

# SEPARATION AGREEMENT AND MUTUAL COMPLETE RELEASE

This Separation Agreement and Mutual Complete Release ("Release") is between Sanford B. Novick ("Employee") and the Board of Commissioners of the Lansing Board of Water and Light ("Employer"). Employee has been employed by Employer as General Manager pursuant to an Agreement dated July 25, 2003 and November 21, 2005, but both parties are mutually agreeing to end the Agreement and end the employment relationship. For an orderly separation from employment, Employee and Employer are entering into this Agreement and Release:

1. **Date of Separation:** Through his signature on this Release, Employee agrees to resign from employment with Employer effective at the close of business on August 24, 2006 ("Date of Separation"). Employee shall not seek employment with Employer or any affiliate, related entities or their successors in the future, and waives all claims Employee may otherwise have to continued employment with or re-employment or reinstatement by Employer after the Date of Separation.
2. **No Fault:** The parties' agreement to the terms contained in this Release shall not be interpreted as an admission of fault by either party. The purpose of this Release is to mutually end the employment relationship between Employee and Employer.
3. **Consideration:** Employer shall, as consideration for Employee's agreement to the terms of this Release and subject to the conditions set forth in this Release, do the following:
  - a. Pay Employee the sum of two hundred fifty thousand dollars (\$250,000.00) on the date of his execution of this Agreement.
  - b. Pay Employee all salary amounts earned through date of separation.
  - c. Preserve and pay to employee all sums accrued in his account in the Board of Water and Light defined contribution plan and/or Prudential 401A Plan and/or any other pension plans in which he is a participant in accord with such plans.
  - d. Within thirty (30) days after execution of this Agreement, transfer to Employee or his designated depository all monies accrued in his ICMA 457 deferred compensation program.
  - e. Within thirty (30) days of the execution of this Agreement, transfer to Employee or his designated depository all monies accrued in his ICMA defined contribution 401A Plan.
  - f. Provide and pay for two person family health insurance for Employee through August 31, 2007 or until Employee is able to acquire substantially equivalent coverage at no cost to him through a new employer, whichever first occurs.
  - g. Terminate the 2006 job evaluation of Employee and withdraw any and all 2006 job evaluation materials from Employee's personnel file.

Regular tax and other deductions required by law shall be withheld from all payments made to and on behalf of Employee pursuant to this paragraph.

4. **Not for Services; Right to Seek Employment:** Both parties agree that the payments and benefits set forth in paragraph 3 are consideration for signing this Release and are not required by any policy of the Employer or any preexisting obligation of Employer to Employee, except to the extent required by his Employment Agreement, nor are such payments compensation for services performed or to be performed by Employee. Nothing contained in this Separation Agreement prohibits Employee from seeking other employment and all sums and benefits due under this Agreement are guaranteed to him regardless of his acceptance of any new employment.

5. **Mutual Release:** For and in consideration of the agreements of Employer and Employee herein, Employee and Employer mutually release, withdraw, acquit, waive and forever discharge all claims, actions, charges, suits, demands, rights, and damages, known and unknown, civil and/or criminal, that the parties might have now or which may hereafter accrue, against one another on account of or growing out of Employee's employment and the cessation of Employee's employment relationship with the Employer. For purposes of this Release, Employer is defined to include the Employer, its Board of Commissioners, the Lansing Board of Water and Light, its affiliates, and their principals, members, officers, employees, agents, attorneys, successors, and the City of Lansing, both in their official and individual capacities. This Release includes but is not limited to, claims for emotional distress; lack of due process; harassment; defamation; breach of Employee's Employment Agreement and any express or implied contract and/or employment policies; wrongful discharge; attorney fees; and employment discrimination arising under any federal, state, or local civil rights or antidiscrimination statute including specifically but not limited to any claims Employee may have under the Age Discrimination in Employment Act ("ADEA"), Title VII, Americans With Disabilities Act ("ADA"), Elliott-Larsen Civil Rights Act ("ELCRA"), Persons With Disabilities Civil Rights Act ("PWDCRA"), and any other state or federal statute, and common law, except that Employee does not waive any claims that may arise under the ADEA after this Release is signed. Employee acknowledges that, other than the payments specifically referenced in this Release, Employee has been paid all compensation due him.

