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Skagit County Auditor

12/24/2001 Page 1 of 6 9:45AM

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.

508267

Document Title	Confirmation of Security
Reference Number(s) of Related Documents	9709190020
Grantor	Sea-Van Investments Associates, a Washington general partnership
Grantee	The Farmers Bank of China, Seattle Branch
Legal Description (abbrev.)	Lot 8, Wilida Mountain View Estates - Parcel "B"; Section 27, Township 34, Range 4 - NE 1/4 - SW 1/4 - Parcel "C"; Section 26, Township 34, Range 4, Portion SW 1/4, a/k/a Tracts 7 and 8, Short Plat No. 90-24 - Parcel "D"; and Lots 67-71, 202 and 206, Eaglemont Phase 1 - Parcel "E", and Section 26, Township 34, Range 4, Portion SW 1/4 - SW 1/4 - Parcel "F". 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; 4572-000-008-0007; 340427-3-002-0007; 340426-3-007-0607; 340426-3-007-0508; 4621-000-067-0006; 4621-000-068-0007; 4621-000-069-0008; 4621-000-070-0009; 4621-000-071-0000; 4621-000-202-0001; 4621-000-206-0005; 340426-3-009-0027

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. 9709190020 as modified by the Confirmation of Security dated February 14, 2000 (the "Deed of Trust") by Sea-Van Investments Associates, a Washington general partnership, 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 Grantor 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 has asked that Beneficiary accept an amended and restated Promissory Note (the "Amended Note"), which increases the interest payable on the outstanding 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 hereby confirms 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 represents and warrants to Beneficiary that as of the date this Confirmation is signed and as of the date it is recorded Grantor has and shall not have any defenses, claims, or rights of setoff with regard to its obligation to repay the Amended Note, or any of its obligations under the Agreement or the Loan Documents referenced therein.
3. Representations and Warranties. As a material inducement to Beneficiary excepting the Amended Note, Grantor represents and warrants 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 Grantor 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 hereby releases, acquits, 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.



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:

SEA-VAN INVESTMENTS ASSOCIATES,
a Washington general partnership

By: Unison Development Company,
a Washington corporation, managing general partner

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



EXHIBIT A

Description of the Property

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

Parcel "B":

Lot 8, "WILIDA MOUNTAIN VIEW ESTATES", as per plat recorded in Volume 15 of Plats, Pages 20 through 22, inclusive, records of Skagit County, Washington.

Parcel "C":

The Northwest 1/4 of the Northeast 1/4 of the Southwest 1/4 of Section 27, Township 34 North, Range 4 East, W.M.

Parcel "D":

Tracts 7 and 8, of Short Plat No. 90-24, approved August 21, 1990, and recorded August 23, 1990, under Auditor's File No. 9008230030, in Volume 9 of Short Plats, Page 257, records of Skagit County, Washington, being a portion of Tract 5 of that certain 5 Acre Medium Plat No. 524-82, approved February 28, 1982, and recorded March 17, 1983, under Auditor's File No. 8303170001, in Volume 6 of Short Plats, Page 53, records of Skagit County, Washington, (document says Volume 6 of Plats, Page 53), being a portion of the Northwest 1/4 of the Southwest 1/4 of Section 26, Township 34 North, Range 4 East, W.M.

EXCEPT mineral rights as reserved by Deed recorded under Auditor's File No. 111564, records of Skagit County, Washington.

TOGETHER WITH and SUBJECT TO that certain 60 foot wide easement for ingress, egress and utilities, as said easement is delineated on the face of said Medium Plat No. 524-82, and as delineated on the face of Short Plat No. 9024.

Parcel "E":

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

EXCEPT Lots 1 - 66.

AND ALSO EXCEPT that portion described by instrument recorded August 8, 1994, under Auditor's File No. 9408080027, records of Skagit County, Washington.

AND ALSO EXCEPT that portion of Lot 68, of said "PLAT OF EAGLEMONT, PHASE 1A", described as follows:

Commencing at the Southwest corner of Lot 42, of the "PLAT OF EAGLEMONT, PHASE 1A", recorded January 25, 1994, in Volume 15 of Plats, Pages 130 to 146, under Auditor's File No. 9401250031, records of Skagit County, Washington, and the true point of beginning; thence South 89 degrees 37' 13" East, a distance of 69.55 feet to a point which lies South 1 degree 15' 52" West from the Southeast corner of said Lot 42; thence North 1 degree 15' 52" East, a distance of 19.72 feet to the Southeast corner of Lot 42; thence North 89 degrees 37' 13" West along the South line of said Lot 42, a distance of 49.78 feet; thence South 45 degrees 52' 41" West along the South line of Lot 42, a distance of 28.14 feet to the true point of beginning.

