

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



200906040098
Skagit County Auditor

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CHICAGO TITLE CO.
620002273

SUBLESSOR ESTOPPEL CERTIFICATE AND CONSENT

Reference No.:

Grantor:

Grantee:

Abbr. Legal: Unit 10-1, 48° North Hanger Condo.

Tax Parcel No.: 4907-010-001-0000

Date:

To:

Re: Lease Agreement dated December 4, 2003

Property:

Lessor: Port of Anacortes

Lessee: 48° North Aviation, LLC

48 Degrees North Hanger Owners Association ("Owners Association"), being the present holder, by assignment, of the lessee's interest in certain land and premises located in Skagit County, Washington (the "Leasehold Property"), as more fully described in the Lease Agreement dated December 4, 2003 by and between the Port of Anacortes ("Lessor") and 48° North Aviation, LLC ("Lessee"), recorded on September 29, 2005 under Skagit County Auditor's No. 200509290125 (hereinafter referred to as the "Ground Lease"), understands and acknowledges that Whidbey Island Bank ("Lender") is about to make a loan to Michael K. Freeman and Leslie Freeman (the "Freemans"), to be secured by the Freemans' interest in the Unit 10-1 Sublease, as more particularly described herein. Owners Association 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, Owners Association agrees and certifies as follows:

1. Except as stated in paragraph 2 below, the Unit 10-1 Sublease is in full force and effect and has not been assigned, 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 Unit 10-1 Sublease by mutual agreement of the parties thereto.

2. On or about March 26, 2006, the First Amendment of Lease (the "First Amendment") was executed by Lessor and Lessee with respect to the Ground Lease, which First Amendment was recorded on June 28, 2006 under Skagit County Auditor's No. 200606280155. On or about November 20, 2006, the Assignment of Ground Lease (the "Assignment") was executed by Lessee and Owners Association, whereby Lessee assigned its interest under the Ground Lease to Owners Association, which Assignment was recorded on January 18, 2007 under Skagit County Auditor's No. 200701180064. On or about November 20, 2006, the Sublease of Unit 10-1 of 48° North Hanger Condominium (the "Unit 10-1 Sublease") was executed by Lessee and Owners Association, whereby Owners Association subleased its interest in Unit 10-1 to Lessee, which Unit 10-1 Sublease was recorded on January 18, 2007 under Skagit County Auditor's No. 200701180084. On or about December 23, 2008, Lessee executed a Quit Claim Deed (the "Deed"), whereby Lessee conveyed its interest in Unit 10-1 to Freemans, which Deed was recorded on December 31, 2008 under Skagit County Auditor's No. 200812310112. The Ground Lease, the First Amendment, the Assignment, the Unit 10-1 Sublease and the Deed are collectively referred to herein as the "Lease Documents." Except as stated herein, Owners Association has no knowledge of any other subleases, memoranda, amendments or other agreements with respect to the Unit 10-1 Sublease, or of any assignment, transfer, hypothecation or pledge of the Lessee's interest in the Unit 10-1 Sublease.

3. Owners Association has consented to and approved the Unit 10-1 Sublease and the Deed, and there is no default presently known to exist under the Unit 10-1 Sublease in the payment of rent or in the observance or performance of any other covenant or condition to be observed or performed by Lessee or any other party to the Unit 10-1 Sublease, and Owners Association has no knowledge of any facts or information that, with the giving of notice, passage of time, or both, would constitute a default under the Unit 10-1 Sublease.

4. The term of the Unit 10-1 Sublease is as set forth in paragraph 1 thereof.

5. Owners Association consents to the execution and recording of deed(s) of trust and other loan and security documents pledging the Freemans' interest in the Unit 10-1 Sublease and Unit 10-1 to Lender, which granting of security includes an assignment of the Freemans' interest in the Unit 10-1 Sublease to Lender, to secure the loans or other financial accommodations Lender is making or will make to the Freemans, and to the attachment of said security interests to the Freemans' interest in the Unit 10-1 Sublease and Unit 10-1.

6. In the event the Freemans violate or default in any of the covenants or agreements contained in the Unit 10-1 Sublease, Owners Association 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 Owners Association 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 Owners Association will not terminate the Unit 10-1 Sublease so long as Owners Association receives all sums due under the Unit 10-1 Sublease for the period during which Lender is in possession of the Unit 10-1, or so long as Lender reassigns the Unit 10-1 Sublease to a new sublessee satisfactory to Owners Association, to the extent required, which consent to assignment of the Unit 10-1 Sublease shall not be unreasonably withheld.

7. Owners Association shall provide Lender with advance written notice in the event the Unit 10-1 Sublease is not timely renewed as permitted under the terms thereof, and Lender shall thereafter have 30 days from receipt of notice within which to renew the Unit 10-1 Sublease if Lender so elects.