6. **Non-Disparagement:** The parties further agree that they will not make to any third party any disparaging or defamatory written or oral statements about or relating to one another. This paragraph shall not be construed to mean that the parties cannot fulfill their statutory duties.

7. **Non-Disclosure:** Employee agrees that during the course of Employee's relationship with Employer, certain confidential or proprietary information may have been divulged to or become known by Employee such as information concerning the Employer's employees ("Confidential Information"), and the disclosure of such Confidential Information could harm the Employer, its employees and business. In recognition of these facts, Employee expressly agrees that, other than as required by law, Employee will not directly or indirectly disclose, communicate or divulge to, or use for the direct or indirect benefit of himself or any person, firm, association, company or organization any Confidential Information of Employer.

8. **Indemnification, Defense and Cooperation:** 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.

**Return of Property:** Employee agrees to return to the Employer, no later than September 1, 2006, all property, equipment, items, documents, records, software, lists, other materials and copies thereof belonging to the Employer, including but not limited to software, passwords, specifications, keys, vehicles, business records and all other items belonging to the Employer in Employee's possession or control.

**Consideration Period:** Employee understands that he is hereby advised to consult with an attorney before he executes this Release; that he has been given a period of twenty-one (21) calendar days from the date that he received this Release to consider this Release and its terms ("Consideration Period"); that if he decides to enter this Release, he must sign it, and Melissa J. Jackson, attorney for the Employer, must receive the executed Release in her office at 313 South Washington Square, Lansing, Michigan 48933, no later than the time of close of business on the last day of the Consideration Period.

**Revocation Period:** If this Release is executed by the parties, Employee shall have seven (7) calendar days following his execution of this Release to revoke this Release ("Revocation Period"). Any revocation of this Release shall be made in writing by the Employee and shall be received by Melissa J. Jackson, attorney for the Employer, in her office by the time of the close of business on the last day of the Revocation Period. This Release shall not become effective or enforceable until the expiration of the Revocation Period of this Release.

**Extension of Expiration:** If the expiration of the Consideration or Revocation Period is on a Saturday, Sunday or Employer-recognized holiday, the Consideration or Revocation Period, as relevant, shall be extended until the time of close of business on the first business day following the Saturday, Sunday or Employer-recognized holiday.

**Michigan Law:** Except to the extent federal law controls, this Release shall be interpreted in accordance with the law of Michigan.

**Entire Agreement:** This Release is the entire agreement between Employee and the Employer concerning the cessation of the employment relationship. It supercedes all prior and contemporaneous oral or written agreements or understandings between the parties concerning the cessation. There are no other agreements or understandings between Employee and the Employer. Any modification of this Release must be in writing and signed by both parties to be binding.

**Severable:** In the event that any provision of this Release is determined to be unenforceable, the remainder of this Release shall not be affected, but each remaining provision or portion shall continue to be valid and effective and shall be enforceable to the fullest extent permitted by law.

**Presumption of Drafting:** In the event of ambiguity, this Release shall be determined to have been drafted by all parties.

Employee acknowledges that he has read and understands this Release; that he has been provided sufficient time to consider this Release; that he understands the consequences of entering into this Release; that he is competent to enter this Release; and that he is entering into this Release knowingly and voluntarily.

EMPLOYEE

Dated: Aug 25, 2006

Sanford B. Novick  
Sanford B. Novick

Subscribed and sworn to before me this 25 day of August, 2006.

Lindsay LaBerge  
Notary Public  
County, Michigan  
Commission Expires: \_\_\_\_\_

LINDSAY LaBERGE  
Notary Public, State of Michigan, County of Ingham  
My Commission Expires May 1, 2008  
Action in the County of Ingham

Employer acknowledges that it has read and understands this Release; that it has been provided sufficient time to consider this Release; that it understands the consequences of entering into this Release; that it is competent to enter this Release and that it is entering into this Release knowingly and voluntarily.

BOARD OF COMMISSIONERS  
LANSING BOARD OF WATER AND LIGHT

Dated: Aug. 24, 2006

By:

Robin M. Smith  
CHAIR

Subscribed and sworn to before me this \_\_\_\_\_ day of August, 2006.

[Signature]  
Notary Public  
County, Michigan  
Commission Expires: \_\_\_\_\_