**SEPARATION AGREEMENT AND GENERAL RELEASE**

This Separation Agreement and General Release ("Agreement") is entered into by and between Lea Dunn (“Dunn") and the Town of Addison, Texas ("EMPLOYER") and has an effective date of March 24, 2015.

WHEREAS, EMPLOYER accepted Dunn’s offer of resignation on March 24, 2015,

subject to Dunn’s specified terms and conditions; and

WHEREAS, EMPLOYER and Dunn previously entered into an Employment Agreement dated February 12, 2014 (the “Employment Agreement”).

NOW, THEREFORE, Dunn and EMPLOYER now desire to enter into this Agreement to document the terms and conditions of her resignation as accepted by EMPLOYER and to compromise and settle all claims which Dunn may have arising out of her employment and resignation from employment with EMPLOYER up to the date of this Agreement, and intend that the full terms and conditions of their compromise settlement be set forth in this Agreement. Dunn and EMPLOYER agree to the following:

1. **Resignation of Employment.** On March 24, 2015, EMPLOYER agreed to accept Dunn’s offer to resign as City Manager of EMPLOYER subject to the specific terms and conditions set forth in her offer. This Agreement is intended to document the terms and conditions she specified in her offer to resign, as accepted by EMPLOYER.

1. **Separation Pay.** Conditioned upon EMPLOYER’s receipt of a fully executed Exhibit B, EMPLOYER agrees to pay Dunn:

* 1. the Severance Amount, as defined and set forth in Section 5E of the Employment Agreement, in a lump sum, through the regular payroll process on April 17, 2015, in an amount equal to two hundred five thousand dollars ($205,000.00), less applicable TMRS deductions and tax withholdings required by law; and

* 1. the Current Obligations, as defined and set forth in Section 5 E of the Employment Agreement for accrued but unused vacation time through March 24, 2015, which amount equals thirty thousand five hundred ninety-four dollars and seventy-six cents ($30,594.76), payable in lump sum through the regular payroll process on April 17, 2015, less applicable TMRS deductions and tax withholding required by law; and

* 1. an amount equal to 6 months of COBRA payments for Dunn’s current family health insurance benefits, which amount equals twelve thousand five hundred sixteen dollars ($12,516.00), payable in a lump sum on or before April 10, 2015.

Dunn acknowledges and agrees that, pursuant to Section 5 (E), paragraph 5 of her Employment Agreement and the terms of her offer to resign, she acknowledged that the payment of the

Severance Amount stated in Section 2(a) above constituted adequate consideration for her resignation and a full release of any and all claims, actions or complaints of any nature or kind that she may have against the EMPLOYER and other Releasees. She now acknowledges and agrees that by signing this Agreement, and upon receipt of EMPLOYER’s Severance Amount as stated in Section 2(a) above, she will have received adequate consideration for her resignation and a complete release and waiver of all claims against EMPLOYER as set forth herein.

1. **Indemnity.** For the avoidance of doubt,Section 3 (F) of the Employment Agreement regarding indemnity is incorporated in full into this Agreement and survives execution and delivery of this Agreement.
2. By signing this Agreement, Dunn agrees to the following:
	1. **Release and Waiver of Rights**. Dunn irrevocably and unconditionally releases EMPLOYER and its current and former elected and appointed officials, and its current and former directors, officers, managers, agents, employees, representatives, and affiliates, jointly and individually, and all persons acting by, through or with any of them (collectively referred to as the “Releasees”), from any and all claims, complaints, liabilities, damages, losses, causes of action, suits, proceedings, rights, costs, fees, and expenses (including attorneys’ fees) of any nature or kind whatsoever, known or unknown, including but not limited to any claim relating to Dunn’s employment through the date of execution of this Agreement or to her separation from employment, arising under federal, state or local law prohibiting employment discrimination and/or retaliation, which Dunn now has, or which she had at any time prior to the execution of this Agreement, against each, all, or any of the Releasees (collectively “Claims” and each a “Claim”). This Agreement is binding upon and inures to the benefit of Dunn and her heirs, administrators, representatives, executors, successors and assigns. The Claims waived and discharged include, but are not limited to, those arising under the following:

* + - Americans with Disabilities Act and ADAAA (Americans With Disabilities Act Amendments Act)
		- Employment discrimination claims and retaliation under Title VII of the Civil Rights Act of 1964;
		- Executive Order 11246
		- Equal Pay Act
		- Civil Rights Act of 1991
		- 42 U.S.C. § 1981 (the 1866 Civil Rights Act)
		- Employee Retirement Income Security Act
		- Family and Medical Leave Act
		- Fair Labor Standards Act
		- Uniformed Services Employment and Re-employment Rights Act
		- Health Insurance Portability and Accountability Act of 1996
		- Fair Credit Reporting Act
		- Whistleblower claims
		- All laws, including the common laws, of the State of Texas regarding employment-related claims, including workers compensation claims
		- Disputed wages, including claims for any back wages or overtime
		- Wrongful discharge and/or breach of contract claims,
		- Claims under the U. S. and Texas Constitutions, and
		- Tort claims, including invasion of privacy, defamation, fraud, and infliction of emotional distress.

Dunn does not waive rights or claims that arise after the date she signs this Agreement. Dunn does not waive her right to apply for unemployment benefits, and the EMPLOYER agrees it will not contest Dunn’s application for such benefits, should she make such application. Dunn does not waive any right to enforce the terms and conditions of this Agreement or EMPLOYER’s indemnity obligations as confirmed in Section 3 hereof.

* 1. **Covenant Not to Sue**. Dunn agrees that she will not bring any legal action against the Releasees for any Claim that occurred prior to the effective date of this Agreement; however, this provision does not prohibit Dunn from filing a lawsuit for the sole purpose of enforcing her rights under this Agreement, enforcing EMPLOYER’s indemnity obligations as confirmed in Section 3 hereof, or from enforcing or securing any rights that may arise subsequent to the effective date of this Agreement.

* 1. **Waived and Discharged Claims**. Dunn agrees that if a Claim that she has waived or discharged under Section 4 of this Agreement (other than any excepted claims as set forth therein) is prosecuted in her name or on her behalf before any court or administrative agency, she waives and agrees not to take any award of money or other damages from such suit or prosecution. Dunn also agrees that if a Claim waived or discharged under Section 4 of this Agreement (other than any excepted claims as set forth therein) is prosecuted in her name, she will immediately request in writing that the Claim on her behalf be withdrawn. Dunn also agrees that she waives on behalf of herself and her attorneys all claims for attorneys’ fees and expenses and court costs for any Claims waived and discharged under Section 4 of this Agreement (other than any excepted claims as set forth therein).

* 1. **No Application for Employment**. Dunn agrees that she shall not apply for employment with EMPLOYER at any time in the future.

* 1. **ADEA Claims.** The Claims waived and discharged and the covenant not to sue in section 4(a) of this Agreement do not include claims under the Age Discrimination in Employment Act (ADEA); such claims are covered in section 5 below.

1. **Release and Waiver and Covenant Not to Sue Under the ADEA.** By signing this Agreement, Dunn agrees to the following:

* 1. **Release and Waiver of Rights.** Dunn irrevocably and unconditionally releases EMPLOYER and the other Releasees, and each of them, from any and all claims, complaints, liabilities, damages, losses, causes of action, suits, proceedings, rights, costs, fees, and expenses (including attorneys’ fees) of any nature or kind whatsoever, known or unknown, from any and all age discrimination, harassment and/or retaliation claims under the ADEA (collectively “ADEA Claims” and each an

“ADEA Claim”).

