

SEPARATION AGREEMENT AND GENERAL RELEASE

IT IS HEREBY AGREED (this "Agreement") by and between William O. Hambrecht ("HAMBRECHT"), with a place of residence at 203 E. Magnolia Ave., Galloway, NJ 08205 and

TOWNSHIP OF GALLOWAY, ("TOWNSHIP") 300 E. Jimmie Leeds Road, Galloway New Jersey, 08205 for the good and sufficient consideration set forth below, as follows:

1. TOWNSHIP, when used in this Agreement, shall mean the Township of Galloway, its current and former employees, mayors, council persons, attorneys, insurers, agents, predecessors, successors, and assigns, representatives, agents of all of them, in their individual or official capacities; whether in their individual or official capacities.

2. HAMBRECHT as used herein means William O. Hambrecht, his assigns, representatives, successors-in-interest and predecessors-in-interest.

3. HAMBRECHT' employment with the TOWNSHIP is terminated effective as of June 30, 2010 ("Separation Date"). As of the Separation Date, HAMBRECHT shall have no duties, responsibilities or authority whatsoever as an employee, agent or representative of the TOWNSHIP. HAMBRECHT will cease to actively participate in all TOWNSHIP benefit plans and programs as of the Separation Date except as otherwise provided in this Agreement. HAMBRECHT will retain his right to benefits that HAMBRECHT has earned and to which he is entitled through the Separation Date.

4. HAMBRECHTS' total unconditional compensation and payments from the TOWNSHIP shall be: (i) his final pay through the Separation Date; and (ii) payment for accrued but unused vacation (100 hours), personal (16 hours) and comp day (41.25 hours) benefits (approx. \$8,907.44) as of the Separation Date. In addition, sick time in the amount of \$25,000 will be paid in January of 2011. The payments in this paragraph shall be less applicable statutory deductions and authorized withholdings. Nothing in this Agreement and Release is intended to impair any of these rights and said payments are

inclusive of all monies due HAMBRECHT from the TOWNSHIP for services rendered in his capacity as Captain and as an employee of the TOWNSHIP.

5. In the event HAMBRECHT executes and does not timely revoke the Agreement, the TOWNSHIP will

(a) Pay HAMBRECHT twenty nine thousand four hundred fifty five dollars and forty five cents (\$29,455.45) less any applicable deductions and withholdings including, but not limited to, deductions for FICA, State and Federal taxes. The payments described in this paragraph will begin April 1, 2010 and continue through bi-weekly payroll periods through June 30, 2010 provided seven (7) days have passed after the receipt of the fully executed Agreement, and that HAMBRECHT has not revoked his assent to the Agreement (hereinafter referred to as the "Separation Payments"). The Separation Payments represents sixty five (65) days of terminal leave which HAMBRECHT would not be entitled to absent the execution and non-revocation of this Agreement.

(b) The TOWNSHIP will continue HAMBRECHT'S coverage in its medical and prescription benefit plans in which HAMBRECHT is currently enrolled until June 30, 2010 ("Benefits Period") provided HAMBRECHT does not revoke his assent. HAMBRECHT will receive, under separate cover, general information about his rights to elect medical and dental insurance continuation coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA").

(c) The benefits set forth in paragraphs 5(a) and 5(b) shall be collectively referred to in this Agreement as the "SEPARATION BENEFITS".

6. HAMBRECHT acknowledges that the SEPARATION BENEFITS constitute additional consideration not otherwise owed to HAMBRECHT and that HAMBRECHT is able to receive the SEPARATION BENEFITS only if he signs this Agreement and does not timely revoke his assent to the Agreement. HAMBRECHT further acknowledges that the TOWNSHIP owes him no wages, bonuses, vacation pay, sick time or other compensation, benefits, or payments of any kind or nature other than as set forth in Paragraph 4 of this Separation Agreement and General Release. HAMBRECHT acknowledges that the TOWNSHIP is not obligated to make any severance, pension, or similar payments to him.

HAMBRECHT agrees and understands that his receipt of the SEPARATION BENEFITS is expressly contingent upon his continued compliance with the terms of this Agreement and HAMBRECHT further waives any and all relief not explicitly provided for herein.

7. (a) HAMBRECHT hereby releases and forever discharges the TOWNSHIP of and from any and all actions, causes of action, suits, debts, claims, complaints, contracts, controversies, cross claims, claims for indemnity and/or contribution, agreements, promises, damages, claims for attorneys' fees, judgments, and demands whatsoever, in law or in equity, he ever had, now has or shall have as of the date of this Agreement, including, but not limited to, any claims alleging wrongful or abusive discharge, breach of express or implied contract, fraud defamation, intentional infliction of emotional distress, discrimination, harassment, whistleblowing, or retaliation; any claims pursuant to Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000, et seq., the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. 621, et seq., the New Jersey Law Against Discrimination, the Conscientious Employee Protection Act; and any claim alleging a violation of local, state or federal law, regulation, ordinance or common law right having any bearing whatsoever on the terms and conditions of his employment with and by the TOWNSHIP or the termination of his employment from the TOWNSHIP. HAMBRECHT understands, agrees and intends that this Agreement contains a full and final release, compromise and settlement of any and all of his claims against the TOWNSHIP whether known, suspected, unknown, or unsuspected, that he may have as of the date of this Agreement.

