

DATE

**Via Hand Delivery**

Dear NAME:

As you know, your employment as the POSITION of (“Company”) ended on DATE. In light of your service and circumstances, and the Company’s desire to allow you time to find suitable employment, the Company would like to offer you the Severance Agreement provided below. In order to receive the benefits listed in paragraph 1 below, please sign the Severance Agreement (“Agreement”) where indicated and return it to HR Manager (CONTACT) by (DATE).

This Agreement is an important document which you should examine carefully before signing. You may take up to twenty-one (21) days to think about it before signing it, which also allows you time to seek the advice of anyone, including an attorney, you need to consult in order to make an informed decision.

This Agreement will not become effective until seven (7) days after you sign it. You may revoke the Agreement at any time during this seven-day period. If you do revoke the Agreement, you will receive the benefits listed below.

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**SEVERANCE AGREEMENT**

This Separation Agreement and General Release (“Agreement”) is entered into by and between Company on one hand, and (“Employee”) on the other hand.

**Recitals:**

A. Employee was employed by the Company as its IT Technician, and Employee’s employment relationship with the Company ended on June 15, 2011 (“Separation Date”). The parties wish to enter into this Agreement to document the end of their relationship, and resolve any potential disputes that may exist between them arising out of their employment relationship and its termination, and any continuing obligations of the parties to one another,.

B. Employee has consulted, or has chosen not to consult an attorney of Employee’s choice and understands that Employee is waiving all potential claims against the Company and its affiliates.

C. This Agreement is not and should not be construed as an admission or statement by either party that it or any other party has acted wrongfully or unlawfully, and both parties acknowledge they are not aware of any existing disputes between them.

## **Agreements:**

In consideration of the foregoing recitals and the mutual promises contained below, it is agreed as follows:

1. Severance Compensation. In consideration for this Agreement, the Company will pay to Employee gross severance compensation totaling three thousand two hundred dollars (\$3,200.00). Payment shall be provided in two equal installment payments of one thousand six hundred dollars (\$1,600.00) each. If the employee executes this Agreement and does not revoke it, the first installment shall be made no less than three (3) business days after the end of the revocation period referenced above. The second installment shall be payable fourteen (14) days after the first installment is made. Employee acknowledges and understands that because no applicable withholdings are being made from the Severance Compensation, Employee will be solely responsible for any resulting taxes. Employee further acknowledges that the Company has no preexisting duty to pay Employee Severance Compensation and is doing so solely as consideration for this Agreement.

2. Accrued Wages. By separate check dated DATE, Company paid Employee all accrued wages as of the Separation Date, totaling (XXXXXX), less applicable withholdings. Employee acknowledges that no other wages are due.

3. Accrued Vacation. By separate check dated (XXXXXX), Company paid Employee all accrued vacation as of the Separation Date, totaling (XXX) hours which equals (XXXXXX), less applicable withholdings. Employee acknowledges that no other vacation is accrued or owed.

4. All other employment benefits, except those provided herein, cease effective on the Separation Date.

5. Employee acknowledges that she has had access to Proprietary Information (as defined below) concerning the Company, its products, customers, vendors and methods of doing business. Employee acknowledges that the Company has developed, compiled and otherwise obtained, often at great expense, this information, which has great value to the Company's business. Employee agrees to hold in strict confidence and not disclose any Proprietary Information, directly or indirectly, to anyone outside of the Company, or use, copy, publish, summarize, or remove from Company premises such information. Employee agrees to deliver promptly to Company all tangible Proprietary Information which is in her possession or under her control. For purposes of this Agreement, the reference to "Proprietary Information" means all information and any idea in whatever form, tangible or intangible, whether disclosed to or learned or developed by Employee, pertaining to or affecting the business of the Company or other affiliated companies or their clients, consultants, or business associates unless:

- (a) the information is or becomes publicly known through lawful means not requiring the permission or license of the Company;

- (b) the information was rightfully in Employee's possession or part of her general knowledge prior to her employment by the Company or by virtue of her activities not related to her employment by the Company; or
- (c) the information was disclosed to Employee without confidential or proprietary restriction by a third-party who rightfully possesses the information (without confidential or proprietary restriction for the benefit of the Company) and did not learn it, directly or indirectly, from the Company on a confidential basis.

Employee further agrees that the following information is included, without limitation, in the definition of Proprietary Information if the same is encompassed by the preceding sentence:

- (a) processes, trade secrets, electronic codes, customer information, computer software, source codes, proprietary techniques, inventions, improvements and research projects;
- (b) information about costs, budgets, profits, markets, employees, sales and lists of customers or vendors;
- (c) plans for future development and new product concepts and marketing; and
- (d) all documents, books, papers, drawings, models, sketches, studies, consultant's reports and other data of any kind and description, including electronic data recorded or retrieved by any means, that have been given to Employee by the Company or other affiliated companies, as well as written or oral instructions or comments.

