

**THIS IS A RELEASE. YOU ARE ADVISED TO READ THIS AND CONSULT  
COUNSEL PRIOR TO SIGNING.**

**SEPARATION AGREEMENT, INDEMNITY AGREEMENT  
AND MUTUAL COMPLETE RELEASE OF ALL CLAIMS**

This Separation Agreement, Indemnity Agreement and Mutual Complete Release of All Claims ("Agreement") is entered into between Caryn L. Mateer ("Employee") and MERS of Michigan ("Employer") (Employee and Employer collectively referred to as "the Parties"). The terms of the Agreement are as follows:

1. **Scope and Purpose of Agreement:** In order to settle and compromise any and all claims Employee has or may have, now or in the future, against Employer or any of the Released Parties identified in Paragraph 6 below, relating to Employee's employment by Employer, her separation from that employment, any events occurring in the course of that employment, and any events occurring prior to, and including, the effective date of this Agreement, the Parties desire to enter into this Agreement. The Parties intend this to be a private agreement negotiated in good faith, and the consideration provided herein is unique to Employee. It is expressly not the intent of the Parties to create a pattern and practice of severance payments or a severance plan that could be used as precedent or apply to other employees of Employer.

2. **Resignation from Employment:**

- A. Employee acknowledges that her employment with Employer is terminated by resignation effective May 14, 2012. Employee agrees that she will not in the future apply for, seek or accept employment with Employer or any of its parent, subsidiary, or affiliated entities; and that if in the future she obtains employment in contravention of this Agreement, whether intentionally or unintentionally, this Agreement shall require her immediate discharge and provide an absolute defense to any claim based upon such discharge.
- B. Employee acknowledges that Employer has paid to her all wages, remuneration and other compensation due and owing in accordance with the Fair Labor Standards Act and Michigan law, and that she has been provided all benefits for



which she was eligible pursuant to statute, regulation and/or Employer's policies and/or practices, specifically including unused vacation. Employee acknowledges and expressly affirms that, other than is set forth in this Agreement, she is not, and shall not in the future be, eligible for any additional remuneration by reason of her employment, specifically including any bonus, salary, wages, expense reimbursement, vacation pay, or severance pay; insurance coverage or benefits; participation in any employment benefit plan; or issuance of any past, present or future stock or equity interests.

- C. The Parties acknowledge and agree that Employee shall retain the benefits that shall have vested, if any, pursuant to the terms of the MERS Defined Benefit Plan, which vested benefits are limited by and subject to the express terms and conditions of the applicable plan and any amendments thereto. Employee specifically acknowledges and agrees that nothing in this Agreement or in this subparagraph (C) modifies or amends any applicable benefits plan, policy, or program, and that any dispute regarding Employee's benefits under any plan, policy or program that is subject to the Employee Retirement Income Security Act ("ERISA") shall be subject to the claims and appeals provisions of such plan, policy or program, as well as the requirements and procedures of ERISA, rather than any provision of this Agreement.

3. **Consideration:** Employee expressly acknowledges that her entry into this Agreement is in exchange for consideration set forth below, which is in addition to anything of value to which she is already entitled.

- A. Within 10 business days of the expiration of the seven-day revocation period described in Paragraph 17, without Employee revoking this Agreement, Employer shall pay to Employee a single, lump-sum severance payment in the gross amount of One Hundred Sixty Thousand Dollars and Zero Cents (\$160,000.00), less tax withholding as is required by applicable federal, state and/or local statute or regulation, and other approved or required deductions. This payment shall be made by check made out to "Caryn L. Mateer," and is meant to replace lost wages.
- B. Employer shall issue to Employee an IRS Form W-2 to reflect the payment described in subparagraph (A) above. Employee shall remain solely responsible for her share of any additional tax obligations arising from the payment described in subparagraph (A). Employee agrees to indemnify and hold Employer harmless from any claims by any federal, state or local taxing authority for taxes, penalties, and/or interest not paid by Employee on the payment made.
- C. Provided the revocation period set forth in Paragraph 17 expires without Employee revoking this Agreement, and provided Employee elects to continue insurance coverage, Employer agrees to pay Employee's share of COBRA costs



for up to 18 months or until Employee secures new health care benefits, whether through new employment or otherwise, whichever is earlier, after which date Employee shall be solely responsible for the payment of the cost of coverage for the remainder of the COBRA period. Employee agrees to notify MERS's human resources department immediately upon securing new health benefits.