(b) HAMBRECHT acknowledges and agrees that the release incorporates past acts and in the event a Court of competent jurisdiction determines HAMBRECHT is not precluded from bringing an action, litigation, or proceeding against the TOWNSHIP in the future, HAMBRECHT agrees he is precluded from using, referring to, and/or referencing any facts events, conduct, statements, actions or omissions relating to, regarding, or occurring during his former employment with the TOWNSHIP and separation thereof in any future action, litigation, or proceeding having been paid adequate consideration for a release of any claims which may have arose from such facts, events, conduct, statements,

actions or omissions.

(c) The TOWNSHIP knowingly and voluntarily releases and forever discharges HAMBRECHT from any and all actions or causes of action arising out of HAMBRECHTS' former employment with the TOWNSHIP, and/or HAMBRECHTS' separation of employment with the TOWNSHIP up to and including the date of this Agreement; provided that nothing in this paragraph shall be interpreted as a release by the TOWNSHIP of any claims against HAMBRECHT that arise from any third party action relating to HAMBRECHTS' employment with the TOWNSHIP.

8. (a) HAMBRECHT agrees not only to release and discharge the TOWNSHIP from any and all claims against it that he could make on his own behalf, but also those which have been or may be made against the TOWNSHIP by any other person or organization on HAMBRECHTS' behalf, including, without limitation, his heirs, spouse, executors, administrators, successors, assigns, or legal representatives.

(b) HAMBRECHT specifically waives any right to become, and promises not to become, a member of any class in any case in which any claim is asserted against the TOWNSHIP, involving any event that has occurred as of the date of the execution of this Agreement or involving any of the claims released by this Agreement.

(c) The releases contained in this Agreement do not apply to: (i) acts, omissions, transactions, events or other matters which first arise after the date this Agreement is signed; (ii) claims to enforce or interpret this Agreement; (iii) charges filed with the Equal Employment Opportunity Commission ("EEOC") alleging an Age Discrimination in Employment Act violation; or (iv) cross-claims against the TOWNSHIP arising from any third party action relating to HAMBRECHT'S employment with the TOWNSHIP. HAMBRECHT understands and agrees that he is waiving any right to monetary recovery should any governmental agency, such as the EEOC, pursue any claim on his behalf.

9. Neither this Agreement, nor anything contained herein, shall be construed as an admission by the TOWNSHIP of any liability or unlawful conduct whatsoever.

10. HAMBRECHT acknowledges that, as a condition of his employment with the

TOWNSHIP, he executed the TOWNSHIP's Confidentiality Agreement which agreement is incorporated herein by reference and that the TOWNSHIP will seek to fully enforce the terms of that agreement.

11. HAMBRECHT agrees and promises that he will not disclose, either directly or indirectly, in any manner whatsoever, any information regarding the existence, terms or contents of this Agreement or negotiation thereof, to any person or organization, including, but not limited to, any governmental agency, members of the press and media, current and former directors, officers, partners, associates, employees, representatives and agents of the TOWNSHIP, and other members of the public. This paragraph shall not preclude HAMBRECHT from disclosing the existence or terms of this Agreement to (a) his spouse, if any; (b) governmental authorities which require such information; (c) HAMBRECHT'S attorneys; and (d) his accountant, who shall also be obligated to keep this information confidential. In the event HAMBRECHT, his spouse (if any), his attorneys, or his accountant violate this paragraph, HAMBRECHT shall be obligated to pay forthwith to the TOWNSHIP the sum of ten thousand dollars (\$10,000.00) as liquidated damages, as well as any and all attorneys' fees and costs incurred by the TOWNSHIP in attempting to recover the liquidated damages. The TOWNSHIP may also commence an action for equitable relief as it deems appropriate. In the event the TOWNSHIP commences any such action, the remaining provisions of this Agreement shall remain in full force and effect.

12. (a) HAMBRECHT agrees that he will not write, say, promote or cause to be written, said or promoted, anything which disparages, defames or adversely affects the business or reputation of the TOWNSHIP or its current and former employees, mayors, council persons, attorneys, insurers, agents, predecessors, successors, and assigns, representatives, and agents, including, but not limited to, negative references relating to any of the TOWNSHIP's services, policies and/or practices, to the general public and/or any current, former and prospective employees and residents of the TOWNSHIP. In the event a court determines HAMBRECHT materially violates this paragraph, HAMBRECHT shall be obligated to pay forthwith to the TOWNSHIP the sum of ten thousand dollars

(\$10,000.00) as liquidated damages, as well as any and all attorneys' fees and costs incurred by the TOWNSHIP in attempting to recover the liquidated damages. The TOWNSHIP may also commence an action for equitable relief as it deems appropriate. In the event the TOWNSHIP commences any such action, the remaining provisions of this Agreement and General Release shall remain in full force and effect.

