

SEVERANCE AGREEMENT AND GENERAL RELEASE

This SEVERANCE AGREEMENT AND GENERAL RELEASE ("Agreement") is made and entered into by and between the Town of Grand Lake ("Employer"), by and through its Town Manager, and Matthew Reed-Tolonen ("Employee") (collectively referred to as the "Parties") on the terms and conditions set forth below.

WHEREAS, Employee has been employed by Employer since September 2022, and most recently in the position of Public Works Director (the "Employment").

WHEREAS, the Parties have decided that it is in their best interests to terminate the employment relationship for the mutual promises and agreements contained herein, including Employee's agreement to release any and all claims against Employer;

WHEREAS, the Employer has set forth benefits in its Employee Policies and the Employee Policies apply to the Employee;

NOW THEREFORE, in consideration of and exchange for the promises, covenants, and releases contained herein, the Parties mutually agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are incorporated herein by this reference and are a material part of this Agreement.

2. **Effective Date.**

A. **Effective Date Of Termination.** Employee's termination from all positions Employee holds with Employer shall be effective on October 31, 2025, 2025.

B. **Effective Date Of Agreement.** This Agreement shall become effective on the last date on which it is executed by Employee and Employer ("Effective Date").

3. **Severance Benefits.** In further consideration for this Agreement, Employee shall be entitled to the following severance benefits ("Severance Benefits"):

A. **Severance Payment.** Employer shall pay to Employee his current salary from November 1, 2025 through April 30, 2026 in accordance with the standard practices of payment for Town Employees, including all current benefits and less all customary and required withholdings and deductions (the "Severance Payment"). Employee agrees he has been fully paid for all earned wages, overtime, paid leave, vacation time, benefits, and any other amounts due to him as outlined in the Employment Agreement, and that no further compensation is due to him. Employee further acknowledges and agrees the Severance Payment conforms with the

payment for compensation upon termination detailed in the Employment Policies.

- B. **Other Benefits.** Following the Termination Date, Employee may continue coverage at pre-termination levels and expense until April 30, 2026. Employee will receive additional information regarding Employee's and Employee's dependents' right to elect Consolidated Omnibus Budget Reconciliation Act ("COBRA") continuation coverage in a separate letter. Employee understands that Employee will have the opportunity to continue group medical, dental and vision insurance coverage under COBRA. Employee will not receive any Employer contributions to any retirement plans nor will employee accrue vacation time, personal leave time or any other type of paid time off days after November 1, 2025.
- C. **Timing and Method of Payments.** Employee will not be entitled to the Severance Benefits provided herein until the occurrence of each of the following: (i) this Agreement is fully executed by the Parties hereto; and (ii) this Agreement becomes effective as provided above. All payments to be made to Employee under this Agreement shall be made by the Employer to the bank account that is on record with the Employer as of the Effective Date via wire transfer or direct deposit unless details for another bank account are communicated in writing by Employee to Employer.

5. **Acknowledgments.** Employee acknowledges that Employee would not otherwise be entitled to the Severance Payment set forth above were it not for Employee's covenants, promises, and releases set forth hereunder. Employee further acknowledges and agrees that upon receiving the Severance Benefits described above, Employee will have received all wages and other compensation or remuneration of any kind due or owed from Employer, including but not limited to all wages, overtime, or other wage premiums, bonuses, advances, vacation pay, severance pay, and any benefits to which Employee was or may become entitled or eligible.

6. **Releases.**

- A. **Release by Employee.** In further consideration for the undertakings and promises of the Employer as set forth in this Agreement, Employee on Employee's own individual behalf and on behalf of Employee's agents, attorneys, subrogees, subrogers, successors and assigns, hereby unconditionally releases and forever discharges the Employer, and each of the Employer's employees, officers and officials, including its agents, servants, representatives, attorneys, insurance carriers, whether previously or hereafter affiliated in any manner, and the respective predecessors, successors, and assigns of all of the foregoing (collectively referred to hereinafter as "Released Parties"), from any and all claims, demands, actions, causes of action, obligations, charges, damages, liabilities, attorneys' fees, and costs of every kind and nature whatsoever, contingent, or non-contingent, matured or unmatured, liquidated or unliquidated,