D. Provided the revocation period set forth in Paragraph 17 expires without Employee revoking this Agreement, Employer shall pay the cost for time of services of Executive Career Transition Services through Right Management for up to six months after the expiration of the revocation period set forth in Paragraph 17 below, or until Employee secures new employment, whichever is earlier. Employer shall pay Right Management directly. Employer shall make arrangements for Right Management to contact Employee to arrange for services following the expiration of the revocation period set forth in Paragraph 17. Employee agrees to notify MERS's human resources department immediately upon securing new employment.

4. **Material Representations by Employee:** Employee acknowledges that the following representations are made by her as substantial and material terms of this Agreement, and have been relied upon by Employer in determining whether to enter into this Agreement and to pay the Consideration set forth in Paragraph 3. Employee represents that:

- A. She is not aware of any facts or evidence that would support or justify the filing of any administrative charge, complaint or report regarding Employer with any governmental agency, tribunal, office or other entity; or any suit, proceeding, or arbitration demand based upon any of the matters set forth in Paragraph 6. Employee acknowledges that the representation made herein is a material warranty and is of the essence of this Agreement. Employee further acknowledges and expressly affirms that in the event that any governmental agency or entity pursues any action or proceeding to obtain any relief or recovery on her behalf, she agrees that he is not entitled to any remedy, relief or damages of any type whatsoever since all her claims are fully satisfied and extinguished by this Agreement.
- B. She has not sustained any injuries, diseases, disabilities, or physical, mental, emotional, psychiatric or psychological conditions of any kind (including, but not limited to, aggravation of any previously existing condition) during or after the time that she worked for Employer which could be compensable pursuant to the Michigan Workers' Disability Compensation Act as part of a workers' compensation claim. Employee further acknowledges and agrees that this is a binding factual admission that would bar any claim for workers' compensation benefits for any alleged work-related injury, disease, or disability or post-employment aggravation of the same. Employee understands and agrees that this



Agreement may be used by Employer in full defense of any workers' compensation claim filed by her, and that any such claim would be subject to a complete offset by the payments and consideration made under this Agreement.

5. **Representations Regarding Medicare Secondary Payer Act and Indemnification Agreement:**

- A. Employee specifically represents and warrants that:
- She is not 65 years of age; and
  - She has not sought or been awarded Social Security Disability benefits and is not appealing nor plans to appeal any denial of Social Security Disability benefits; and
  - She has not sought or been awarded disability benefits from the Railroad Retirement Board and is not appealing nor plans to appeal any denial of such benefits; and
  - She is not entitled to Social Security Disability benefits or disability benefits from the Railroad Retirement Board; and
  - She does not have end stage renal disease; and
  - She does not have amyotrophic lateral sclerosis; and
  - She has not received any conditional payments from Medicare; and
  - The payments made to her pursuant to Paragraph 3 of this Agreement do not settle or reimburse her for any medical expenses or services for which she could have sought Medicare benefits; and
  - There are no Medicare liens or claims applicable to any claims or causes of action she has, had, or may have against Employer or any Released Party identified in Paragraph 6(A).
- B. Employee acknowledges, understands, and agrees that, if Employer determines that Employee is a Medicare-eligible claimant, Employer may also determine to make an appropriate report of payments made to Employee pursuant to this Agreement to the Centers for Medicare & Medicaid Services.
- C. Employee represents and acknowledges that all bills, costs or liens resulting from or arising out of Employee's alleged injuries, claims or lawsuit are Employee's responsibility to pay. Employee agrees to fully satisfy any and all rights to payment or recoupment, claims or liens of any kind that arise from or are related to payments made or services provided to Employee or on Employee's behalf, or Employee's alleged injuries, claims or lawsuit, including without limitation, all Medicare conditional payments, subrogation claims, liens, or other rights to payment, including interest thereon, relating to medical treatment, that have or may be asserted by any health care provider, insurer, governmental entity, employer or other person or entity. Employee agrees that, should any governmental entity seek repayment from Employer or any Released Party as described in Paragraph 6(A), or file a legal action against Employer or any Released Party for the recoupment of any Medicare payments made to Employee



or the assessment of any penalties or fines for failure to report information relating to Employee to the Centers for Medicare & Medicaid Services, Employee will indemnify and hold Employer and/or any Released Party harmless against all damages, repayments, fines, other penalties, costs, and fees associated with such request or action, including reasonable attorneys' fees and costs of litigation.

