

## INDEMNIFICATION AGREEMENT

WHEREAS, Clean Up Eureka VI (CUE VI), an Alaska Limited Liability Company, is preparing to submit or has submitted to the City of Eureka (CITY) various applications for zoning changes and discretionary permits required to implement a proposed development comprised of approximately 285,500 square feet of mixed uses, commonly known as the Marina Center Project.

WHEREAS, both CUE VI and the CITY recognize that the proposed Marina Center Project is controversial, and that whatever decisions the CITY makes in response to the applications, litigation by a third party may ensue.

WHEREAS, both CUE VI and the CITY recognize that the City of Eureka is a small City (population approx. 26,128), has extremely limited financial resources at its disposal, and that CUE VI has a financial interest in a successful defense of any legal challenges made to any approvals that may be granted on its application.

Based on the foregoing, which CUE VI and the CITY acknowledge and accept as good and sufficient consideration, THE PARTIES AGREE AS FOLLOWS:

1. Indemnification. CUE VI agrees to and shall defend, indemnify, and hold harmless the CITY in any legal action brought by a third party under the California Environmental Quality Act (CEQA) or California's planning, zoning, or related laws to void, annul, or set aside the City's decision to approve the Marina Center Project or the Marina Center Environmental Impact Report (EIR) (hereafter referred to as Marina Center Action). CUE VI shall defend the City in the Marina Center Action with legal counsel acceptable to the CITY, and this indemnification shall include damages, fees, and costs awarded against the CITY, if any, and the CITY's costs of suit, attorneys' fees, and other liabilities and expenses incurred in connection with the Marina Center Action. The CITY shall promptly notify CUE VI or its successor(s) in interest of any Marina Center Action filed against the CITY and the CITY shall cooperate with CUE VI in good faith in defending the CITY's actions on the Marina Center Project. If the CITY does not cooperate with CUE VI in good faith or if the CITY otherwise decides, without concurrence from CUE VI, to abandon, settle, or voluntarily accept judgment against the CITY in the Marina Center Action, this Indemnification Agreement shall terminate immediately, and CUE VI shall not thereafter be responsible to defend, indemnify, or hold harmless the CITY under this Indemnification Agreement.

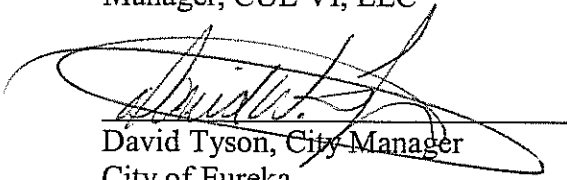
2. Authorized Signatories. Each person signing this Indemnification Agreement on behalf of a party represents and warrants that said person has full and complete authority to bind said party and to perform and comply with the obligations and conditions set forth herein.

3. No Third Party Beneficiaries. This Indemnification Agreement is enforceable only by the CITY and CUE VI and its successors and assigns. There are no third party beneficiary rights under this Indemnification Agreement.

Effective this day, October 5, 2009.

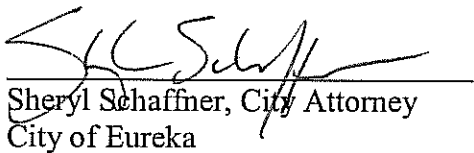


Randy Gans, Vice President  
Security National Master Manager, LLC,  
Manager, CUE VI, LLC



David Tyson, City Manager  
City of Eureka

Approved as to Form:



Sheryl Schaffner, City Attorney  
City of Eureka