AND ALSO EXCEPT that portion of Lot 68, "PLAT OF EAGLEMONT, PHASE 1A", as recorded in Volume 15 of Plats, Pages 130 through 146, records of Skagit County, Washington, lying Westerly of Waugh Road, being a portion of the Northwest 1/4 of Section 27, Township 34 North, Range 4 East, W.M., more particularly described as follows:

Beginning at the Northwest corner of said Section 27, a 4" x 4" concrete monument and brass disk found in place; thence South 88 degrees 10' 36" East along the North line thereof, a distance of 148.47 feet to the Northwest corner of "EAGLEMONT, PHASE 1C", according to the plat thereof recorded under Skagit County Recording No. 200002010036, records of Skagit County, Washington; thence along the West line of said "PLAT OF EAGLEMONT, PHASE 1C", South 01 degrees 49' 24" West, a distance of 30.00 feet; thence South 02 degrees 54' 05" East, a distance of 54.00 feet; thence South 26 degrees 12' 47" East, a distance of 46.38 feet; thence South 24 degrees 52' 08" East, a distance of 34.01 feet; thence South 32 degrees 49' 39" East, a distance of 32.76 feet; thence South 45 degrees 21' 43" East, a distance of 38.31 feet; thence South 57 degrees 27' 30" East, a distance of 32.12 feet; thence South 44 degrees 00' 36" East, a distance of 63.06 feet; thence South 28 degrees 07' 26" East, a distance of 47.41 feet; thence South 08 degrees 02' 40" East, a distance of 60.50 feet; thence South 10 degrees 02' 00" East, a distance of 61.68 feet; thence South 12 degrees 29' 29" East, a distance of 63.42 feet; thence South 33 degrees 34' 56" East, a distance of 30.42 feet; thence South 38 degrees 10' 09" East, a distance of 73.00 feet; thence South 16 degrees 36' 42" East, a



distance of 39.61 feet; thence South 59 degrees 19' 21" East, a distance of 34.17 feet; thence South 41 degrees 31' 16" East, a distance of 15.02 feet to the Southwest corner of said "PLAT OF EAGLEMONT, PHASE 1C"; thence leaving said "PLAT OF EAGLEMONT, PHASE 1C", South 45 degrees 22' 13" West, a distance of 119.50 feet; thence South 63 degrees 57' 07" West, a distance of 58.48 feet to an intersection with a radial 230.00 foot radius curve concave to the West; thence Southerly along said curve, an arc distance of 96.68 feet through a central angle of 24 degrees 05' 01" to a point on said curve; thence leaving said curve along a non-radial line South 49 degrees 07' 13" East, a distance of 127.84 feet; thence South 10 degrees 01' 14" West, a distance of 175.57 feet; thence South 57 degrees 51' 49" West, a distance of 140.77 feet; thence South 88 degrees 56' 57" West, a distance of 60.00 feet; thence South 88 degrees 06' 00" West, a distance of 87.84 feet; thence North 51 degrees 17' 56" West, a distance of 33.45 feet; thence South 76 degrees 14' 59" West, a distance of 106.25 feet; thence North 89 degrees 43' 22" West, a distance of 30.20 feet to a point on the West line of said Northwest 1/4 of Section 27; thence North 00 degrees 17' 13" East along said West line, a distance of 1194.33 feet to the point of beginning.

AND ALSO EXCEPT those portions of said "PLAT OF EAGLEMONT, PHASE 1A", subdivided into that Plat/Condo known as "ALPINE FAIRWAY VILLA", said portion(s) described fully in those instruments recorded in the Office of the Skagit County Auditor under Auditor's File Nos. 9812300119, 9812300120, 9907090181, 9907090182, 199908160077, 199909270068, 199912150081, 199912280107, 199912290114, 200103260014, 200104060136 and 200110220196.

Parcel "F":

The Southwest 1/4 of the Southwest 1/4 of Section 26, Township 34 North, Range 4 East, W.M.