6. **Complete and General Release by Employee:**

- A. As used in this Agreement, the term "Released Parties" means Employer and its past, present or future parent, affiliated, related and/or subsidiary companies, corporations, joint ventures, successors, and partnerships; and these entities' past, present or future directors, shareholders, officers, board members, employees, agents, consultants, insurers, attorneys, partners, accountants and representatives; and any and all benefit plans and health plans maintained or sponsored by Employer or any of its affiliated, related and/or subsidiary companies, and the past, present or future plan sponsors, administrators, fiduciaries, insurers, members of the Benefits Committee(s), accountants, attorneys, agents, and consultants; (hereinafter referred to collectively as the "Released Parties").
- B. For and in consideration of the consideration set forth in Paragraph 3 and the agreements made by Employer herein, the sufficiency of which is hereby acknowledged, Employee, on her own behalf and on behalf of her spouse, heirs, successors, executors, administrators, and assigns, does hereby fully and forever release and discharge the Released Parties from any and all actions, causes of action, liabilities, claims, debts, benefits and other obligations of any description whatsoever, whether based on common law, local law, state law, or federal law, whether known or unknown, criminal or civil, including but not limited to:
- claims for breach of contract, tort, discrimination, harassment, fraud, estoppel, retaliation, whistleblowing, violation of public policy, defamation, tortious interference; and
  - claims under any federal, state or local statute, law, regulation or ordinance, including specifically, but not limited to, the federal Age Discrimination in Employment Act (ADEA); the Older Workers Benefit Protection Act, the Americans with Disabilities Act, the Employee Retirement Income Security Act, the Family and Medical Leave Act, Title VII of the Civil Rights Act of 1964, Michigan's Elliott-Larsen Civil Rights Act, the Persons With Disabilities Civil Rights Act, and the Whistleblower's Protection Act, as each may be amended,

which Employee has or may have against the Released Parties, which arise out of, or result from, or occurred in connection with any thing or matter occurring prior to, and including, the effective date of this Agreement, including without limitation Employee's employment by Employer, her separation from that employment, any events occurring prior to and in the course of that employment.



- C. Employee acknowledges and expressly agrees that she is releasing and waiving not only her rights to recover money or other relief in any action against the Released Parties, either directly or indirectly, but also she is releasing and waiving any rights she may have to recover money or other relief in any action that might be brought on her behalf (individually or collectively) by any other person or entity including, but not limited to, representative class or collective action plaintiffs or any federal, state or local governmental agency or department.
- D. The Parties agree and understand that, with this Agreement, Employee is waiving only those claims that she has or may have, known or unknown, that relate to or arise out of alleged acts, omissions, conduct, or other events that occurred up to and including the effective date of this Agreement.

7. **Complete and General Release by Employer:**

- A. For and in consideration of the consideration set forth in this Agreement, the sufficiency of which is hereby acknowledged, Employer, on its own behalf and on behalf of its Board, successors, executors, administrators, insurers, and assigns, does hereby fully and forever release and discharge the Employee from any and all actions, causes of action, liabilities, claims, debts, benefits and other obligations of any description whatsoever, whether based on common law, local law, state law, or federal law, whether known or unknown, criminal or civil, including but not limited to:
- claims for breach of contract, tort, discrimination, harassment, fraud, estoppel, retaliation, whistleblowing, violation of public policy, defamation, tortious interference; and
  - claims under any federal, state or local statute, law, regulation or ordinance, which Employer has or may have against Employee, which arise out of, or result from, or occurred in connection with any thing or matter occurring prior to, and including, the effective date of this Agreement, including, without limitation, Employee's employment by Employer, her separation from that employment, any events occurring prior to and in the course of that employment.
- B. Employer acknowledges and expressly agrees that it is releasing and waiving not only its rights to recover money or other relief in any action against Employee, either directly or indirectly, but also it is releasing and waiving any rights it may have to recover money or other relief in any action that might be brought on its behalf by any other person or entity including, but not limited to any federal, state, or local government agency or department.
- C. The Parties agree and understand that, with this Agreement, Employer is waiving only those claims that it has or may have, known or unknown, that relate to or



arise out of alleged acts, omissions, conduct, or other events that occurred up to and including the effective date of this Agreement.

8. **Compromise and No Admission of Wrongdoing:** This Agreement represents a compromise by Employer and Employee. The Parties' execution of this Agreement does not represent, nor shall it be construed as, an acknowledgement or admission of any nature whatsoever by any Party about any matter arising from the Employee's employment and/or separation of that employment, and the Parties expressly deny any wrongdoing or liability. The parties agree that this Agreement may be used as evidence only in a proceeding in which a party alleges a breach of this Agreement and/or to defend against filed claims, charges, or actions that have been waived or released in this Agreement.

