

RELEASE AGREEMENT

This Release Agreement ("Release") is effective May __, 2025, and is by and between Granite Re, Inc., a Minnesota domestic insurer ("Surety") and the City of Watertown, a Wisconsin municipal corporation ("Obligee").

RECITALS

WHEREAS, on February 28, 2024, the Obligee entered into a construction contract with Ray Stadler Construction Co., Inc. ("Principal") for the *Riverside Park Restroom Contract #8-24 - Structure* project (the "Project") in the amount of \$692,000.00.

WHEREAS, as a condition of the Project requirements, the Principal obtained from the Surety a payment and performance bond, bond no. GRWI33005B from the Surety for the Project naming the City of Watertown as the Obligee and Ray Stadler Construction Co., Inc. ("Principal") as Principal in the penal sum of \$692,000.00 (collectively the "Bonds").

WHEREAS, on December 5, 2024, the Obligee sent correspondence to the Surety regarding a claim against the performance bond arising from allegedly defective or substandard work performed by the Principal on the Project and demanded the Surety undertake and perform repairs to the Project.

WHEREAS, on or about February 7, 2025, following further communications by and between the Obligee, the Principal, and the Surety, the Obligee formally terminated the Principal's underlying contract on the Project, a condition precedent to triggering the Surety's obligations under the performance bond.

WHEREAS, the Obligee retains the sum total of \$96,592.25 in remaining contract funds ("Funds") on the Project.

WHEREAS, the Obligee and the Surety desire to fully and finally resolve the Obligee's claim against the Surety's performance bond.

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which is expressly agreed to and acknowledged by the undersigned parties hereby agree as follows:

1. Performance Bond Claim Release and Waiver. In exchange for a waiver of the Surety's rights to complete the Project under the performance bond, the Obligee shall keep and retain the Funds on the Project following the Principal's termination. As and for further consideration for the Surety's waiver of its completion rights under the performance bond, the Obligee fully, finally, and forever, releases, discharges, and acquits the Surety, and its agents, officers, representatives, and attorneys, from any and all claims, demands, causes of action, and Complaints of whatsoever nature, known or unknown, contingent or non-contingent, related to or occasioned by the aforesaid performance bond.

2. Payment Bond. The undersigned parties expressly agree and acknowledge that the Surety's payment bond remains in full force and effect subject to its terms, limitations, and applicable Wisconsin law. The undersigned parties expressly agree and acknowledge that the Obligee has not defaulted under the Construction Contract.

The Obligee and Surety are aware that the following parties/entities made a claim against the Payment Bond: (i) Chris L. Greene and (ii) Werner Electric Supply Co., and the Surety is advised by the Principal that payment arrangements are secured or are satisfied as of the date of this agreement. The Obligee is aware of alleged claims for payment from (i) Jerry Hepp Excavating, Inc., and (ii) the Principal, and that it has or will advise them of the existence of the Surety's Payment Bond.

3. Authority. The undersigned affirm and agree that they have the authority to execute this Release and bind their respective party to the same.
4. Counterparts. This Release may be executed in several counterparts, each of which shall constitute an original signature, and together shall constitute the whole Release.

IN WITNESS WHEREOF, the undersigned have executed this Release as of the date first above written.

CITY OF WATERTOWN

By _____

Its _____

By _____

Its _____

GRANITE RE, INC

By  _____
Brad Tollefson

Its: Claims Manager

