Lender shall deliver a written request to Lessor for such new lease within 30 days after the notice of termination has been served upon Lender, together with all sums then due to Lessor under the Lease Documents as it pertains to the Unit 4019-3 Sublease and, with the exception of those covenants contained therein on the Kairezes' part to be performed, shall further remedy any and all monetary defaults of the Kairezes then in existence.

8. In the event the Ground Lease terminates for any reason, including the rejection of the Ground Lease in a bankruptcy proceeding, Lessor agrees, if Lender so elects, to enter into a new ground lease with Lender as it pertains to the Unit 4019-3 Sublease for the remainder of the term, effective as of the date of such termination, with conditions, covenants and agreements as contained in the Lease Documents and any assignments and consent to assignments related thereto, except as provided herein. Lender shall deliver a written request to Lessor for such new lease within 30 days after the notice of termination has been served upon Lender, together with all sums then due to Lessor under the Lease Documents as it pertains to the Unit 4019-3 Sublease and, with the exception of those covenants contained therein on the Kairezes' part to be performed, shall further remedy any and all monetary defaults of the Kairezes then in existence.

9. Notwithstanding any provision in the Ground Lease or the Unit 4019-3 Sublease to the contrary, Lender shall have the right to assign its interest in the "new ground lease" and/or "new sublease", as the case may be, to a third party. Lessor and Lessee, as the case may be, shall have the right to approve any proposed assignment of the "new ground lease" and/or "new sublease", but such approval shall not be unreasonably withheld in accordance with the Ground Lease..

10. In the event that Lender forecloses its deed of trust or other security interest on the Kairezes' interest in the Unit 4019-3 Sublease, Lessor agrees that Lender may use the Leasehold Property (as it relates to Unit 4019-3) for a purpose consistent with the uses described in the Ground Lease and Unit 4019-3 Sublease, as the case may be.

11. Lender shall not be liable under the Lease Documents following the assignment or other disposition of Unit 4019-3. However, if Lender is the financing institution of the new assignee, Lender shall have the same rights with respect to the assignee, the Lessor and the Leasehold Property as set forth herein.

12. Lessor has no knowledge or notice of the existence of hazardous wastes or hazardous products located on the Leasehold Property, and no state or federal agency has notified Lessor that any type of hazardous waste cleanup is required or necessary with respect to the Leasehold Property.

13. To the best knowledge of Lessor, the Leasehold Property is properly zoned for the use identified in the Ground Lease. The Lessor has no pending plans or proposals to condemn the Leasehold Property or any part thereof, and the Lessor has not engaged in any legal actions, lawsuits or other proceedings that may result in the condemnation of the Leasehold Property.

14. The statements, promises and agreements made herein made shall be binding upon the parties hereto and its successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

15. This agreement shall be governed by and construed in accordance with laws of the State of Washington. The Skagit County Superior Court shall have jurisdiction and venue of any action or proceeding arising out of or related to this agreement. The parties hereto represent and warrant that their undersigned agents have full power and authority to execute this agreement. Lender shall not be deemed to have waived any rights hereunder unless such waiver is in writing and signed by Lender. No delay or omission on the part of the Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this agreement shall not constitute a waiver of or prejudice Lender's right otherwise to demand strict compliance with that provision or any other provision.

THE UNDERSIGNED EACH ACKNOWLEDGE HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT AND EACH AGREES AND CONSENTS TO ITS TERMS.

IN WITNESS WHEREOF, this certificate has been duly executed and delivered as of the day of _____, 2014.

(The remainder of this page left intentionally blank. Signature pages to follow.)

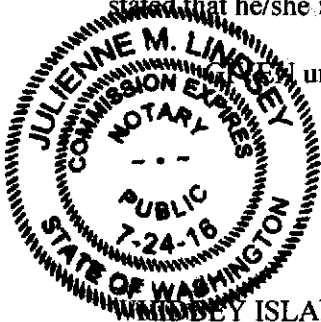


PORT OF ANACORTES

By: _____
Its: Executive Director

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day personally appeared before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared ROBERT W. HYDE to me known to be the EXECUTIVE DIRECTOR of PORT OF ANACORTES, the entity that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the said instrument.



under my hand and official seal this 17th day of March, 2014.

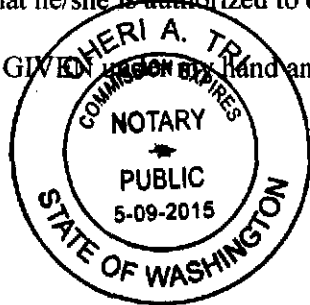
Julienne M. Lindsey
NOTARY PUBLIC in and for the State of Washington
Residing at: Anacortes, WA
My commission expires: 07-24-16

WHIDBEY ISLAND BANK

By: John David
Its: VP and Branch Manager Anacortes

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day personally appeared before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared John David to me known to be the VP and Branch Manager of WHIDBEY ISLAND BANK, the entity that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the said instrument.



GIVEN UNDER MY HAND AND OFFICIAL SEAL THIS 25th day of March, 2014.

Cheri A. Tripp
NOTARY PUBLIC in and for the State of Washington
Residing at: Everett
My commission expires: 5/9/15

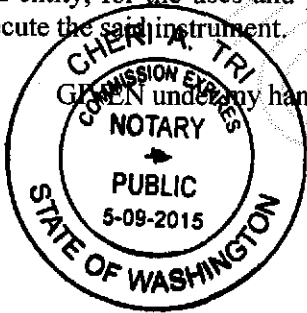


48° NORTH AVIATION, LLC

By: [Signature]
Its: Member

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day personally appeared before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Adam Jones to me known to be the 48° North Aviation LLC of 48° NORTH AVIATION, LLC, the entity that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the said instrument.



GIVEN under my hand and official seal this 25th day of March, 2014.

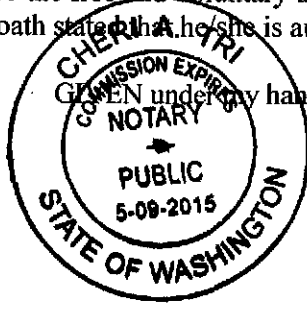
Cheri A. Tri
NOTARY PUBLIC in and for the State of Washington
Residing at: Everett
My commission expires: 5/9/15

48 DEGREES NORTH HANGER OWNERS ASSOCIATION

By: [Signature]
Its: Treasurer

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this day personally appeared before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Barbara Grace Spilman to me known to be the Treasurer of 48 DEGREES NORTH HANGER OWNERS ASSOCIATION, the entity that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said entity, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the said instrument.



GIVEN under my hand and official seal this 25th day of March, 2014.

Cheri A. Tri
NOTARY PUBLIC in and for the State of Washington
Residing at: Everett
My commission expires: 5/9/15