* 1. **Covenant Not to Sue.** Dunn agrees that she will not bring any legal action against the Releasees, or any of them, for any ADEA Claim under the ADEA that existed prior to the effective date of this Agreement; however, this provision does not prohibit Dunn from filing a lawsuit for the sole purpose of enforcing her rights under this Agreement, enforcing EMPLOYER’s indemnity obligations as confirmed in Section 3 hereof, from enforcing or securing any rights that may arise after she signs this Agreement, or from enforcing or securing any rights provided to Dunn under the ADEA that may not be legally waived.

* 1. **Waived and Discharged Claims**. Dunn agrees that if an ADEA claim is prosecuted in her name or on her behalf before any court or administrative agency, she waives and agrees not to take any award of money or other damages from such suit or prosecution. Dunn also agrees that if an ADEA claim waived or discharged under Section 5 of this Agreement is prosecuted in her name, she will immediately request in writing that the claim on her behalf be withdrawn. Dunn also agrees that she waives on behalf of herself and her attorneys all claims for attorneys’ fees and expenses and court costs for any ADEA claims waived and discharged under Section 5 of this Agreement.

1. **No Existing Complaints or Lawsuits.** Dunn promises and acknowledges that she has not filed or instituted a complaint, charge, claim or lawsuit against the EMPLOYER or any of the other Releasees with any governmental agency or any court. This Agreement is not and shall not be interpreted as an admission by EMPLOYER or any of the other Releasees that it or they acted improperly in any way with respect to Dunn. EMPLOYER promises and acknowledges that it has not filed or instituted a complaint, charge, claim or lawsuit against Dunn with any governmental agency or any court and that EMPLOYER is not aware of any complaint, charge, or claim against Dunn prior to the Effective Date. This Agreement and Dunn’s offer of resignation subject to the specified terms and conditions is not and shall not be interpreted as an admission by Dunn that she acted improperly in any way with respect to EMPLOYER.

1. **Return of EMPLOYER’s Property.** Dunn agrees to immediately return to EMPLOYER all identification badges, equipment, keys, and all other tangible property belonging to EMPLOYER, on or before April 3, 2015.

1. **Non-Disparagement**. From and after the execution date hereof, Dunn agrees that she will notmake any disparaging remarks or statements to any third party regarding EMPLOYER and/or any of the other Releasees, including but not limited to disparaging statements or remarks regarding her employment or separation from her employment. From and after the execution date hereof, EMPLOYER and/or Releasees will not at any time make disparaging remarks or statements regarding Dunn, orally or in writing. Statements or remarks made in connection with any litigation or government proceeding, investigation or inquiry shall not be subject to this

Section 8. EMPLOYER agrees to provide Dunn a letter of recommendation that is attached to this Agreement as Exhibit A. All inquiries regarding Dunn’s employment shall be directed only to EMPLOYER’s Director of Human Resources.

1. **Dunn’s Understanding of Agreement**. Dunn promises that she has carefully read and fully understands all the provisions of this Agreement, and that she is signing it voluntarily because she wants to take advantage of EMPLOYER’S offer as contained in this Agreement. Dunn also agrees that she has entered into this Agreement voluntarily and knowingly. Dunn acknowledges that she has been informed of the following rights available to her under the Age Discrimination in Employment Act, specifically:

* 1. She has the right to consult with an attorney before signing this Agreement;

* 1. She does not waive rights or claims under ADEA that might arise after the date this Agreement is executed;

* 1. She has twenty-one (21) days from the date she receives this Agreement to consider this Agreement;

* 1. She has seven days after signing this Agreement to revoke it.

* 1. Regardless of amount received, Dunn understands that all severance amounts paid will be subject to legally required deductions, and in order to be eligible to receive severance pay, she understands she is required to read, understand, and sign this Agreement.

1. **Severability**. The provisions of this Agreement are severable, that is, they may be considered separately. If any paragraph is found by a court to be unenforceable, the other paragraphs shall remain fully valid and enforceable.

