

SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

WHEREAS, the City of Madison ("City") and David Denig-Chakroff ("Denig-Chakroff"), General Manager of the Madison Water Utility ("MWU"), do hereby desire to terminate the Employment Agreement executed between these parties July 10, 2006; and

WHEREAS, neither party admits any fault, breach or misconduct as the basis for the severance and termination of said Employment Agreement; and

WHEREAS, the parties have agreed to settle all claims either party believes they may have which are related to, derived from or arise out of Denig-Chakroff's employment with the City or with the termination of Denig-Chakroff's employment with the City, including any violation or breach of the terms of the Employment Agreement; and

WHEREAS, for the mutual consideration set forth herein, Denig-Chakroff and the City mutually release each other and their respective successors and assigns from all claims or liabilities which are related to, derived from or arise out of Denig-Chakroff's employment with the City including those that may arise out of, or relate in any way to the termination and severance of Denig-Chakroff's employment and Employment Agreement with the City;

NOW THEREFORE, in consideration of the covenants, representations, warranties and promises made herein, and other good and valuable consideration, the receipt of which is acknowledged:

1. The parties adopt the above recitals as part of this agreement.
2. This agreement is contingent upon the approval of the Common Council of the City of Madison at its meeting to be convened on September 18, 2007. If this agreement is not so approved, it is null and void.
3. Denig-Chakroff resigns his position as the General Manager of the MWU effective at the end of the pay period contingent upon approval of this agreement by the Common Council. This resignation will be effective September 22, 2007.
4. Denig-Chakroff and the City hereby mutually release and forever discharge each other from all manner of actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, of whatever kind, nature or description, legal, equitable or statutory, whether based upon federal, state or local laws, statutes, ordinances, regulations or rules, which either party has or has ever had, arising out of, or relating in any way to, Denig-Chakroff's employment with the City, the termination and/or severance of Denig-Chakroff's employment with the City, or the termination of Denig-Chakroff's employment agreement with the City as of the date of the termination of Denig-Chakroff's employment. This mutual release also releases the City's past and present officials, officers, agents, employees, members, representatives, successors, insurers and assigns, jointly and severally, and further releases any of Denig-Chakroff's agents, successor and assigns as of the date of the termination of Denig-Chakroff's employment.

5. Notwithstanding the foregoing paragraph, all claims of breach of any provision of this Settlement Agreement are preserved. In the event of breach, the Party not in breach shall be entitled to all relief and remedies against the breaching Party allowed by law.

6. The City shall pay Denig-Chakroff the sum of One Hundred Thirty Thousand Five Hundred Ninety Six and 48/100 dollars (\$130,596.48). It is intended that this amount is equal to the sum of the value of Denig-Chakroff's accumulated sick leave, vacation balance, health insurance premiums and the salary he would have earned for a five-month period after termination of his employment. All calculations were made using Denig-Chakroff's current rate of pay as of August 27, 2007. Sick leave and vacation leave balances were calculated as those balances would have existed five months after termination, assuming that Denig-Chakroff did not use either form of those leaves between the date of his termination and a date five months later. The payments to Denig-Chakroff are subject to withholding of taxes.

7. Payment shall be made as follows:

- a. Within two weeks of September 22, 2007, the sum of \$32,379.83. This amount is subject to withholding for income taxes, FICA, deferred compensation and health FSA.
- b. Between January 1, 2008 and January 31, 2008, the balance of consideration due, \$98,216.65. This payment is subject to the withholding for income taxes and FICA.
- c. Payments shall be made to Denig-Chakroff at 5305 Whitcomb Drive, Madison, WI 53711.

8. In executing this Settlement Agreement And Release Of Claims, Denig-Chakroff represents that he is not relying upon any statement or representation made by or on behalf of the City of Madison; that this Settlement Agreement And Release Of Claims is final and binding, regardless of any knowledge or lack of it as to the nature of the his rights, or any knowledge or lack of knowledge of it as to the nature of any claims covered by this Settlement Agreement And Release Of Claims, or of knowledge or lack of it as to what his future damages, future rights or future condition may be, and irrespective of whether too much or too little has been paid, and that he has been advised by his own legal counsel and has relied on that counsel's advice and judgment.

9. Denig-Chakroff represents, warrants and promises that he has not assigned and will not in the future attempt to assign any rights or claims that he may have arising out of the termination of his employment with the City, to any person, firm, corporation or other entity, public or private; that the undersigned individuals have the full rights, powers and authority to execute and deliver this Settlement Agreement And Release Of Claims; that this Settlement Agreement And Release Of Claims is legally binding on them in accordance with its terms; and that they have authorized the undersigned to execute and deliver this Settlement Agreement And Release Of Claims voluntarily and with the full knowledge of its significance.

10. Denig-Chakroff acknowledges that nothing in this Settlement Agreement And Release Of Claims shall be construed as an admission of wrongdoing or liability on the part of the City. The City acknowledges that nothing in this Settlement Agreement And Release Of Claims shall be construed as an admission on the part of the Denig-Chakroff that he has engaged in any wrongdoing or breach of his Employment Agreement with the City.

11. This Settlement Agreement And Release Of Claims shall be binding on the undersigned's successors, representatives and assigns and shall inure to the benefit of the undersigned's successors, representatives and assigns.

12. This Settlement Agreement And Release Of Claims contains the entire agreement between the parties and supercedes all previous writings or oral negotiations, commitments and understandings in this matter.

13. This Settlement Agreement And Release Of Claims shall be governed, interpreted, construed and enforced according to the laws of the State of Wisconsin.

14. The representations and warranties made in this Settlement Agreement And Release Of Claims shall survive its execution and delivery.

15. In the even any provision of the Agreement is held to be unenforceable for any reason, the unenforceability shall not affect the remainder of this Agreement which shall remain in full force and effect and be enforceable as allowed by law in accordance with the remaining terms.

FOR DAVID DENIG-CHAKROFF:

Dated: _____ By: _____
David Denig-Chakroff
Dated: _____ By: _____
Atty. Marie Stanton, his attorney

FOR THE CITY OF MADISON

Dated: _____ By: _____
David J. Cieslewicz, Mayor
Dated: _____ By: _____
Dean Brasser, City Comptroller
Dated: _____ By: _____
Michael P. May, City Attorney
Dated: _____ By: _____
Maribeth Witzel-Behl, City Clerk