

Return Address:
SARATOGA ESCROW INC.
2609 HOYT AVE
EVERETT, WA 98201



200702010108
Skagit County Auditor

2/1/2007 Page 1 of 4 3:45PM

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

Please print or type information

CHICAGO TITLE CO. IC 41285

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

1. ASSIGNMENT OF SUBLEASE AND CONVEYANCE OF CONDOMINIUM UNIT 9-7

Reference Number(s) of Documents assigned or released:

Auditor's File No.:

Document Title:

200701180071

SUBLEASE

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

1. 48 DEGREES NORTH AVIATION, LLC
2.
3.
4. _____ Additional names on page ____ of document.

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

1. SMYTHE, DOUGLAS A.
2.
3.
4. _____ Additional names on page ____ of document.

502
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

FEB 01 2007

Amount Paid \$ 854.06
By Skagit Co. Treasurer
Deputy
LP

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

UNIT 9-7, 48 DEGREES NORTH HANGAR

Assessor's Property Tax Parcel/Account Number:

P125164, P125177, P125178 AND P125185

_____ Additional legal is on page 2 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.

Exhibit E

Form of Assignment of Sublease and Conveyance of Condominium Unit

ASSIGNMENT OF SUBLEASE AND CONVEYANCE OF CONDOMINIUM UNIT

WHEREAS, the Grantor, 48° North Aviation, LLC, a Washington limited liability company, is the original lessee of land under that certain Lease Agreement between Grantor and the Port of Anacortes ("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"); and

WHEREAS, Grantor has constructed improvements on the land and created a leasehold condominium in the land and improvements; and

WHEREAS, on January 18, 2007, and recorded under Skagit County Auditor's Recording Number 200701180071, Grantor assigned its interest in the Ground Lease to the 48° North Hangar Owners Association (the "Association"); and

WHEREAS, on January 30, 2007, the Association subleased that portion of the Ground Lease allocated to the Unit (identified and described in section 1 below) to the Grantor (the "Sublease"); and

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

(1) **Sublease.** In consideration of ten dollars and other good and sufficient consideration in hand paid, Grantor assigns its interest in the Sublease to the Grantee, **DOUGLAS A. SMYTHE** for 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, including all of Grantor's interest in that portion of the improvements that are allocated to the Unit under the terms of the Declaration, which Unit is described as follows:

Unit 9-7 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, records of Skagit County, Washington and the Survey Map and Plans thereof recorded October 6, 2006, under Auditor's File No. 200610060088, records of Skagit County, Washington

Situate in Skagit County, Washington.

(2) **Ground Lease.** All terms of the Ground Lease are incorporated within this document by this reference. Grantee is charged with a responsibility to be knowledgeable with all terms and conditions of the Ground Lease.

(3) **Condominium Association.** Grantee is not a party or third-party beneficiary under the Ground Lease. The Association will be responsible for paying rent and all other sums due under



200702010108
Skagit County Auditor

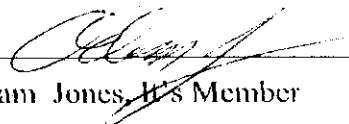
the Ground Lease to the Ground Lessor. Grantee and other Unit Owners are each responsible for paying to the Association a share (computed according to the "Allocated Interest" for their respective Unit as defined in the Declaration) of the rent and other sums due under the Ground Lease. The Association 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.

(4) **Termination of Ground Lease.** In the event that the 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 Association, Grantee, other unit owner(s), or others), the Ground Lessor may terminate the entire Ground Lease and the entire interest of the Grantee and/or all the other Unit Owners in their respective Units, including where Grantee 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.

(5) **Grantor's Liability.** Notwithstanding anything contained herein, Grantor shall at all times remain liable to the Ground Lessor for any and all obligations of the lessee contained in the Ground Lease.

Dated this 25th day of January, 2007.

48° North Aviation, LLC, a Washington Limited Liability Company


Adam Jones, LLC's Member



200702010108

Skagit County Auditor

STATE OF Washington

) ss.

COUNTY OF Skagit

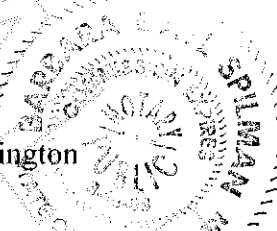
I certify that I know or have satisfactory evidence that ADAM JONES is/are the person(s) who appeared before me, and said person(s) acknowledged that he/she/they signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as IT'S MEMBERS of 48 DEGREES NORTH AVIATION, LLC to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in this instrument.

Dated: 25th day of January, 2007.

Barbara Gayl Spilman

Notary Public in and for the State of Washington
residing at EVERETT

My Commission Expires: 3/16/08



200702010108

Skagit County Auditor

2/1/2007 Page

4 of

4 3:45PM