1. **Choice of Law**. This Agreement and the rights and obligations hereunder will be governed by, and construed and interpreted in all respects in accordance with, the laws of the State of Texas, without regard to any conflict of laws provisions. Venue will be exclusively in Dallas County, Texas.

1. **Waiver of Breach**. The waiver by either party of a breach of any provision of this Agreement by the other party will not operate or be construed as a waiver of any subsequent breach by the other party.

1. **Breach**. Dunn and EMPLOYER mutually agree that the provisions contained in this Agreement are fair and reasonable. Dunn and EMPLOYER acknowledge that irreparable injury will result in the event of a breach of any of the provisions herein by either party. Consequently, in addition to any other rights or remedies available to EMPLOYER or Dunn for breach of this Agreement, the non-breaching party will be entitled to enforcement by preliminary restraining order and injunction. Except for any breach or violation of Section 8 of this Agreement, any separation pay, as set forth in Section 2 of this Agreement, paid to Dunn by EMPLOYER must be immediately returned to EMPLOYER if Dunn takes any action or engages in any conduct in violation of any of the terms or conditions of this Agreement. In addition, before Dunn takes any legal action to challenge the validity or enforceability of this Agreement, for any reason, including, without limitation, any claim that Dunn did not knowingly or voluntarily enter this Agreement, Dunn agrees that she must first return to EMPLOYER any and all of the separation pay, set forth in Section 2 hereof, received by Dunn under this Agreement.

1. **Non-Admission**. This Agreement shall not in any way be construed as an admission by EMPLOYER of any unlawful or wrongful acts whatsoever against Dunn. EMPLOYER specifically disclaims any liability to or wrongful acts against Dunn. This Agreement and Dunn’s decision to offer to resign subject to specified terms and conditions shall not in any way be construed as an admission by Dunn of any unlawful or wrongful acts whatsoever against EMPLOYER.
2. **Entire Agreement**. This Agreement sets forth the entire Agreement between Dunn and EMPLOYER. This Agreement cannot be modified orally, but can be modified only in a writing signed by both Dunn and EMPLOYER.

1. **No Reliance**. Dunn acknowledges in signing this Agreement that she is not relying and has not relied on any promise or statement (except those contained in this Agreement) made by any of the Releasees with regard to the subject matter or effect of this Agreement or otherwise.

1. **Termination of Employment Agreement**. The terms of this Agreement shall constitute the mutual written agreement between EMPLOYER and Dunn as contemplated by Section 5(A) of the Employment Agreement relating to the termination of Dunn’s employment under the Employment Agreement.

1. **NOTICE TO DUNN. Dunn should thoroughly review and understand this Agreement before signing it. THIS AGREEMENT INCLUDES A RELEASE AND WAIVER OF LEGAL RIGHTS AND CLAIMS. Dunn has twenty-one days to consider this Agreement before signing it. If Dunn agrees to the terms and wants to enter into this Agreement, she must sign it in the presence of a notary public and deliver it to Passion**

**Hayes, Director of Human Resources for EMPLOYER, or Cheryl Delaney, Deputy City Manager for EMPLOYER, on or before the 21st day after it was given to her. For a period of seven days after Dunn signs this Agreement, she may revoke it by delivering a written notice of revocation to Passion Hayes or Cheryl Delaney. This Agreement will not become effective or enforceable until this seven-day revocation period has passed, and Dunn has timely signed, properly notarized and returned to Passion Hayes or Cheryl Delaney the Acknowledgment attached hereto as Exhibit B.**

(SIGNATURES ON NEXT PAGES)

# Lea Dunn

Date:

**STATE OF TEXAS §**

 **§**

**COUNTY OF DALLAS §**

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2015, by Lea Dunn.

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Notary Public in and for the State of Texas

Affix Seal Here

**Town of Addison (EMPLOYER)**

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Todd Meier, Mayor

**STATE OF TEXAS §**

 **§**

**COUNTY OF DALLAS §**

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2015, by Todd Meier, Mayor of the Town of Addison, by and on behalf of the Town.

