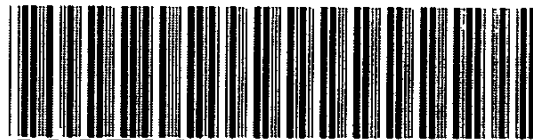


AFTER RECORDING, MAIL TO:
City of Mercer Island, Attn: _____
9611 SE 36th Street
Mercer Island, WA 98040



20050804000041

CITY OF MERCER OMISC 22.00
PAGE 001 OF 004
08/04/2005 08:39
KING COUNTY, WA

INDEMNIFICATION AND HOLD HARMLESS AGREEMENT AND COVENANT NOT TO SUE

This Indemnification and Hold Harmless Agreement and Covenant Not to Sue (Agreement") is effective this 24th day of MAY, 2005. The Parties ("Parties") to this Agreement are the City of Mercer Island, a Washington Municipal corporation ("City") and the following owners (all owners with complete names must be listed) of private property ("Owner(s)").

STEVEN GILLIS
ANNE E. GILLIS

A. The applicant(s) is/are the Owner(s) of the real property situated in the City of Mercer Island located at 4311 Forest Ave SE.

B. The Legal Description of the real property ("Property") is as follows:
NE 13 24 4, 13204 26 BEG AT THE QTR SEC
COR ON THE E BDRY THE RNG AT N 89-51-07 W ALG
THE N BDRY LN OF MERRIMOUNT ADD

[If not enough space, attach separate sheet labeled Exhibit A.]

C. The Parcel Number of the Property is as follows: 1324049026.

D. The applicant Owner(s) has/have applied to the City for a Tree permit which bears MAIN PERMIT NO. 0505-234 for the purpose of: 3 trees to be removed, replace with 2 Evergreen trees and 6 shrubs

This agreement applies to all related permits issued pursuant to this Main Permit.

E. The parties have agreed to enter into this Agreement to address concerns regarding the following circumstances:

- 1. Permitted activity will take place on, or may impact a:
 - Watercourse
 - Wetland
 - Shoreline
 - Steep slope or slide-prone slope
 - Poor soil conditions
 - Other geologic hazard or critical area consideration (describe)

- 2. Adjacency of permitted activity to roadways or structures
 - Alternate materials, methods of design or methods of construction will be used (alternate to Uniform Building Code specifications)
 - Other (describe)

NOW, THEREFORE, the Parties agree as follows:

1. INDEMNIFICATION AND HOLD HARMLESS AGREEMENT AND COVENANT NOT TO SUE “(AGREEMENT)”:

Pursuant to Mercer Island City Code Section 19.01.060, and in consideration of the City issuing the permit identified in (D) above, which constitutes good and valuable consideration, the receipt of which the Owner(s) acknowledge(s), the Owner(s) covenant(s) not to sue and agree(s) to defend, indemnify, and hold the City of Mercer Island, its officers, officials, employees, agents and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or in connection with activities or operations performed by the Owner or on the Owner’s behalf out of issuance of this permit, except for injuries and damages caused by the sole negligence of the City.

2. RECORDING:

This Agreement shall be recorded by the applicant with the King County Recorder’s Office. The permit identified in (D) above shall not be valid until the City has obtained written proof of such recording.. Alternately, the City may record this Agreement.

3. COVENANT RUNNING WITH THE LAND:

This Agreement shall be a covenant running with the land and the rights and obligations contained herein shall run with and burden the property identified above, and shall inure to the benefit of and be binding upon the Parties to this Agreement, their heirs, successors and assigns:

- 3 years from approval of final inspection of the permitted work; or
- _____ years from approval of final inspection of the permitted work; or
- without limitation as to a period of years.

4. INSPECTION. The City's inspection or acceptance of any of the Owner's construction or other work either during construction or when completed shall not be construed to avoid any of the obligations of this Agreement.

5. COMPLIANCE WITH LAWS: All permitted activities shall be conducted in accordance with all applicable federal, state, and City laws including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Model Toxics Control Act ("MTCA"), the Superfund Amendment and Reauthorization Act ("SARA"), The Endangered Species Act ("ESA"), and the State Environmental Policy Act ("SEPA").

DATED this 24th day of MAY, 2005.

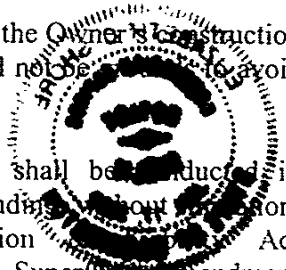
[Signature]
OWNER (signature)

Name: STEVEN GILLIS
(please print)

[Signature]
OWNER (signature)

Name: ANNE E GILLIS
(please print)

(If married, both spouses must sign, and both signatures must be notarized)



STATE OF WASHINGTON)
) ss [INDIVIDUAL ACKNOWLEDGMENT]
COUNTY OF KING)

I certify that I know or have satisfactory evidence that STEVEN GILLIS

(is/are) the person(s) who appeared before me and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes therein mentioned in the instrument.

Given under my hand and seal the 24th day of MAY 2005.



Elizabeth C. Shore
Notary Public in and for the State of Washington
Elizabeth C. Shore
Printed Name
My Appointment Expires 1/17/09

STATE OF WASHINGTON)
) ss [INDIVIDUAL ACKNOWLEDGMENT]
COUNTY OF KING)

I certify that I know or have satisfactory evidence that ANNE E GILLIS

(is/are) the person(s) who appeared before me and said person(s) acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes therein mentioned in the instrument.

Given under my hand and seal the 24th day of MAY 2005.



Elizabeth C. Shore
Notary Public in and for the State of Washington
Elizabeth C. Shore
Printed Name
My Appointment Expires 1/17/09