9. **Return of Property:** Employee agrees that, at the time she executes this Agreement, she will return to Employer, and shall not take, retain, or copy in any form, whether documentary or electronic, any and all information or materials, including but not limited to records, work papers, financial information, lists, prices, plans, notes, files, documents, designs, technology, programs and software that is the property of Employer; and that she will return as of the date of this Agreement all tangible property, including but not limited to keys, credit cards, files, beepers, books, phones, publications, equipment, computers and computer equipment of Employer's that she has or had in her possession, custody or control.

10. **Confidentiality of Agreement:** Employee agrees that she will not disclose the terms or existence of this Agreement to any persons other than her spouse, tax preparer, attorney and financial advisor, and that she will instruct them that they are not to disclose the terms or the existence of this Agreement, except pursuant to legal process or as otherwise required by law. Employee acknowledges that the confidentiality of the existence and terms of this Agreement are of the essence and that she will take no voluntary action or inaction which discloses or will



reasonably lead to the disclosure of the existence or terms of this Agreement. If Employee is served with legal process which, to her knowledge, requires the disclosure of this Agreement or any of its terms, Employee shall notify Employer in writing, in care of Employer's General Counsel, at least ten business days prior to the planned date of disclosure so that Employer may intervene or otherwise protect its interests if it so desires.

11. **Confidentiality of Employer's Proprietary Information:** Employee acknowledges that as an employee of Employer she has had access to and has been provided knowledge regarding Employer's Proprietary Information, specifically defined to mean any and all information that was developed, created, or discovered by or on behalf of Employer, or which became known by, or was or is conveyed to Employer, which has commercial value in Employer's business, including, without limitation, information about blueprints, software programs and subroutines, trade secrets, designs, technology, know-how, processes, data, ideas, techniques, inventions (whether patentable or copyrightable or not), works of authorship, formulas, business and product development plans, customer lists, work papers, marketing plans, financial information, prices, terms of compensation and performance levels of Employer's employees and consultants, customers and other information concerning Employer's actual or anticipated business, research or development, or which is received in confidence by or for Employer from any other person or entity. Employee agrees that she will not use or disclose Employer's Proprietary Information to any person or entity without the prior written consent of the CEO on behalf of Employer as to each specific use or disclosure.

12. **Agreement Regarding Employee Communications with Third Parties:** Employee agrees that she will not make oral or written statements regarding Employer or any of the Released Parties that reflect negatively upon them or detract from their reputation and integrity.



Employee agrees that she will not initiate any contact or communications with any vendor, customer or distributor of Employer, concerning her resignation from employment. Employee further agrees that if she is contacted by any representative of an Employer vendor, customer or distributor, Employee will not discuss Employer business or divulge any information regarding Employer or her employment, and will instead refer the individual to the CEO.

13. **Agreement Regarding Employer Communications with Third Parties:** Employer agrees that its CEO, Human Resources Director, and Retirement Board will not make or issue statements, whether written or oral regarding Employee that reflect negatively upon her or detract from her reputation and integrity. Employer agrees that it will not initiate any contact or communications with any subsequent employer or potential employer of Employee, except as otherwise prescribed in this Agreement. Employer further agrees that if it is contacted by any person regarding Employee, Employer will not discuss Employee or divulge any information regarding Employee or her employment, other than the positive letter of recommendation attached hereto as Exhibit A, or as may be required by law.

14. **Employment References:** Employee agrees that she will expressly inform all prospective employers and other persons who wish to confirm her employment that they must contact only the Human Resources Director at MERS. Employer agrees that it will respond to any requests for information regarding Employee by disclosing, in addition to the letter of recommendation attached as Exhibit A, only that she last held the position of Director of Organizational Development and she was employed from July 14, 2004 until May 14, 2012.

15. **Contents of Personnel File:** Employer agrees that it shall permanently remove from Employee's personnel file any and all disciplinary notices and material filed against Employee.



16. **Twenty-One Day Consideration Period:** Employee agrees that she has an ample and reasonable period of time of up to twenty-one (21) days to review and consider this Agreement.

17. **Seven Day Revocation Period:** The Parties agree that for a period of seven days following the execution of this Agreement by Employee, Employee may revoke this Agreement by means of a writing delivered to MERS's Human Resources Director at:

MERS of Michigan  
1134 Municipal Way  
Lansing, MI 48917

within such period, and the Agreement shall not become effective or enforceable until the revocation period has expired without Employee having revoked it. To be effective, any such revocation must be in writing and postmarked within the seven-day period. Mailing by certified mail return receipt requested is recommended to show proof of mailing. Employee understands that by signing this Agreement and by not revoking the Agreement during the seven-day revocation period, Employee will be bound by this Agreement.

18. **Knowing and Voluntary Execution:** Employee warrants and represents that the terms of this Agreement have been completely read and fully understood and voluntarily executed by her.