6. Employee's Return of Company Property in Employee's Possession. Employee confirms that Employee will immediately turn over to the Company all Proprietary Information of the Company including, but not limited to files, memoranda, records, and/or other documents or physical property which Employee received from the Company or its employees or which Employee generated in the course of Employee's employment with the Company. Employee further agrees to download to a disk and return to the Company any and all Proprietary Information contained on any electronic device in Employee's possession and to destroy or erase the original files or copies of any such files after providing the disk to the Company per this Agreement.

Employee affirms and acknowledges that her obligations under California's Uniform Trade Secrets Act and Unfair Trade Practices Act relating to the Company's Proprietary Information shall continue in full force after the execution of this Agreement.

7. Employment Reference. All requests for employment references or information related to Employee's employment shall be directed to the Business Administrator. No other employee of the Company is authorized to give an employment reference for Employee. The

Business Administrator will inform the potential employer that the Employee's resignation was voluntary, and will provide the Employee's dates of employment and last position held.

8. Confidentiality of Separation Agreement and General Release. Employee agrees that she will keep the terms of this Agreement (including but not limited to the severance amount) completely confidential, and that she will not disclose any information concerning this Agreement or its terms to anyone other than Employee's immediate family, legal counsel, and/or financial advisors, who will be informed of and bound by this confidentiality clause.

9. General Release of Claims. Employee, on her own behalf and on behalf of her heirs, agents, representatives, attorneys, assigns, executors and/or anyone acting on her behalf, and in consideration of the promises, assurances, and covenants set forth in this Agreement, hereby fully releases the Company, its affiliates, its officers, shareholders, partners, members, individual employees, agents, representatives, directors, employees, attorneys, successors, and anyone acting on its behalf, known or unknown, from all claims and causes of action by reason of any injuries and/or damages or losses, known or unknown, foreseen or unforeseen, patent or latent which Employee has sustained or which may be sustained as a result of any facts and circumstances arising out of or in any way related to Employee's employment by the Company, and to any other disputes, claims, disagreements, or controversies between Employee and the Company up to and including the date this Agreement is signed. Employee's release includes, but is not limited to, any contract benefits, claims for quantum meruit, claims for wages, bonuses, employment benefits, moving expenses, stock options, or damages of any kind whatsoever, arising out of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, any theory of unlawful discharge, torts and related damages (including, but not limited to emotional distress, loss of consortium, and defamation) any legal restriction on the Company's right to terminate Employee's employment and/or services, or any federal, state or other governmental statute or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, the federal Age Discrimination in Employment Act of 1967 (29 U.S.C. §621, et seq.), any state laws concerning discrimination or harassment including the Fair Employment and Housing Act, or any other legal limitation on contractual or employment relationships.

This waiver and release shall not waive or release claims where the events in dispute first arise after execution of this Agreement, nor shall it preclude Employee or Company from filing a lawsuit for the exclusive purpose of enforcing their respective rights under this Agreement.

Employee represents that Employee has not filed any complaints, charges or lawsuits against the Company or any of its affiliates with any governmental agency or any court, and agrees that Employee will not initiate, assist or encourage any such actions.

10. Release of Unknown Claims. It is the intention of Employee that this Agreement is a general release which shall be effective as a bar to each and every claim, demand, or cause of action it releases. Employee recognizes that she may have some claim, demand, or cause of action against the Company or any of its affiliates of which she is totally unaware and unsuspecting which Employee is giving up by execution of this Agreement. It is the intention of

Employee in executing this Agreement that it will deprive Employee of each such claim, demand or cause of action and prevent Employee from asserting it against the released parties. In furtherance of this intention, the Employee expressly waives any rights or benefits conferred by the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

**A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**

The Employee hereby waives application of Section 1542 of the California Civil Code and any similar applicable law, statute, or regulation.

11. Severability. The provisions of this Agreement are severable, and if any part of it is found to be unlawful or unenforceable, the other provisions of this Agreement shall remain fully valid and enforceable to the maximum extent consistent with applicable law.

12. Agreement Mutually Drafted. The Parties acknowledge that this Agreement was mutually drafted and that no provision shall be construed against either party as the drafter.

13. Knowing and Voluntary Agreement. Employee represents and agrees that Employee has read this Agreement, understands its terms and the fact that it releases any claim Employee might have against the Company and its agents, understands that Employee has the right to consult counsel of choice and has either done so, or knowingly waived the right to do so, and enters into this Agreement without duress or coercion from any source.

14. Entire Agreement. This Agreement sets forth the entire understanding between Employee and the Company and supersedes any prior agreements or understandings, express or implied, pertaining to the terms Employee's employment with Company and the termination of the employment relationship. Employee acknowledges that in executing this Agreement, Employee does not rely upon any representation or statement by any representative of Company concerning the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates indicated below.

I ACKNOWLEDGE THAT I HAVE READ THIS WAIVER AND GENERAL RELEASE OF CLAIMS, UNDERSTAND IT AND THAT I AM VOLUNTARILY SIGNING IT.

| **NAME**

\_\_\_\_\_

Dated: \_\_\_\_\_

| **COMPANY**

\_\_\_\_\_

Director

Dated: \_\_\_\_\_