whether or not known, suspected or claimed, which Employee had, now has or may claim to have had as of the Effective Date against the Released Parties (whether directly or indirectly) or any of them, by reason of any act or omission whatsoever, concerning any matter, cause or thing, including, without limiting the generality of the foregoing, any claims, demands, causes of action, obligations, charges, damages, liabilities, attorneys' fees and costs relating to, arising out of, or based upon claims of harassment, discrimination, and/or retaliation in violation of local, State or Federal law; all claims of violation of public policy, including a claim for wrongful termination and/or constructive termination of employment; all claims based on tort, including claims for assault, battery, and sexual battery, and/or breach of contract, whether written or oral, express or implied, and any covenant of good faith and fair dealing; any claim for unlawful or unfair business practices; all claims for emotional distress; any and all claims which were or could have been asserted by Employee; and all claims generally relating to Employee's employment with, services rendered to, or on behalf of, the Employer, and the cessation thereof, including any alleged violation of any federal, state, municipal or other governmental statute, public policy, regulation or ordinance, including but not limited to the following: the Civil Rights Acts of 1866, 1964, and 1991, as amended; 42 U.S.C. § 1981; the Fair Labor Standards Act (including the Equal Pay Act); the Employment Retirement Income Security Act, as amended; the ADEA, as amended; the Older Workers Benefit Protection Act ("OWBPA"); the Americans with Disabilities Act; the Family and Medical Leave Act, as allowed by law; the National Labor Relations Act; the Immigration Reform and Control Act; the Colorado Anti-Discrimination Act ("CADA"), the Personnel Files Employee Inspection Right Statute, the Colorado Labor Peace Act, the Colorado Labor Relations Act, the Colorado Equal Pay Act, the Colorado Equal Pay for Equal Work Act, the Colorado Healthy Families and Workplaces Act, the Colorado Minimum Wage Order, the Colorado Genetic Information Non-Disclosure Act, and the Colorado Constitution, including any amendments and their respective implementing regulations, or their state or local counterparts; or under any other federal, state or local civil or human rights law, or under any other local, state, or federal law, regulation or ordinance; or under any public policy, contract or tort, or under common law; or arising under any policies, practices or procedures of the Employer that may be legally waived and released. The identification of specific statutes is for purposes of example only and the omission of any specific statute or law shall not limit the scope of this general release in any manner.

- B. Release by Employer.** Employer hereby releases and forever discharges the Employee of and from any and all claims, demands, actions, causes of action, damages, costs and expenses which Employer or the Employer Released Parties now have or may have by reason of anything occurring,

done or omitted to be done as of or prior to the Effective Date of this Agreement including, but not limited to, any and all claims related to Employee's employment with Employer and the termination of same; provided, however, that notwithstanding anything contained in this paragraph, the Employer and the Employer Releases Parties do not release Employee from (1) any claim related to any breach of this Agreement, including any claim or cause of action to enforce Employer's rights under this Agreement; and (2) any claim which cannot by law be released or which cannot be legally waived by private agreement between Employee and Employer;

7. **Employment References.** The Town Manager or his designee will execute a mutually agreed upon letter of reference concerning Employee. If the Town Manager or Human Resources personnel for Employer is contacted by a prospective employer of Employee, they will confine their responses to the content of such mutually agreed upon letter.

8. **Covenant to Return Employer Property.** Employee hereby represents and warrants that no later than ten (10) days after the Effective Date, Employee will return to Employer all Employer property and documents in Employee's possession.

10. **Confidentiality.** This Agreement may be a public document under the Colorado Open Records Act. Employer agrees that this Agreement, once effective, will not be maintained in Employee's personnel file. Employer agrees to maintain this Agreement in a sealed file in Employer's Town Manager's office so that it is not generally accessible to other employees of Employer. In the event that this Agreement is requested under the Colorado Open Records Act by a third party, Employer will notify Employee as soon as practicable to allow Employee to take whatever legal actions to protect the Agreement from disclosure. If this Agreement is disclosed to the media and published to the general public, Employee and Employer may comment about the Agreement or the circumstances that led to the Agreement without violating the Non-Disparagement or Non-Encouragement covenants set forth below.

11. **Non-Assignment of Rights.** Employee warrants and represents that Employee has not heretofore assigned or transferred to any person not a party to this Agreement any released matter or any part or portion thereof and Employee shall defend, indemnify and hold harmless Employer from and against any claim (including the payment of attorneys' fees and costs actually incurred whether or not litigation is commenced) based on or in connection with or arising out of any such assignment or transfer made, purported or claimed.

12. **Non-Disparagement/Non-Encouragement.** To the maximum extent permitted by law, Employee and Employer agree and promise that Employee and Employer will not undertake any harassing or disparaging conduct directed at the other and will refrain from making any negative, detracting, derogatory, and unfavorable statements about the other. To the maximum extent permitted by law, Employee further agrees and promises that Employee will not induce or encourage claims of discrimination, harassment, retaliation, wrongful discharge, and/or wage and hour violations, or any other claims against Employer. The Employer's covenants under this

paragraph only apply to Employer's Town Manager. Employer agrees to instruct each of the persons who occupy such position on the Employer's restrictions and obligations in this paragraph.

13. Waiver of Recovery. Employee waives any right Employee may have to recover in any proceeding that results from a charge or action filed by Employee or by any other person or entity, including any state or federal agency. For example, Employee waives any right to monetary recovery or reinstatement if a charge or action is successfully brought by Employee, or any other person or entity, including any local, state or federal agency, against any person, entity, or corporation released by this Agreement. Employee's waiver of the right to monetary recovery or reinstatement also applies to any settlement of any charge or action brought by Employee or by any other person or entity, including any state, federal, or local agency.

