

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") dated as of December ____, 2010, is by and between Lower Rum River Watershed Management Organization ("LRRWMO"), 2015 First Avenue, Anoka, MN 55303, and The Travelers Casualty & Surety Company of America ("Travelers").

RECITALS

1. LRRWMO is a governmental organization tasked with, among other things, the issuance of wetland mitigation permits for work performed in and around the City of Ramsey.
2. LRRWMO issued Wetland Mitigation Permit No. 2003-07 (the "Permit") for the Ramsey Town Center Project (the "Project") to create approximately 4.05 acres of jurisdictional wetlands per a Wetland Permit & Banking Plan Application dated June, 2004. As a condition precedent to issuing the Permit, LRRWMO required the posting of an acceptable surety bond.
3. Travelers, as surety, issued Surety Bond No. 375104423448 (the "Bond") to LRRWMO, as obligee, on behalf of Glenn Rehbein Excavating, Inc. (the "Principal").
4. LRRWMO alleges that the Principal failed to complete work required under the Permit and has submitted a claim against Travelers under the Bond.
5. The parties wish to fully and finally settle and resolve any and all claims relating to or arising out of the Permit and the Bond according to the terms of this Agreement.

AGREEMENTS

Therefore, in consideration of the mutual promises herein, and other good and valuable consideration, the parties agree as follows:

1. Payment. Within thirty (30) days of the date of this Agreement, Travelers shall deliver to LRRWMO a check payable to the order of LRRWMO in the agreed-upon amount of Fifty-Nine Thousand Dollars (\$59,000.00).
2. Release. In exchange for the above-referenced settlement payment, LRRWMO, for itself and its successors, assigns, members, and partners, hereby fully and finally releases and discharges Travelers and Travelers' officers, employees, successors, assigns and Principal from any and all claims, losses, liability, costs, expenses, claims for attorneys' or engineers' fees, actions, causes of action, of whatever kind or nature, relating to or arising out of the Project, the Permit and the Bond, including but not limited to any performance, maintenance or warranty obligations. LRRWMO further agrees to return the original Bond to Travelers in exchange for the settlement payment.

3. Counsel. The parties have been advised by counsel of their own choosing with respect to the negotiation and execution of this Agreement.
4. Governing Law. This Agreement shall be construed according to Minnesota law.

Lower Rum River Watershed Management
Organization

The Travelers Casualty & Surety Company of
America

By _____
Its Chairman

By _____
Its _____