8. In the event the Unit 10-1 Sublease terminates for any reason prior to expiration of its stated term, including the rejection of the Unit 10-1 Sublease in a bankruptcy proceeding, Owners Association agrees, if Lender so elects, to enter into a new sublease with Lender for the remainder of the term, effective as of the date of such termination, with conditions, covenants and agreements as contained in the Unit 10-1 Sublease, and any assignments and consent to assignments related thereto, and the Declaration and Covenants, Conditions, Restrictions and Reservations for 48° North Hanger, a Leasehold Condominium, as may be applicable, except as provided herein. Lender shall deliver a written request to Owners Association for such new sublease within 30 days after the notice of termination has been served upon Lender, together with all sums then due to Owners Association under the Unit 10-1 Sublease and, with the exception of those covenants contained therein on the Freemans' part to be performed, shall further remedy any and all monetary defaults of the Freemans then in existence.

9. Notwithstanding any provision in the Unit 10-1 Sublease to the contrary, Lender shall have the right to assign its interest in the "new sublease" to a third party. Owners Association shall have the right to approve any proposed assignment of the "new sublease", but such approval shall not be unreasonably withheld.

10. In the event that Lender forecloses its deed of trust or other security interest on the Freemans' interest in the Unit 10-1 Sublease, Owners Association agrees that Lender may use Unit 10-1 for a purpose not inconsistent with the uses described in the Ground Lease and Unit 10-1 Sublease, as the case may be.

11. Lender shall not be liable under the Unit 10-1 Sublease following the assignment or other disposition of Unit 10-1. However, if Lender is the financing institution of the new assignee, Lender shall have the same rights with respect to the assignee, the Owners Association, the Unit 10-1 Sublease and Unit 10-1 as set forth herein.

12. Lender may be named as its interest shall appear on any standard mortgage endorsement and on any and all insurance covering Unit 10-1, the improvements, or any part thereof.



13. 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.

14. 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. In the event of any breach of the obligations set forth herein or any dispute relating to the interpretation, enforcement or performance of this agreement, the prevailing party shall be entitled to its reasonable attorney's fees and costs incurred in connection therewith. 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 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 15 day of May, 2009.

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



WHIDBEY ISLAND BANK

By: Krista M. Oicles
Its: Credit Analyst



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 Krista M. Oicles to me known to be the Credit Analyst 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 1st day of June, 2009.

Elizabeth J. Harrison
NOTARY PUBLIC in and for the State of Washington
Residing at: Anacortes WA
My commission expires: 12-1-11

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



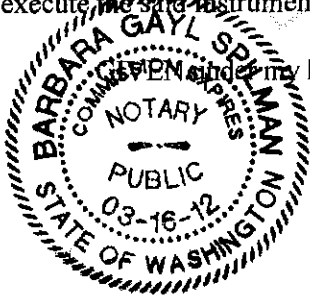
48° NORTH AVIATION, LLC

By: Adam Jones
Its: Member

[Signature]

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 Member 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 15 day of May, 2009.

Barbara Gayl Spillman
NOTARY PUBLIC in and for the State of Washington
Residing at: Lake Stevens
My commission expires: 3/16/12

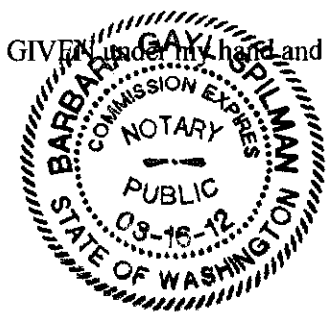
48 DEGREES NORTH HANGER OWNERS ASSOCIATION

By: Adam Jones
Its: Member/President

[Signature]

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 President 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 15 day of May, 2009.

Barbara Gayl Spillman
NOTARY PUBLIC in and for the State of Washington
Residing at: Lake Stevens
My commission expires: 3/16/12

MICHAEL K. FREEMAN

Michael K. Freeman
Individually

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 MICHAEL K. FREEMAN, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

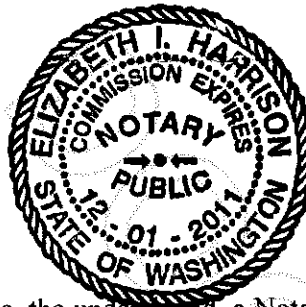
GIVEN under my hand and official seal this 29 day of May, 2009.

Elizabeth I. Harrison
NOTARY PUBLIC in and for the State of Washington
Residing at: Anacortes
My commission expires: 12-1-11

LESLIE FREEMAN

Leslie Freeman
Individually

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 LESLIE FREEMAN, personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same as her free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 29 day of May, 2009.

Elizabeth I. Harrison
NOTARY PUBLIC in and for the State of Washington
Residing at: Anacortes
My commission expires: 12-1-11



Order No.: 620002273

EXHIBIT "A"

Unit 10-1 of 48 Degrees North Hangar Condominium, a leasehold condominium, according to the Declaration of Condominium recorded on October 6, 2006, under Auditor's File No. 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.

Situated in Skagit County, Washington

- END OF EXHIBIT "A" -



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Skagit County Auditor

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