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Seattle, WA 98104



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Skagit County Auditor

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LAND TITLE COMPANY OF SKAGIT COUNTY

5102421E

Document Title	Deed of Trust, Assignment of Rents and Leases, Security Agreement and Financing Statement
Reference Number(s) of Related Documents	N/A
Grantor	Sea-Van investments Associates, a Washington general partnership
Grantee	Chinatrust Bank (U.S.A.)
Legal Description (Abbrev.)	Portion of Lot 68, "Plat of Eaglemont Phase 1A", Vol. 15 of plats, pages 130-146, inclusive
Assessor's Property Description is on	Exhibit A
Assessor's Property Tax Parcel Account Number(s)	4621-000-068-0007

### SUBORDINATION AGREEMENT

This Subordination Agreement (the "Agreement") is dated for reference purposes this 4<sup>th</sup> day of ~~August~~ <sup>September</sup>, 2002, and is made by and between Chinatrust Bank (U.S.A.) ("Lender") and the undersigned partners (the "Partners") of Sea-Van Investments Associates, a Washington general partnership ("Borrower").

Lender is considering making a construction loan to Borrower in the maximum amount of \$930,000 (the "Loan") to pursuant to the Loan Commitment dated August 16, 2002, and the Loan Documents referenced therein. Lender has required from Borrower as a condition of making the Loan that the Partners subordinate to the Loan all debt that may be owed to them by Borrower on the terms stated herein. AF# 200209170101

NOW, THEREFORE, in consideration of Lender making the Loan to Borrower and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Subordination. Each Partner hereby unconditionally subordinates any and all claims, debts, liens or right, including without limitation, any rights as general partner of

Borrower, that it may have or may arise in the future against Borrower to the Loan, and all charges made or accruing pursuant to the Loan, including any extensions, renewals or replacements of the Loan (referred to herein as "Subordinated Debts"). Any payments made by Borrower on any Subordinated Debts shall be collected, enforced and received by such Partner as trustee for Lender, and at Lender's request paid over to Lender on account of the Loan, without reducing or affecting in any manner the liability, duties or obligations of such Partner under any personal guaranty or other document given to Lender in connection with the Loan.

2. Representations and Warranties of the Partners. Each Partner represents and warrants to Lender that: (a) each of them is receiving a substantial benefit by reason of Lender making the Loan to Borrower; and (b) none of them have any right, title or interest in the property described on attached Exhibit A (the "Property") which is being pledged to Lender as collateral for the Loan; and (c) there are no petitions, actions or proceedings, whether voluntary or otherwise, pending or anticipated against or on behalf of any of them or Borrower under the bankruptcy laws of the United States of America or any other jurisdiction.

3. Miscellaneous. This Agreement and the other agreements and documents executed in connection with the Loan constitutes the entire understanding of the parties with respect to the Loan and any transactions related to the Loan. This Agreement may be executed in one or more counterparts and a counterpart may be transmitted by facsimile. This Agreement may be modified only in writing.

IN WITNESS WHEREOF, the Partners have executed this Agreement effective as of the date stated above.

**PARTNERS:**

Unison Development Company,  
a Washington corporation

By: \_\_\_\_\_

*James S.C. Hung*  
James S.C. Hung, President

Ligrow Investments Limited, a  
British Virgin Islands corporation, partner

By: \_\_\_\_\_

*Wong Chung Yuang*  
Printed Name: Wong Chung Yuang  
Title: DIRECTOR

4/9/2002



Transpacific Investment Corporation, a  
British Virgin Islands corporation

By: JMS

Printed Name: CHIANG FU LIANG

Title: DIRECTOR

STATE OF WASHINGTON )

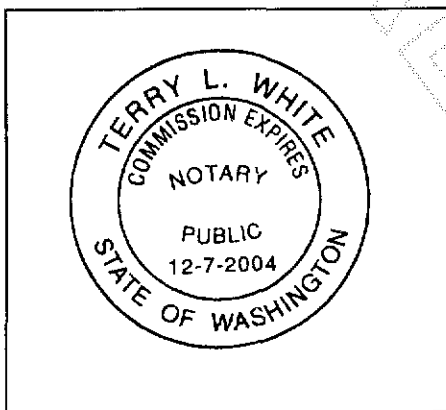
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ss:

COUNTY OF KING )

I certify that I know or have satisfactory evidence that James S.C. Hung is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as the President of Unison Development Company, a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: September 4th, 2002.



For notarial acknowledgement

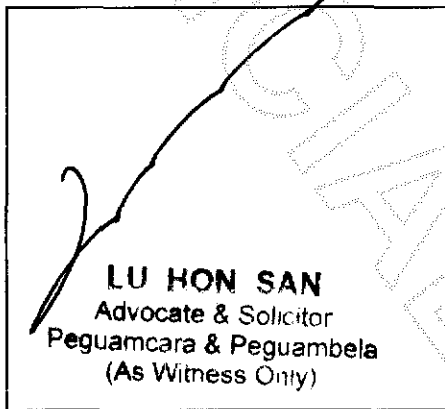
Print Name: Terry L. White  
NOTARY PUBLIC in and for the State of  
Washington, residing at MOUNT VERNON  
My Appointment expires: 12-7-04

STATE OF WASHINGTON )  
 )  
COUNTY OF KING )

ss:

I certify that I know or have satisfactory evidence that Mr. Wong Chung Yuong is the person who appeared before me, and said person acknowledged that she/he signed this instrument, on oath stated that she/he was authorized to execute this instrument and acknowledged it as the Director of Ligrow Investments Limited, a British Virgin Islands corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: 4/9/2002, 2002.



