



200112240017
Skagit County Auditor

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Short Cressman & Burgess P.L.L.C.
Attn: Karen L. Kendrick
3000 First Interstate Center
999 Third Avenue
Seattle, WA 98104-4008

FIRST AMERICAN TITLE CO.

50867

Document Title	Confirmation of Security
Reference Number(s) of Related Documents	9709190021
Grantor	James Hung and Wei-Fang Hung, husband and wife
Grantee	The Farmers Bank of China, Seattle Branch
Legal Description (abbrev.)	Lot 1, Eaglemont Phase 1A - Parcel "A"; Additional legal description on Exhibit A.
Additional Legal Description is on Exhibit A	
Assessor's Property Tax Parcel Account Number(s)	4621-000-001-0000

CONFIRMATION OF SECURITY

This Confirmation is dated for referenced purposes November ____, 2001, and relates to that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Financing Statement dated August 26, 1997, and recorded under King County Recording No. 9709190021 as modified by the Confirmation of Security dated February 14, 2000 (the "Deed of Trust") by James Hung and Wei-Fang Hung, husband and wife as Grantor, First American Title Insurance Company of Skagit County as Trustee, and The Farmers Bank of China, Seattle Branch, as Beneficiary. The Deed of Trust grants a second priority lien on the real property described on attached Exhibit A.

The Deed of Trust was given to secure the obligations of Sea-Van Investments Associates, a Washington general partnership ("Borrower"), under the Promissory Note dated August 26, 1997, in the original principal amount of Six Million Forty-seven Thousand Six Hundred Fifty-nine and 77/100 (\$6,047,659.77). Grantor and Borrower have asked that Beneficiary accept an amended and restated Promissory Note (the "Amended

Note"), which increases the interest payable on the outstanding principal balance and extends the maturity date, as outlined in that certain Loan Amendment Agreement dated on or about the same date as this Confirmation (the "Agreement").

NOW, THEREFORE, in consideration of the above recitals which are incorporated by this reference, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Continued Security. Grantor and Borrower hereby confirm for the reliance of Beneficiary that the Deed of Trust shall continue to secure the Amended Note without a loss of priority.

2. No Defenses, Claims or Setoffs. Grantor and Borrower represent and warrant to Beneficiary that as of the date this Confirmation is signed and as of the date it is recorded Grantor and Borrower have and shall not have any defenses, claims, or rights of setoff with regard to their obligation to repay the Amended Note, or any of their obligations under the Agreement or the Loan Documents referenced therein.

3. Representations and Warranties. As a material inducement to Beneficiary accepting the Amended Note, Grantor and Borrower represent and warrant to Beneficiary that each of those representations and warranties stated in the Deed of Trust, and the Environmental Indemnity Agreement dated the same date as the Deed of Trust and signed by Borrower in favor of Beneficiary, are true as of the date of this Confirmation, and that no default or event which would constitute a default but for the passage of time or the giving of notice or both has occurred under any of the Loan Documents prior to the date of this Confirmation.

4. Release of Beneficiary. Grantor and Borrower hereby release, acquit, and forever discharges Beneficiary, its affiliates, employees, successors, agents, assigns, representatives, attorneys, officers and directors, and each of them (collectively, "Beneficiary's Agents"), of and from any and all liability, claims, demands, damages, causes of action, defenses, counterclaims, setoffs or claims for recoupment of any nature, whether known or unknown, whether based upon contract, tort, statute or regulation, arising directly or indirectly from, or in any way related to the loan transaction memorialized in the Loan Documents and the Agreement.

5. Integration; Modification. This Confirmation and the documents referenced herein constitute the entire agreement between the parties with respect to the amendment of the Loan Documents, and shall not be amended, modified or terminated except by a writing signed by the party to be charged therewith.



6. Attorneys' Fees. In any action to interpret or enforce any provision of this Confirmation, the prevailing party shall be entitled to recover from the other party its reasonable attorneys' fees, including such fees in any appellate proceeding, proceeding under the bankruptcy code or receivership, in addition to all other sums provided by law.

GRANTOR ACKNOWLEDGES THAT ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

GRANTOR:

By: James S.C. Hung
James S.C. Hung

By: Wei-Fang Hung
Wei-Fang Hung



EXHIBIT A

Description of the Property

All that certain real property located in Skagit County, Washington, and described as follows:

Lot 1, "EAGLEMONT PHASE 1A", as per plat recorded in Volume 15 of Plats, Pages 130 through 146, inclusive, records of Skagit County, Washington.

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