

SETTLEMENT AND RELEASE

Jimmie H. Jones and Lillie M. Jones (hereinafter referred to as "claimants") own the property located at 2522 Badger Road, North Pole, Alaska.

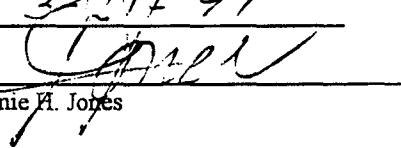
During 1996, the claimants' garage, located on the above-described property, was damaged by water infiltrating under the garage's concrete slab. The claimants allege that ADOT&PF's negligent design or construction of the Badger Road Reconstruction Project (Project No. TE-STP-RS-0620(6)/60379) caused this damage. The claimants have obtained an estimate from a general contractor to replace the concrete slab, relocate the garage entrance from the west to the north side of the garage, remove the existing driveway approach (including the removal of the driveway pavement) and provide drainage away from the structure and Badger Road.

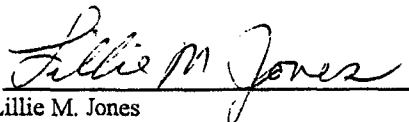
Without admitting liability for any damage, ADOT&PF and the claimants have agreed to settle this claim as follows:

- 1. ADOT&PF will pay the claimants a total of \$36,000. This amount shall be paid in two equal installments for the construction work necessary to correct the above-described problems. The first \$18,000 installment shall be paid at the time this settlement and release is signed by the claimants. The second \$18,000 installment shall be paid upon completion and ADOT&PF's acceptance of the work necessary to remove the existing driveway approach and re-shape the embankment.
- 2. The work necessary to eliminate the existing driveway approach and re-shape the embankment to direct water away from Badger Road and the claimants' structures shall be accomplished by the claimants' contractor in accordance with the plans (including the notes thereon) attached hereto and by this reference incorporated herein.
- 3. The signing of this settlement and release and the payment of \$36,000 to the claimants is a full and complete settlement of this claim. The claimants promise not to make any further demand of or sue the State of Alaska, ADOT&PF (including its officers, agents and employees), or ADOT&PF's contractor or subcontractors for the Badger Road project (hereinafter collectively referred to as the "releasees") for injury or damage of any kind or nature arising from or in any way related to the above-described claim, including, but not limited to, injury or damage to persons or property (1) that is mature or will mature in the future, or (2) that may arise or accrue after this release is signed, or (3) that is presently unknown or unanticipated.
- 4. The claimants agree to indemnify and hold harmless the releasees should any subrogated party, such as an insurer, make any demands for reimbursements against the releasees for monies paid or services provided to the claimants because of the above-described claim.

The claimants hereby acknowledge that this document is a binding contract for settlement of the above-described claim and constitutes the entire agreement of the parties. There are no terms or promises not expressly contained herein.

By signing this contract, the claimants represent that they have read and understand the terms of this contract, including the attached plans, and that they have had the opportunity to consult with a lawyer of their choosing before signing this contract.

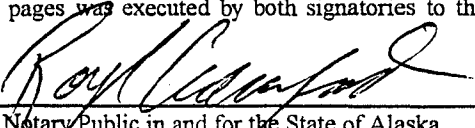
Date 3-21-97

 Jimmie H. Jones


 Lillie M. Jones

ACKNOWLEDGEMENT

STATE OF ALASKA)
) SS.
FOURTH JUDICIAL DISTRICT)

The foregoing settlement and release consisting of three pages was executed by both signatories to this agreement and acknowledged before me this 21 day of March, 1997.


 Notary Public in and for the State of Alaska
 My commission expires: 11-24-99

[SEAL]