

SEVERANCE/RELEASE AGREEMENT

This Severance Agreement and General Release (the "Agreement"), dated February 14, 2013, is entered into by the Town of Rockport, a municipality duly incorporated under the laws of the State of Maine (the "Town"), by and through its Select Board (the "Board"), and Robert A. Peabody, Jr. ("Mr. Peabody"), an individual residing in Rockland, Maine.

Purpose of Agreement

Mr. Peabody has been employed by the Town as its Town Manager since March 2004. Mr. Peabody and the Town have mutually agreed to sever the employment relationship between them at a date and under the terms provided in the Agreement. Mr. Peabody and the Town wish to arrange for an amicable separation and to provide reasonable and appropriate severance pay to Mr. Peabody in recognition of his service to the Town and in exchange for certain promises, releases and other good and valuable consideration provided in the Agreement.

Terms of Agreement

In consideration of the mutual promises and agreements contained herein, the parties agree as follows:

1. **Resignation.** Mr. Peabody hereby irrevocably resigns from his employment as Town Manager, effective February 14, 2013, and the Board hereby accepts Mr. Peabody's resignation, effective February 14, 2013.
2. **Severance Benefits.** In recognition of his service to the Town, and as consideration for the releases provided by him in this Agreement, Mr. Peabody will receive severance pay in the amount of his regular salary (at its present annual level) for twelve (12) weeks ("severance pay"). Severance pay will be

paid in a lump sum (less deductions for state and federal taxes and other legally required deductions) within seven (7) business days from the date of this Agreement.

3. Accrued leave payments. Mr. Peabody will be paid a lump sum (based on his present salary level) for his uncompensated accrued sick leave (computed in accordance with the Town's Personnel Policy) and vacation leave (computed in accordance with his Employment Agreement).
4. Releases. In consideration of the foregoing, Mr. Peabody hereby releases the Town of Rockport and the Board, its members, officers, agents, employees, and attorneys, and the predecessors and successors of each of the foregoing, in their personal and official capacities from any and all claims, complaints, grievances, charges, actions, suits, causes of action, damages, costs, and liabilities of any kind or nature whatsoever, including, without limitation of the foregoing, any contractual claims, and tort claims, arising from or in any way relating to Mr. Peabody's employment by the Town and the termination of that employment. The claims released by Mr. Peabody include, without limitation, the federal Age Discrimination in Employment Act and any other state or federal civil rights statute, including the Maine Human Rights Act, and Mr. Peabody hereby acknowledges specifically that (1) this release and waiver of rights is knowing and voluntary; (2) he understands all of the terms contained in this release and waiver; (3) he is receiving consideration hereunder from the Town in addition to benefits to which he is already entitled; (4) he has been advised to consult with an attorney prior to executing this release and waiver; (5) he shall be given twenty

one (21) days within which to consider this Severance/Release Agreement, and has elected to execute it on the date set forth below; and (6) he may revoke this Severance/Release Agreement within seven days following his execution of this Severance/Release Agreement, in which case the obligations of all parties to this Severance/Release Agreement shall become null and void. This release and waiver does not apply to any claims that may arise after the date this Agreement is executed.

The Town of Rockport hereby releases Mr. Peabody from any and all claims, complaints, grievances, charges, actions, suits, causes of action, damages, costs and liabilities of any kind or nature except that it reserves any and all claims it may have against him for contribution and/or indemnity arising as a result of any claim or claims brought against them, collectively or individually, by any third parties.

5. Transition. Mr. Peabody will cooperate in facilitating a smooth transition in regard to his successor as Town Manager. Upon signing this Agreement, Mr. Peabody shall return to the Town: All keys to Town facilities; Town credit card; the Town issued lap top computer, with installed software and accessories, in good working order.
6. Unemployment Compensation. The Town agrees not to contest Mr. Peabody's eligibility for Unemployment Compensation should he apply for same.
7. Communications. The Town and Mr. Peabody agree that questions from third parties to the Town concerning Mr. Peabody's employment with the Town and

this Agreement shall be referred to the current town manager, acting, interim or otherwise, and, if she is not available, to William Chapman or the then current Board Chair.

8. Non-disparagement. Mr. Peabody promises that he will not in any form communicate anything defamatory or disparaging about the Board or any of its members or officers or about past or present employees of the Town. The Board, as a body and as to each member and officer, promises not to communicate in any form anything defamatory or disparaging about Mr. Peabody to any third party or entity and shall request current Town Department heads to refrain from so doing. The parties recognize and acknowledge that any defamatory or disparaging statements made after the execution of this Agreement, that are otherwise actionable are not covered by the releases provided herein by Mr. Peabody. This paragraph shall be effective for two (2) years from the date of this Agreement. The parties acknowledge, however, that it is not their intention to make disparaging or defamatory statements about the other party after said two (2) year period.
9. Non-admission. This Severance/Release Agreement does not constitute an admission of liability on the part of any person or party.
10. Entire Agreement. This Severance/Release Agreement constitutes the entire agreement between the parties and supersedes and replaces all prior contracts, agreements and understandings, written or oral, between the parties, which are hereby agreed to be of no further force or effect.

Dated: February 19, 2013

TOWN OF ROCKFORD

By: _____
Its: Chair, Select Board

Dated: February 14, 2013

Robert A. Peabody, Jr.