For notarial acknowledgement

Print Name: \_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My Appointment expires: \_\_\_\_\_

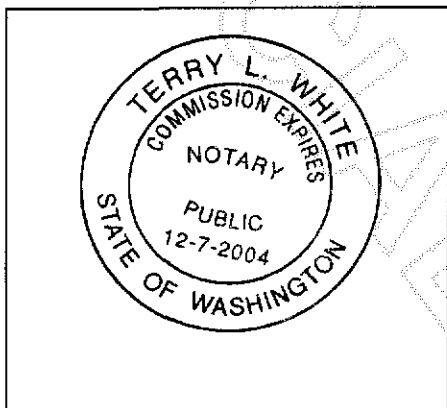


STATE OF WASHINGTON )  
 )  
COUNTY OF KING )

ss:

I certify that I know or have satisfactory evidence that MR CHIANG FU-LIANG is the person who appeared before me, and said person acknowledged that she/he signed this instrument, on oath stated that she/he was authorized to execute this instrument and acknowledged it as the DIRECTOR of Transpacific Investment Corporation, a British Virgin Islands corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: September 4th, 2002.



For notarial acknowledgement

Print Name: Terry L. White  
NOTARY PUBLIC in and for the State of  
Washington, residing at Mount Vernon  
My Appointment expires: 12-7-04



## EXHIBIT A

### Legal Description of the Property

That portion of Lot 68, "PLAT OF EAGLEMONT PHASE 1A", as per plat recorded in Volume 15 of Plats, pages 130 through 146, inclusive, records of Skagit County, Washington, described as follows:

Beginning at the most Northerly corner of Lot 111, as shown on the "PLAT OF EAGLEMONT PHASE 1B, DIVISION 1 REPLAT OF TRACT 206 AND LOTS 69, 70 AND 71, AND A PORTION OF LOT 68 PHASE 1A," as per plat recorded on January 16, 2002, under Auditor's File No. 200201160127, said point also being on the Southeasterly right-of-way margin of Pond Drive North;

thence North 69°04'25" West along the Northeasterly boundary of said Eaglemont Phase 1B Plat, 60.00 feet to the Northwesterly margin of Pond Drive North;

thence along said Northwesterly margin North 20°55'35" East 62.84 feet to the point of curvature with a 230.00 foot radius curve to the right;

thence Northeasterly along the arc of said curve, through a central angle of 11°48'15" for an arc distance of 47.38 feet, at which point the center of said curve bears South 57°16'10" East;

thence leaving said right-of-way margin North 10°43'39" East along the Northeasterly boundary of said plat 186.96 feet;

thence continuing along said boundary North 35°56'12" West 13.72 feet;

thence North 82°42'37" West 57.36 feet;

thence leaving said plat boundary North 50°40'59" East 61.47 feet;

thence North 39°16'38" East 339.08 feet;

thence South 80°34'06" East 104.98 feet;

thence South 01°51'02" West 95.00 feet;

thence South 16°38'43" East 182.45 feet;

thence South 70°35'26" East 47.00 feet;

thence North 80°09'05" East 89.51 feet to the point of curvature with a 320.00 foot radius curve to the left;

thence Northeasterly along the arc of said curve through a central angle of 15°27'44" for an arc distance of 86.36 feet to a point of tangency;

thence North 64°41'21" East 53.15 feet to the point of curvature with a 255.00 foot radius curve to the right;

thence along the arc of said curve through a central angle of 27°13'56" for an arc distance of 121.20 feet to the point of reverse curvature with a 25.00 foot radius curve to the left; thence

along the arc of said curve through a central angle of 85°13'48" for an arc distance of 37.19 feet to the point of compound curvature with a 185.00 foot radius curve to the left;

thence along the arc of said curve through a central angle of 8°55'03" for an arc distance of 28.79 feet to a point of tangency;

thence North 02°13'35" West 19.44 feet;

thence North 87°46'25" East 30.00 feet;



thence North 78°01'20" East 91.32 feet;  
thence South 02°13'35" East 20.69 feet;  
thence South 41°11'25" East 105.45 feet;  
thence South 59°09'01" East 51.49 feet;  
thence South 49°31'56" West 25.00 feet;  
thence South 04°36'22" East 61.70 feet;  
thence South 49°31'56" West 90.00 feet;  
thence North 40°28'04" West 15.38 feet;  
thence South 65°16'30" West 163.76 feet;  
thence North 36°19'42" West 39.47 feet;  
thence North 63°41'25" West 77.50 feet;  
thence South 49°34'03" West 29.21 feet;  
thence South 04°32'42" East 27.88 feet;  
thence South 61°56'42" West 524.32 feet;  
thence North 23°21'23" West 124.94 feet;  
thence North 63°16'44" West 99.14 feet to a point of curvature with a 170.00 foot radius non-tangent curve to the left the center of which bears South 46°37'28" East;  
thence Southwesterly along the arc of said curve through a central angle of 22°26'57" for an arc distance of 66.61 feet to the point of tangency;  
thence South 20°55'35" West 62.84 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

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