

## SEVERANCE AGREEMENT AND RELEASE OF CLAIMS

This Severance Agreement and Release of Claims ("Agreement") is between Lansing Board of Water & Light ("Employer"), and Robert J. Van Ells ("Employee"). Employee has been employed by Employer, but the employment relationship has terminated as the Employee has retired from the Employer. In order to affect a smooth termination process, Employer is offering Employee this Agreement under the following terms and conditions:

1. **Termination of Employment:** Employee agreed to retire from all employment with the Employer, and the retirement is effective July 20, 2007. ("Date of Retirement"). Effective on the last day worked, Employee has been relieved of all duties and obligations to Employer, except as provided in this Agreement. Employee's termination of employment will be characterized as a retirement with a separation agreement. After the Retirement Date, Employee waives any and all rights Employee may otherwise have to continued employment with or re-employment by Employer. Employee has already been paid his salary through July 20, 2007 ("Retirement Date").
2. **References:** Consistent with its policy, Employer will confirm Employee's employment dates, last position held and last salary and will provide no further information, except as may be required by law or regulation. In addition, Employer will provide a letter of reference upon Employee's request.
3. **Confidentiality:** The parties agree that this Agreement and its terms are confidential and shall not be disclosed or published directly or indirectly to third persons by either party, except as necessary to enforce its terms, or to the parties' respective attorneys or financial consultants, although the parties may disclose the fact of Employee's termination as necessary.
4. **No Admission:** The parties' agreement to the terms contained in this Agreement shall not be construed as an admission of fault or wrongdoing by any party or interpreted as modifying Employee's at-will employment status. The purpose of this Agreement is to efficiently terminate the employment relationship.
5. **Consideration Payment:** As consideration for this agreement, subject to the terms in this Agreement and after the Revocation Period explained in paragraph 9 of this Agreement has expired without the right of revocation being exercised, Employee will be eligible for the following payment ("Consideration"):
  - A. A payment in the gross amount of ninety nine thousand (\$99,000.00) ("Consideration Payment"), which will be paid in a lump sum on the first pay date after the Revocation Period has expired.

Any payment made to and on behalf of Employee pursuant to this Paragraph will be subject to taxes and withholding, pursuant to applicable law, and Employee

understands that Employee will be responsible for Employee's portion of such applicable taxes.

Employee understands and agrees that, other than distributions required by law and the payment described in this Agreement, Employee will not be eligible for any payments from Employer. Also, any fringe benefits that Employee has received from Employer have ceased as of August 1, 2007, except as otherwise provided, in his retirement, this Agreement or by law.

6. **Consideration for Agreement:** The parties agree that the Consideration described in Paragraph 5 of this Agreement is in full consideration of Employee's release of claims and agreement to the restrictive covenants in this Agreement. The parties agree that this Consideration is not required by any policy of Employer or any preexisting obligation of Employer to Employee, nor is it compensation for services performed or to be performed by Employee.

7. **Waiver and Release of Claims:** Employee waives, releases, acquits, and discharges Employer, and any parent, subsidiary or any other entity of Employer, any partnerships, joint ventures or other entities involving Employer; and all present or former employees, officers, agents, directors, successors, assigns and attorneys of any of these corporations or entities; from any and all claims, actions, charges, suits, causes of action, demands, and damages, whether known or unknown, liquidated or unliquidated, fixed or contingent, direct or indirect, that Employee may currently have or that may accrue after the Employee signs this Agreement, on account of or growing out of Employee's employment with Employer and termination of employment with Employer; or arising out of related events occurring through the date that this Agreement is executed.

This includes, but is not limited to, claims for breach of any applicable employee handbook or manual, policy or procedure; any express or implied employment contract; any tort, continued employment; loss of wages or benefits; reimbursement of expenses; wrongful discharge; defamation; emotional distress or humiliation; harassment; attorney fees; employment discrimination arising under any federal, state, or local civil rights or antidiscrimination statute, and all other types of claims or causes of action whatsoever arising under any other state or federal statute or common law; including specifically, although not limited to, any claims Employee may have under Title VII, the Americans With Disabilities Act ("ADA"), and the Age Discrimination in Employment Act ("ADEA"), except that Employee does not release any claims accrued under the ADEA after the date this Agreement is executed.

Employee waives any right to any personal benefit, monetary or otherwise, that may result from any claim, including a discrimination claim, filed on Employee's behalf by any administrative agency. Further, Employee agrees that, other than the payments specifically referenced in this Agreement, Employee has been paid all compensation due him. Employee is not aware of any injuries or illnesses that he incurred in the course of his employment, nor was he denied any leave of absence or benefits to which he was entitled during his employment. Employee agrees to withdraw, with prejudice and within three business days following the expiration of the Revocation

Period described in Paragraph 9 of this Agreement, any claims or suits that may have been filed by Employee or on Employee's behalf against Employer or its affiliated companies and their owners, officers, directors, agents, and employees.

8. **Consult With Attorney:** Employee acknowledges and agrees that Employee has been advised in writing by this Agreement, and otherwise, to consult with an attorney before executing this Agreement.