14. Full and Knowing Waiver. By signing this Agreement, Employee certifies that:

- i. Employee has carefully read and fully understands this Agreement;
- ii. Employee was advised by the Employer in writing, via this Agreement, to consult with an attorney before signing this Agreement;
- iii. Employee has consulted with and been represented by an attorney of his choosing in connection with the negotiation and execution of this Agreement to the extent Employee desires to do so;
- iv. Employee agrees to the terms knowingly, voluntarily and without intimidation, coercion or pressure.

15. Conditions of Breach by Employee or Employer. Employee specifically agrees that Employer's payments to Employee under this Agreement are made in return for Employee's obligations set forth in this Agreement. Employee further agrees that if Employee breaches any of the obligations set forth in this Agreement, or if any of the representations or statements made by the Employee in this Agreement are discovered to be untrue, Employer may stop providing the Severance Benefits and the Employee will return to Employer any portion of the Severance Payment Amount which has been made up to that date. All of the other terms of this Agreement will remain in full force and effect. Employee further agrees that if Employee breaches any of the obligations set forth in this Agreement, such a breach would cause harm to Employer and its business, for which Employer may recover damages. Similarly, should Employer breach the terms of this Agreement, Employee is entitled to enforce the remaining terms of this Agreement and will be entitled to recover damages associated with that breach. In the event of any breach of this Agreement by either party, the non-breaching party must provide notice of the breach within ten days of learning of the alleged breach and give the other party ten business days to cure any breach before bringing a civil action for damages or other relief. The parties agree that this notice and cure provision is a condition precedent to the commencement of any future judicial proceeding. This Agreement shall be interpreted under the laws of the State of Colorado both as to interpretation and performance.

16. Entire Agreement. This Agreement embodies the entire agreement of all the parties hereto who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied, between the parties to this Agreement. The parties to this Agreement each acknowledge that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by them, or anyone acting on their behalf, which are not embodied in this Agreement; that they have not executed this Agreement in reliance on any representation, inducement, promise, agreement, warranty, fact or circumstance, not expressly set forth in this Agreement; and that no representation, inducement, promise, agreement or warranty not contained in this Agreement including, but not limited to, any purported settlements, modifications, waivers or terminations of this Agreement, shall be valid or binding, unless, following the execution of this Agreement, such a modification is executed in writing by all of the parties to this Agreement. This Agreement may be amended, and any provision herein waived, but only in writing, signed by the party against whom such an amendment or waiver is sought to be enforced.

17. No Admission of Wrongdoing. Employer and Employee both agree that they are not entering into this Agreement because of any wrongdoing or liability of the other party or on the part of any other individual or entity released in this Agreement. It is understood and agreed by the Parties that this Agreement represents a compromise and settlement for various matters and that the promises and payments and consideration of this Agreement shall not be construed as an admission of any liability or obligation by either party to the other party or any other person.

19. Voluntary. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto. The Parties acknowledge that they have had ample opportunity to have this Agreement reviewed by the counsel of their choice and have utilized the benefit of their legal counsel in understanding their obligations under this Agreement.

20. Newly Discovered Facts. The Parties hereby acknowledge that they may hereafter discover facts different from or in addition to those that they now know or believed to be true when they expressly agreed to assume the risk of the possible discovery of additional facts, and they agree that this Agreement will be and remain effective regardless of such additional or different facts. The Parties expressly agree that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown or unsuspected claims, demands, causes of action, governmental, regulatory or enforcement actions, charges, obligations, damages, liabilities, and attorneys' fees and costs, if any, as well as those relating to any other claims, demands, causes of action, obligations, damages, liabilities, charges, and attorneys' fees and costs specified herein.

21. General Terms and Conditions.

- A. The section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- B. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original Agreement, all of which together shall

constitute one and the same instrument. Facsimile and Portable Document Format (.pdf) reproductions of original signatures shall be binding for the purpose of executing and enforcing this Agreement.

- C. Should any portion, word, clause, phrase, sentence or paragraph of this Agreement be declared void or unenforceable, such portion shall be considered independent and severable from the remainder, the validity of which shall remain unaffected. This Agreement shall not be construed in favor of one party or against the other.
- D. The failure to insist upon compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.
- C. This Agreement, and all the terms and provisions contained herein, shall bind the heirs, executors, administrators, personal representatives, successors and assigns of each party, and inure to the benefit of each party, and their respective heirs, executors, administrators, personal representatives, agents, directors, officers, employees, servants, successors, and assigns.
- D. Employee acknowledges that Employer is a governmental entity entitled to the protections of the Colorado Governmental Immunity Act, Sections 24-10-101, et seq., C.R.S. (“the Act”). No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Act, as applicable now or hereafter amended.

TOWN OF GRAND LAKE

EMPLOYEE

Dated: _____, 2025

Dated: _____, 2025

By: _____
Steve Kudron, Town Manager

By: _____
Matthew Reed-Tolonen