

[DEWEY BEACH LETTERHEAD]

RESOLUTION _____

**A RESOLUTION OF THE TOWN OF DEWEY BEACH, DELAWARE
AUTHORIZING THE MAYOR OF THE TOWN OF DEWEY BEACH
TO EXECUTE A CONFIDENTIAL SETTLEMENT AGREEMENT AND RELEASE
OF ALL CLAIMS WITH THE FORMER TOWN MANAGER.**

WHEREAS, former Town Manager Gordon Elliott’s (the “former Town Manager”) Employment Agreement expired on December 10, 2009; and

WHEREAS, the former Town Manager disputed the expiration of his employment with the Town of Dewey Beach; and

WHEREAS, the Commissioners of the Town of Dewey Beach recognize the Former Town Manager’s efforts on behalf the Town of Dewey Beach; and

WHEREAS, the Commissioners of the Town of Dewey Beach desire to reach an amicable resolution of the dispute with the former Town Manager

NOW, THEREFORE, BE IT RESOVED by the Commissioners of the Town of Dewey Beach, Delaware, that:

Section 1. The Commissioners of the Town of Dewey Beach hereby agree to the Confidential Settlement Agreement and Release of All Claims as executed by the former Town Manager on January 8, 2010.

Section 2. The Commissioners of the Town of Dewey Beach and former Town Manager Gordon Elliott have prepared the “Joint Press Release and Public Announcement” attached as Exhibit A to this Resolution.

Section 3. The Mayor of the Town of Dewey Beach is authorized and directed to execute the necessary documents to effectuate this Resolution and the Confidential Settlement Agreement and Release of All Claims.

Section 4. This Resolution shall become effective immediately upon its passage and adoption.

BE IT RESOLVED by the Commissioners of the Town of Dewey Beach this _____ day of _____, 2010.

Mayor Richard N. Solloway

Town Manager Diana K. Smith

EXHIBIT A

JOINT PRESS RELEASE AND PUBLIC ANNOUNCEMENT **THE TOWN OF DEWEY BEACH AND FORMER TOWN MANAGER GORDON** **ELLIOTT**

- (1) The Town of Dewey Beach and former Town Manager Gordon Elliott have settled their outstanding disputes. So that the interested public may be informed of the circumstances relevant to this matter, the parties jointly offer the following explanation.
- (2) On September 10, 2004, the Town entered into an Employment Agreement with Gordon Elliott for the position of Town Manager. The Agreement had a five-year term, and consequently, would terminate without action by either party to the Employment Agreement on September 10, 2009. Prior to the natural termination of the Employment Agreement, on July 27, 2009, the former Mayor and Commissioners voted in a public meeting to authorize a three-month extension of the Employment Agreement, making December 10, 2009 the new date that the Employment Agreement would naturally terminate without additional action by either party to the Employment Agreement.
- (3) As December 10, 2009 approached, the Mayor and Commissioners began to search for and interview candidates for the position of Town Manager. Mr. Elliott was among the candidates considered, but was not offered the position.
- (4) Mr. Elliott and the Town of Dewey Beach disagreed about the parties' obligations in connection with the termination of Mr. Elliott's employment. However, in order to avoid further time, expense and uncertainties of litigation, the Town of Dewey Beach and Mr. Elliott have resolved their disputes under terms memorialized in a confidential settlement agreement and release of all claims. The general terms of the settlement agreement are that Mr. Elliott released the Town of Dewey Beach from any and all claims, demands, debts, liens and causes of action that he may now have or may have at some future time for a single cash payment. Pursuant to its insurance policy, the Town expended \$50,000 in payment of the settlement and in attorney fees associated with the defense of the potential litigation.
- (5) Both the Town of Dewey Beach and Mr. Elliott acknowledge that each party fulfilled their obligations under the Employment Agreement and wish each other success and prosperity in future endeavors.