9. **Final Offer, Consideration Period, and Revocation:**

Employee understands that this is Employer's final offer and that Employee has been given twenty-one (21) calendar days to consider this Agreement and its terms and execute it. In order to enter this Agreement, Employee must execute it no later than August 31, 2007 and Brandie Ekren must receive the executed Agreement at her office not later than the time of close of business on August 31, 2007. Employee hereby waives any right that Employee may have to additional time to consider this Agreement.

Employee understands that this is Employer's final offer and that Employee shall have up to seven (7) calendar days following Employee's execution of this Agreement to revoke this Agreement ("Revocation Period"). In order to be effective, the revocation shall be made in writing by Employee and shall be received by Brandie Ekren at her office on or before the time of close of business by the expiration of the Revocation Period.

10. **Non-Disclosure:** Employee expressly acknowledges and agrees that during the course of Employee's employment with Employer, certain confidential and competitive information may have been divulged to or become known by Employee in the nature of, but not limited to, information concerning Employer's current, former and prospective employees and customers, business practices and business plans; contract information; policies and procedures; financial; marketing and administrative information; future plans of Employer and its affiliates; and other trade secrets, which is valuable, confidential information of Employer and its affiliates (all of which is referred to in this Agreement as ("Confidential Information")). This Confidential Information has been uniquely developed by Employer, is an important asset and cannot be readily obtained by third parties from outside sources. Therefore, Employee expressly agrees that Employee will not use for Employee's personal benefit, or disclose, communicate or divulge to, or use for the direct or indirect benefit of any person, firm, association or company, any Confidential Information of Employer.

11. **Injunctive Relief:** The "confidentiality" provision contained in Paragraph 3, the "non-disclosure" covenant in Paragraph 10, and the "return of property" provision in Paragraph 13 of this Agreement (collectively "Restrictive Covenants") are reasonable and necessary for the protection of the legitimate business interest of Employer and its employees, are material terms of this Agreement, and a violation of these restrictions would cause substantial injury to Employer. So, if Employee or Employer is deemed to have materially breached this Agreement, including the Restrictive

Covenants, Employer or Employee will be entitled to immediate preliminary and permanent injunctive relief, without bond, in addition to any other remedy that may be available.

12. **Indemnification, Defense and Cooperations:** Employee will fully and voluntarily cooperate, support and assist in defending and pursuing any actions by or against the Employer in which Employee is named as a defendant or witness or about which Employee has knowledge. Employer will fully and completely indemnify and defend Employee from any and all claims brought against him arising out of his employment with Employer, including, but not limited to, payment of any and all actual attorney fees incurred by Employee in enforcement of this provision.

13. **Return of Employer Property:** Employee returned to Employer on July 16, 2007 all items, documents, lists, equipment, and other materials belonging to Employer, including but not limited to all documents, software, or other business records or information, keys, cell phone, computer, and all other items in Employee's possession or control.

14. **Knowing and Voluntary Agreement:** Employee and Employer acknowledge that they have read and understand this Agreement, that they have had adequate time to consider it, that they understand the consequences of entering into it, that they are knowingly and voluntarily entering into it, and that they are competent to enter into this Agreement.

15. **Non-Disparagement:** The parties agree that they will not make, to any third party, any disparaging or negative written or oral statements about or relating to one another, the circumstances surrounding the Employee's separation from employment with the Employer, or the Employer's services, directors, Commissioners or employees, whether past or current. This paragraph shall not be construed to mean that the parties cannot fulfill their statutory duties.

16. **Benefit and Binding Effect:** This Agreement shall benefit and bind the parties and their respective directors, officers, employees, agents, heirs, successors, assigns, devisees and legal or personal representatives.

17. **Controlling Agreement:** This Agreement is the entire agreement between the parties at the time and date these documents are executed, and fully supersedes any and all prior agreements or understandings between them pertaining to the subject matter in this Agreement.

18. **Prevailing Law:** This Agreement is to be construed according to the laws of Michigan and shall be enforceable in a court of competent jurisdiction in Ingham County, Michigan, and each party submits itself to that jurisdiction.

19. **Severability:** If any provision of this Agreement, with the exception of paragraph 5, is determined to be unenforceable, the remainder of this Agreement shall not be affected, but each remaining provision or portion shall continue to be valid and effective and the Agreement shall be enforceable, as it may be modified by a

court of competent jurisdiction, to the fullest extent permitted by law.

20. **Execution of Agreement:** To signify their agreement to the terms of this Agreement, the parties have executed it on the date set forth opposite their signatures, or those of their authorized agents.

**Robert J. Van Ellis**

Dated: 8-27-07

Robert J. Van Ellis

**Lansing Board of Water & Light**

Dated: 8-27-07

\* By: J. Peter Lark  
J. Peter Lark  
Director and General Manager  
By: Rhonda Jones  
Rhonda Jones  
Corporate Secretary

APPROVED  
Beaulee K. [Signature]  
BOARD OF WATER & LIGHT  
LEGAL COUNSEL  
Date Aug 27, 2007