

When recorded return to:

The San Juan Preservation Trust
Box 327
Lopez Island, WA 98261



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Skagit County Auditor

12/15/2010 Page 1 of 6 1:55PM

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AFFIDAVIT AND INDEMNITY AGREEMENT

GRANTOR: Vendovi Island L.L.C., a Washington limited liability company

GRANTEE: The San Juan Preservation Trust, a Washington nonprofit corporation

Legal Description:

Abbreviated Form: Ptn Sec. 13, T36N, R1EWM; Sec. 7, T36N, R2EWM and Sec. 18,
T36N, R2EWM

Additional legal on Exhibit A

Assessor's Tax Parcel ID#: P118669

Reference No(s). of Related Document(s): N/A

SELLER'S AFFIDAVIT AND INDEMNITY AGREEMENT

This SELLER'S AFFIDAVIT AND INDEMNITY AGREEMENT ("Agreement") is made and entered into this 15th day of December, 2010, by Vendovi Island L.L.C., a Washington limited liability company ("Seller") in favor of San Juan Preservation Trust, a Washington nonprofit corporation ("Buyer").

RECITALS

1. Seller and Buyer have entered into that certain Purchase and Sale Agreement dated as of October 15, 2010 for the sale of Vendovi Island located in Skagit County, Washington, the legal description of which is attached as Exhibit A to this Agreement (the "Property"). Buyer intends to obtain a loan for a portion of the purchase price from Nancy Burnett, an individual (the "Lender") and such loan shall be secured by a first priority deed of trust on the Property granted by Buyer to Lender.

2. Seller has informed Buyer that the Property contains a family cemetery (the "Cemetery") that is used as a burial site for the remains of John M. Fluke Sr. (the "Burial Site").

3. Pursuant to Section 9A of the Addendum/Amendment to the PSA, Seller has agreed within 90 days of the sale of the Property to exhume and relocate the Burial Site off of the Property, at Seller's sole cost and expense.

4. Since the execution of the PSA, Buyer and Seller have learned that excavation of the Burial Site during the wet winter season may be more difficult than originally anticipated and could result in damage to the Property, and therefore the Seller may need an extension of time in order to delay the removal of the Burial Site until the drier months as well as to leave the granite markers on the Property.

5. Buyer is willing to grant Seller an extension of time to remove and relocate the Burial Site and leave the granite markers on the Property.

6. As a condition to the sale of the Property, Buyer requires Seller to execute this Agreement to affirm that the Burial Site contains the only known human remains on the Property and to indemnify Buyer for any issues relating to the condition of title due to the existence of the Cemetery on the Property.

AGREEMENT

NOW, THEREFORE, Seller hereby affirms and agrees as follows:

1. To the best of Seller's knowledge, the Burial Site located in the Cemetery contains the only human remains interred on the Property. There are no other burial or grave

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sites in the Cemetery. If any other burial or grave sites are discovered during the exhumation process, Seller shall also relocate any human remains found therein.

2. Seller shall have the Burial Site exhumed and moved to another burial site off of the Property at the earliest possible date at which such relocation can reasonably be accomplished without damage to the Property caused by wet weather, but in no event later than August 31, 2011. All rights that Seller and others have to the Cemetery, including but not limited to ingress and egress, maintenance and upkeep, etc. will survive the sale of the Property and remain in full force and effect until such time as the Burial Site has been exhumed and relocated, at which time all rights of the Seller to the Cemetery shall terminate automatically.

3. The exhumation and relocation of the Burial Site shall be at Seller's sole cost and expense and Seller shall provide Buyer at least ten (10) days notice prior to commencing the excavation related thereto. Seller shall contract for such work with a fully licensed and bonded contractor carrying appropriate general liability and workman's compensation insurance. Seller shall timely pay any and all contractors or employees hired for such work and shall not permit any mechanic's or materialmen's liens to be filed against the Property. In the event a mechanic's or materialmen's lien is filed against the Property related to the excavation or restoration of the Property, Seller shall promptly (but in no event more than thirty (30) days) cause such lien to be released or issue a bond to release the lien.

4. Seller shall fully restore the Property to its condition prior to the exhumation of the Burial Site and shall notify Buyer in writing within five (5) days of completing all work relating to the exhumation of the Burial Site and restoration of the Property. Seller shall indemnify Buyer and Lender for any damage to property or injury to persons caused by Seller or Seller's contractors or agents in connection with the exhumation of the Burial Site and restoration of the Property.

5. Seller may leave the granite markers marking the Burial Site on the Property, at Seller's election.

6. In addition to any other rights or remedies available to Buyer or Lender, at law or in equity, Seller agrees to indemnify, defend and hold harmless Buyer and Lender, and their successors and assigns, from and against any and all liabilities, claims of liability, obligations, losses, costs, charges, expenses, causes of action, suits, demands, judgments and damages of any kind or character including, but not limited to, reasonable attorneys' fees and costs incurred or sustained by Buyer or Lender by reason of or arising out of the disclosure of the existence of the Cemetery on the Property as a special exception to Buyer or Lender's policy of title insurance first issued by Chicago Title Insurance Company under Order No. 620011490, or any amendments thereto.

7. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term, provision,

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condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

8. Any alteration, change, modification or amendment of this Agreement shall be made by written instrument executed by all parties affected.

9. This Agreement and other documents incorporated herein by reference contain the entire understanding and agreement between the parties relating to the obligations of the parties with respect to subject matter hereof and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, shall be of no force or effect.

10. This Agreement shall be interpreted in accordance with the laws of the State of Washington. The recitals set forth hereinabove are incorporated into this Agreement.

11. Buyer may record this Agreement in the records of Skagit County, Washington.

This Agreement is made as of the day and year first above listed and shall be effective upon the closing of the sale of the Property from Seller to Buyer.

SELLER:

**Vendovi Island, L.L.C.,
a Washington limited liability company**

By: _____

Name: DAVID L. FLUKE

Its: CLASS A MEMBER



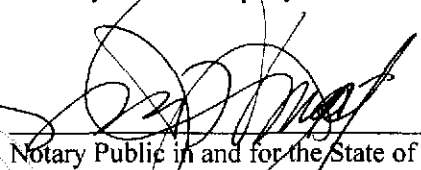
ATTESTATION AND ACKNOWLEDGMENT

The above affiant has duly SUBSCRIBED AND SWORN to me this 13th day of Dec 2010 2010.

I certify that I know or have satisfactory evidence that Dario L. Fluke is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Member of Vendovi Island L.L.C., a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.



(Use this space for notarial stamp/seal)


Notary Public in and for the State of Washington

Print Name M. R. Hingst

Residing at Seattle, WA

My commission expires May 5, 2012



EXHIBIT A

Legal Description of Property

Government Lot 1 of Section 13, Township 36 North, Range 1 East of the Willamette Meridian;

ALSO, Government Lot 1 of Section 7, Township 36 North, Range 2 East of the Willamette Meridian;

ALSO, Government Lots 1, 2, 3, 4, 5, 6 and 7, and the Southeast Quarter of the Northwest Quarter of Section 18, Township 36 North, Range 2 East of the Willamette Meridian;

TOGETHER WITH tidelands of the second class as conveyed by the State of Washington, in front of and adjacent to the West 560 feet of Government Lot 1 of said Section 18.

Situate in Skagit County, Washington.

