

SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT is made and entered into by and between CUMBERLAND CASUALTY AND SURETY COMPANY, a Florida corporation (“CUMBERLAND”), and City of Naples (“Plaintiff”), this _____ day of August, 2005. The purpose of this Settlement Agreement is to fully settle and compromise any and all monies due from CUMBERLAND to Plaintiffs arising out of CUMBERLAND Bond No. CC022100102 issued on behalf of United Contractors & Engineering Corporation as Principal, on the project commonly known as Doctor’s Pass Dredging Project, and also identified as:

City of Naples v. United Contractors & Engineering Corp, et al.,
Collier County Circuit Court Case Number 02-3484-CA-TB

In consideration of the mutual promises and covenants herein contained, the parties, intending to be legally bound, hereby agree as follows.

1. Upon execution of this agreement and approval of the Receivership Court, CUMBERLAND agrees to pay to Plaintiff the sum of U.S. \$35,000.00.

2. Plaintiff agrees to execute a full release of any and all claims against CUMBERLAND in the form attached hereto as Exhibit “A,” (the “Release”). Immediately upon execution of the Release, Plaintiff shall forward the original executed Release to CUMBERLAND at 4311 West Waters Ave, Suite #401, Tampa, Florida 33614. The parties agree that each of the terms, conditions, and provisions of the Release are hereby incorporated into this Settlement Agreement.

3. Plaintiff agrees to execute any and all documents necessary to dismiss the above-identified pending lawsuit(s) including, but not limited to, a *Notice of Voluntary Dismissal With Prejudice* in favor of CUMBERLAND. The parties agree that the settlement proceeds shall be maintained in trust until such time as the above identified pending lawsuit(s) has been dismissed.

4. Each party agrees to bear its own attorney’s fees and costs in connection with the execution of this Settlement Agreement.

5. If either party breaches the terms of this Settlement Agreement, and the other party brings a legal action to enforce the terms hereof, the prevailing party shall be entitled to its reasonable attorney’s fees and costs incurred in connection therewith.

6. The release described in paragraph 2 above shall not encompass any claim for breach of any provision of this Settlement Agreement.

7. The laws of the State of Florida shall govern the validity, performance, and enforcement of this Agreement and venue to enforce this Agreement shall lie in Leon County Circuit Court.

8. The parties represent and agree that they have carefully read and fully understand all the provisions of this Settlement Agreement, and that they are voluntarily entering into this Settlement Agreement having consulted with their attorneys concerning the terms and conditions set forth herein.

9. This Settlement Agreement constitutes the final and binding agreement among the parties and may not be supplemented or changed without the written consent of both parties. All prior representations regarding this Settlement Agreement are hereby expressly disclaimed by both parties.

10. If any clause, phrase, provision or portion of this Settlement Agreement, or the application thereof to any person or circumstance shall be invalid, or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this

Settlement Agreement, nor any other clause, phrase, provision or portion hereof, nor shall it affect the application of any clause, phrase, provision or portion hereof to other persons or circumstances.

11. Any signatory to this Settlement Agreement represents that he has the authority to do so.

12. This Settlement Agreement may be executed in counterparts, each of which when so executed shall be an original, but all such counterparts together constitute but one and the same instrument. A copy of this Settlement Agreement transmitted by facsimile with original or facsimile signatures thereon shall be as effective as an original. The parties agree to supplement any such facsimile agreement with an original as soon as possible.

IN WITNESS WHEREOF, the parties hereto executed this 3-page (including signatures) Settlement Agreement.

CUMBERLAND CASUALTY AND SURETY COMPANY

Michael Svaldi, Special Deputy Receiver

DATE: _____

WITNESS:

For the City of Naples

Print Name: _____

By: _____
Print Name: _____
(Title:) _____

EXHIBIT "A"
FULL AND COMPLETE RELEASE

FOR AND IN CONSIDERATION OF the mutual promises contained in the Settlement Agreement, previously executed between CUMBERLAND CASUALTY AND SURETY COMPANY ("CUMBERLAND") and City of Naples ("Plaintiff"), the sufficiency of which are hereby expressly acknowledged, the undersigned hereby releases and forever discharges: CUMBERLAND and all of its heirs, legal representatives, successors, agents, assigns, servants and employees, officers, directors and its affiliate corporations who might be liable, (hereinafter referred to as "said parties") of and from any and all claims, demands, damages, attorneys' fees, actions, causes of action or suits of any kind or nature whatsoever which the undersigned now has, or may hereafter have, against said parties, including, but not restricted to, any and every claim, demand or cause of action for or on account of injuries or damages to person or property, or both; loss of time; loss of services, expenses, impairment or loss of any right, or any other loss, cost or damages of any nature whatsoever sustained by or accruing to the undersigned, whether now known or unknown, resulting from, or in any manner connected with, or growing out of the incident or damages alleged or which could have been alleged in this cause, or which could have been brought or alleged in said cause by Plaintiff against CUMBERLAND arising out of CUMBERLAND Bond No. **CC022100102** issued on behalf of **United Contractors & Engineering Corporation** as Principal, on the project commonly known as Doctor's Pass Dredging Project, and also identified as:

City of Naples v. United Contractors & Engineering Corp., and Cumberland Casualty & Surety Company, Collier County Circuit Court Case Number 02-3484-CA-TB

This Settlement and Release does not pertain to the claims that Plaintiff has against the other defendants, if any. It is agreed and understood that no promise or agreement not expressed herein has been made; this release is not executed in reliance upon any statement or representation made by said parties, or any of them, or by any person employed by or representing them, or any of them; that said consideration is in full compromise, settlement and satisfaction of any and every such claim, demand or cause of action, including all claims, demands and causes of action for or on account of all injuries, damages and consequences thereof which may hereafter become known, develop or accrue, as well as those already known, developed or accrued; that the payment of said consideration is not to be construed as an admission of liability, all liability being expressly denied by said parties.

THE UNDERSIGNED HAVE READ THE FOREGOING RELEASE AND FULLY UNDERSTAND IT.

DATED this _____ day of _____, 2005.

_____ (Name)

By: _____

Its: _____ (Title)

STATE OF _____)

COUNTY OF _____)

SWORN TO AND SUBSCRIBED to before me this _____ day of _____, 2005.

____ Personally known to me

____ Produced Identification (Type of Identification): _____

NOTARY PUBLIC – State of _____