(b) The TOWNSHIP agrees that its employees and agents will not write, say, or promote anything which disparages HAMBRECHT. Should such disparagement by its employees or agents be brought to the attention of the TOWNSHIP, the TOWNSHIP will investigate the alleged disparagement and take appropriate action including a cease and desist.

13. This Agreement contains the full agreement of the Parties and may not be modified, altered, changed or terminated except upon the express prior written consent of the Parties, which consent must be signed by the Parties or their duly authorized agents.

14. HAMBRECHT shall deliver to the TOWNSHIP, on or before June 30, 2010, all of the TOWNSHIP property in his possession including, but not limited to, any documents, files, computers, computer diskettes, computer programs, and/or computer modems, room keys, property keys and or keys to any TOWNSHIP or affiliated properties.

15. HAMBRECHT acknowledges that he has had at least twenty-one (21) days within which to consider this Agreement and that he was advised in writing to consult an attorney prior to signing the Agreement. The parties agree that changes in this Agreement do not restart the running of said twenty-one (21) day period.

16. HAMBRECHT has read the foregoing Agreement, has had the opportunity to consult with counsel regarding it, understands the meaning of each of its terms and freely and voluntarily enters into it. HAMBRECHT agrees that no fact, evidence, event, or transaction currently unknown to him, but which may hereafter become known to him, shall affect in any manner the final and unconditional nature of the release stated above.

17. This Agreement shall become effective and enforceable at 5:00 p.m. on the seventh day after execution hereby by HAMBRECHT. HAMBRECHT may revoke this Agreement after having executed it by so advising the TOWNSHIP in writing provided such

writing is received by the TOWNSHIP at or before 5:00 p.m. on the seventh day after his execution of this Agreement.

18. In the event that any one or more of the provisions contained herein shall for any reason be held to be unenforceable, illegal, or void, such holding shall not affect any other provision of this Agreement and this Agreement shall then be construed as if such unenforceable provision or provisions had never been contained herein; provided however, if paragraphs 7 or 8 above are held to be illegal, void or unenforceable, HAMBRECHT agrees to execute a valid release, or he will pay the TOWNSHIP twenty nine thousand four hundred fifty five dollars and forty five cents (\$29,455.45) and indemnify and hold the TOWNSHIP harmless from all claims arising out the representations and warranties made by HAMBRECHT contained in the Agreement including the releases in paragraphs 7 and 8.

19. In the event that a court determines that HAMBRECHT breached this Agreement, HAMBRECHT agrees that, in addition to any other remedies available to the TOWNSHIP, HAMBRECHT will be obligated to pay the attorneys' fees and costs it incurred in pursuing its remedies and enforcing the Agreement.

20. The waiver by any party of a breach of any provision hereof shall not operate or be construed as a waiver of any subsequent breach by any party.

21. This Agreement shall be construed under the laws of the State of New Jersey.

BY SIGNING THIS AGREEMENT, HAMBRECHT STATES THAT:

- HE HAS READ IT;
- HE UNDERSTANDS IT AND KNOWS THAT HE IS GIVING UP IMPORTANT RIGHTS;

- HE AGREES WITH EVERYTHING IN IT;
- HE HAS BEEN ADVISED TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTING THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE;
- HE HAS BEEN GIVEN TWENTY ONE (21) DAYS TO REVIEW AND CONSIDER THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE PRIOR TO SIGNING IT; AND
- HE UNDERSTANDS THAT THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE WILL BECOME FINAL AND BINDING IN SEVEN (7) DAYS FROM WHEN HE SIGNS IT ("REVOCATION PERIOD") UNLESS HE OR AN ATTORNEY ON HIS BEHALF NOTIFIES THE TOWNSHIP IN WRITING WITHIN THE REVOCATION PERIOD THAT HE HAS CHANGED HIS MIND.
- DOES UNDERSTAND THAT HIS ACCEPTANCE OF ANY OF THE SEPARATION BENEFITS AT ANY TIME AFTER THE REVOCATION PERIOD CONFIRMS THAT HE DID NOT REVOKE HIS ASSENT TO THIS AGREEMENT AND, THEREFORE, IT IS FULLY EFFECTIVE AND ENFORCEABLE.
- HE HAS SIGNED THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE KNOWINGLY AND VOLUNTARILY.

IN WITNESS WHEREOF, the PARTIES have hereunto set their hands.

Dated: 2-3-2010

William O. Hambrecht
William O. Hambrecht

Dated: 2-3-2010

Jill Gougher
Jill Gougher, Township Manager

STATE OF NEW JERSEY)

COUNTY OF)

SS.:

I, LISA TILTON, Notary Public of the State of New Jersey, do hereby certify that William O. Hambrecht personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the same instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal the 3 day of February, 2010.

Lisa Tilton
NOTARY PUBLIC