19. **Advice to Consult with Counsel:** Employee warrants and represents that she is hereby advised in writing to consult with an attorney of her selection prior to signing this Agreement.

20. **Parties Responsible for Their Own Attorney Fees:** The Parties agree that they shall bear their own attorneys' fees and costs, if any, incurred in creating and executing this Agreement.

21. **No Other Persons Eligible to Participate; Indemnity Agreement:** Employee shall not assign her rights or interests under this Agreement. Employee further warrants and represents



that she is the only person who is or may be entitled to receive or share in any benefits or compensation on account of or arising out of her employment by Employer, the separation of that employment, any actions taken in the course of that employment, and any events related to Employee's employment or occurring prior to the effective date of this Agreement. Employee shall defend, indemnify and hold harmless Employer and/or the Released Parties from and against any claim, including the payment of reasonable attorneys' fees and costs incurred by Employer or the Released Parties based on or in connection with or arising out of any claim or threatened claim made by any other person, including her spouse, or any assignment or transfer made, purported or claimed of any matter released under Paragraph 6.

22. **Mutual Release Extends to Unknown Claims and Losses:** Subject to Paragraphs 6(D) and 7(C) above, Employee and Employer expressly understand and agree that in the event any injury, loss, or damage has been sustained by Employee or Employer which is not now known or suspected, or in the event that the losses or damage now known or suspected have present or future consequences not now known or suspected, this Agreement shall nevertheless constitute a full and final release and that this Agreement shall apply to all such unknown or unsuspected injuries, losses, damages, or consequences.

23. **Merger and Integration Clause:** Employee and Employer acknowledge and agree that this Agreement sets forth the entire understanding of the Parties with respect to the subject matter set forth, and supersedes all prior understandings and agreements, whether written or oral, in respect thereof. No covenants, agreements, representations or warranties of any kind whatsoever, whether express or implied in law or fact, have been made by the Parties, except as specifically set forth in this Agreement. No modification or amendment of this Agreement shall



be of any force and effect unless in writing and executed by Employee on behalf of herself, and the CEO on behalf of Employer.

24. **Michigan Law:** Except as otherwise stated herein, this Agreement shall be interpreted pursuant to the decisional and statutory law of the State of Michigan, without regard to such State's conflict of laws rules.

25. **Severability of Invalid Provisions:** Should any provision of this Agreement be determined by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the validity of the remaining parts, terms or provisions shall not be affected thereby and said illegal, invalid, or unenforceable part, term, or provision shall be deemed not to be a part of this Agreement.

26. **Execution in Counterparts, Photocopies:** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Accurate and true photocopies may be used in lieu of the originals for any purpose.

27. **Agreement Prepared by Both Parties:** Each Party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any Party on the basis that the Party was the drafter.

28. **Employee Competency:** Employee represents and acknowledges that she is unaware of any physical or mental limitation which affects her ability to work or to enter into this Agreement.



**THIS IS A RELEASE**

**READ BEFORE SIGNING**

I, Caryn L. Mateer, understand that Paragraph 16 of this Agreement provides me with the time period that the Age Discrimination in Employment Act and Older Workers Benefit Protection Act require that I be provided to consider whether I want to sign this Agreement. I hereby acknowledge that I have been provided the full amount of time required by law to consider this Agreement, and knowingly and voluntarily choose to sign this Agreement at this time without any inducement or coercion by the Released Parties. I further acknowledge that the seven-day revocation period in Paragraph 17 has not been shortened or waived, and that the seven-day period will commence as of the date of my signing this Agreement.

DATED: July 9, 2012

Caryn L. Mateer  
Caryn L. Mateer

DATED: \_\_\_\_\_

\_\_\_\_\_  
MERS of Michigan

By \_\_\_\_\_

Its \_\_\_\_\_



**THIS IS A RELEASE**

**READ BEFORE SIGNING**

I, Caryn L. Mateer, understand that Paragraph 16 of this Agreement provides me with the time period that the Age Discrimination in Employment Act and Older Workers Benefit Protection Act require that I be provided to consider whether I want to sign this Agreement. I hereby acknowledge that I have been provided the full amount of time required by law to consider this Agreement, and knowingly and voluntarily choose to sign this Agreement at this time without any inducement or coercion by the Released Parties. I further acknowledge that the seven-day revocation period in Paragraph 17 has not been shortened or waived, and that the seven-day period will commence as of the date of my signing this Agreement.

DATED: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Caryn L. Mateer

DATED: July 10, 2012

Debra Peake  
\_\_\_\_\_  
MERS of Michigan

By Debra Peake  
\_\_\_\_\_  
Its Interim CEO