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Notary Public in and for the State of Texas

Affix Seal Here

**EXHIBIT A**

# LETTER OF RECOMMENDATION

April \_\_\_, 2015

To Whom it May Concern:

I am pleased to provide a letter of reference for Lea Dunn, who was employed by the Town of Addison from 1996 to March 24, 2015. When Lea arrived in Addison in 1996, she already had many years of municipal experience under her belt, all of which she successfully used to help Addison in one of the largest growth periods it has ever experienced.

Lea has worked in many capacities for the Town, including serving as the Assistant City Manager and Deputy City Manager for 18 years before being named Town Manager in March 2014. During her lengthy tenure in Addison, she has supervised every department and area in which Addison provides services. She oversaw vibrant economic development efforts, managed emergency services and the Addison Airport. The Airport serves as a magnet for corporate aircraft and brings significant business to the area. During her years of service on behalf of Addison, the community has seen considerable growth in business, retail and service industries. Lea has played a significant role in seeing that this growth occurred in a planned and orderly manner.

Lea’s vitality, experience and determination have touched every aspect of the services the Town provides to its citizens and visitors. Addison is a special community, hosting over 100,000 residents during the business day, and, by night, it is a restaurant and entertainment destination, with over 29 different festivals being staged every year within the City. She has been instrumental in ensuring that businesses and residents receive services in the best and most innovative manner possible so that people continue to be attracted to Addison as a place to live, dine and have fun.

Recently, Lea was a pivotal City representative in the planning and overseeing of the construction of Addison’s newest and most vibrant development, Vitruvian Park, a billion dollar mixed use retail, commercial and residential development that covers 19 acres in Addison. Under construction for \_\_\_ years, the project was completed and opened for business in 201\_\_. Without Lea’s careful attention to details and her ability to maintain relationships between government officials, developers and builders, the project would not have been as nearly as successful as it has been.

Lea has always been an innovator and has been able to implement many cost-saving ideas that continue to benefit our community. She has also actively worked to help Addison develop cooperative efforts with nearby communities to pool resources, thus maximizing economies of scale in several municipal functions. She has been instrumental in the merger of several cities’ emergency dispatch services and has also been active in discussions regarding centralizing vehicle maintenance functions with other nearby municipalities.

I am also aware that Lea is greatly respected by her peers and colleagues in the city management profession, evidenced by her election as President of the Texas City Managers Association. She has received numerous accolades from various business and civic groups that are all welldeserved.

I hope that you will consider Lea for service in your organization, particularly if you are searching for a hard-working, smart and dynamic person to work with you.

Sincerely,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Todd Meier, Mayor

Town of Addison, Texas

# EXHIBIT B

**ACKNOWLEDGEMENT BY LEA DUNN**

I, Lea Dunn, by my signature below, acknowledge that at least seven (7) days have passed since I signed the Separation Agreement and General Release (Agreement) and that during that seven (7) day time period, I did not revoke the Agreement.

I also acknowledge and affirm that since the date I signed the Agreement, I have not filed a complaint, charge, claim or lawsuit against the EMPLOYER or any of the other Releasees (as that term is defined in the Agreement) with any governmental agency or any court and that I have no intention of doing so.

I further acknowledge and affirm that since the date I signed the Agreement, neither the EMPLOYER nor any of the other Releasees have acted, have failed to act, or have done anything else that would give rise to any legal claim by me.

I have read and understand this Acknowledgement and everything in it is true and correct. I am signing this Acknowledgement because I want to assure the Town of Addison that I have not invoked my right to revoke the Agreement and that I have no legal claim against the EMPLOYER as of the date hereof and do not intend to pursue any such claim as of the date hereof.

 **LEA DUNN**

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**STATE OF TEXAS §**

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**COUNTY OF DALLAS §**

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2015, by Lea Dunn.

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Notary Public in and for the State of Texas

Affix Seal Here