

SETTLEMENT and RELEASE

1. On or about March 27, 2008 Developers Surety and Indemnity Company ("D S I") issued Maintenance Bond No. 594188S (the "Bond") naming Caines & Caines Property Development LLC ("Caines") as principal and the City of Jonesboro as obligee ("City") in connection with Caines' obligations to complete the maintenance of the constructed public improvements in Phase I of the Paradise Estates Subdivision ("Obligation").
2. The City made a claim against the Bond alleging that Caines failed to complete its Obligations at the project by not completing certain maintenance work as set forth in the City's punch list dated February 20, 2009. The City has demanded D S I resolve the claim against the bond. ("The Claim"). It is agreed that only certain items on the aforementioned punch list are actually maintenance items covered by the Bond- specifically, items 2, 3, 6, 7-and the City agrees to limit its claim to those four (4) items.
3. The City and D S I both wish to resolve the City's claim quickly and fairly. Accordingly, D S I agrees to pay to the City, and the City agrees to accept the amount of \$4,500.00 which the City has estimated to be the cost to complete the maintenance work covered by the Bond. The City's estimate is herein marked and incorporated as "Exhibit A."
4. Upon receipt of the payment cited in paragraph 3 the City agrees that the Maintenance Bond is fully released from any further liability and will return the original bond to D S I.
5. The person or persons signing this release warrant that they are authorized to do so on behalf of the County.

City of Jonesboro, Arkansas

By:

_____ Date: _____

Its:

Attest:

_____ Date: _____