

RELEASE AND SETTLEMENT AGREEMENT

SEAN BARNES ("BARNES") desires to settle and discharge any and all claims which have or could have been asserted by BARNES against the City of Truth or Consequences and its current and/or former employees, agents, predecessors and successors, elected officials, officers, representatives, attorneys, and insurers ("Released Parties") as a result of termination of his employment with the City of Truth or Consequences ("incident") and claims alleged in the matter of *Sean M. Barnes v. City of Truth or Consequences*, Cause No. D-721-CV-2025-00071, filed in the Seventh Judicial District Court, Sierra County, New Mexico.

The parties agree as follows:

1. Released Parties will pay forty-five thousand dollars (\$45,000.00) in full settlement of all claims and demands against the Released Parties resulting from or relating to the incident and all claims and demands made in or relating to all other claims which BARNES may have against the Released Parties, including attorneys' fees, costs of suit, subrogation claims, or claims made by third parties. BARNES forever releases all claims that have been brought, or that could have been brought, against the Released Parties arising out of his employment with the City of Truth or Consequences.

2. BARNES, his assigns and successors hereby fully and unconditionally dismiss, release, and forever discharge the Released Parties and their representatives, officials, employees, predecessors and successors, insurers, attorneys, agents, and assigns from any and all claims (including attorneys' fees and costs of suit), charges, causes of action, subrogation claims, or demands of any kind and nature whatsoever arising out of this claim and the incident, whether asserted or not.

3. BARNES hereby represents that he is unaware of any subrogation claims, liens, or other third parties who have insured, paid, or indemnified them in connection with the losses or expenses claimed as damages in this matter. If any such subrogation claims or other demands are presented, including but not limited to tax liens or demands or medical liens, BARNES agrees to pay or to settle all such demands from the proceeds of this settlement and indemnify and hold the Released Parties harmless from any and all such claims. In addition, BARNES agrees to reimburse the Released Parties for all reasonable attorneys' fees and costs in defending against any such subrogation claims or demands by third parties.

4. The parties hereby stipulate and agree that they and their counsel have considered the interests of Medicare in this case and have confirmed that: (1) Medicare has not paid for any medical care received by BARNES in the past in connection with incident; (2) BARNES will not become eligible for Medicare in the foreseeable future and future medical costs subject to Medicare are not reasonably anticipated; and (3) a Medicare set-aside is not warranted in this case.

5. BARNES acknowledges that the consideration received under this Settlement Agreement is intended to and does release and discharge the Released Parties, their agents, representatives, successors, assigns, and insurers from any claims or consequences arising from the incident and hereby waive any right to assert in the future any claims not known or suspected, even though if such claims were known, such knowledge would materially affect the terms of this Settlement Agreement.

6. BARNES agrees to pay his attorneys' fees and other legal costs from the settlement proceeds. The Released Parties are not responsible for BARNES' legal fees or costs.

7. BARNES is responsible for any and all tax liabilities, if any, relative to the proceeds of this settlement. BARNES acknowledges that neither the Released Parties nor their attorneys have

made any representations whatsoever as to any tax consequences BARNES may incur as a result of the settlement.

8. This Agreement is not, and shall not be construed to be, an admission of fault or wrongdoing on the part of the Released Parties. The Released Parties have entered into this Agreement based solely on the consideration of the economic costs, including the time and expense of litigation, not on any admission of liability. The Released Parties have always denied and will continue to deny any liability whatsoever. This is a settlement of a disputed claim and is privileged and may not be used in any other litigation pursuant to Evidence Rule 408.

9. BARNES acknowledges that the Released Parties have not made any promises or representations other than those recited in this Agreement to induce them to enter into this Agreement.

10. The terms of this Agreement are contractual, fully enforceable, and are not mere recital.

11. In the event that any paragraph or portion of this Agreement should be later determined unenforceable, all other paragraphs of this Agreement shall remain in full force and effect.

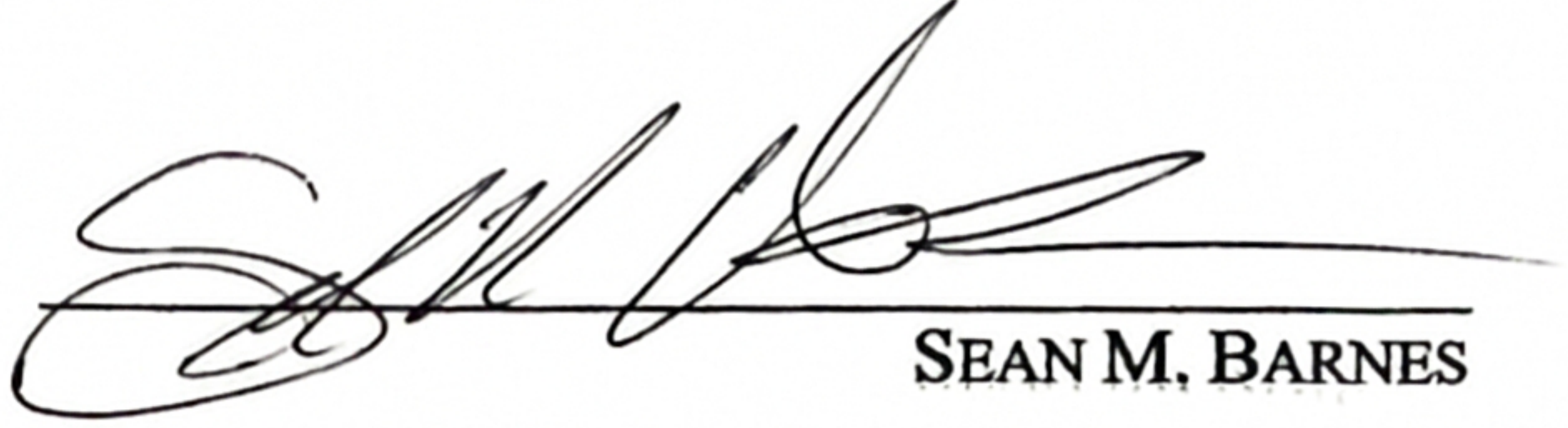
12. BARNES and the Released Parties expressly waive the filing of this settlement agreement set forth in Rule 1-106(B)(3) NMRA.

13. This Agreement contains the entire agreement between BARNES and the Released Parties with regard to the matters set forth herein. There are no other understandings or agreements, oral or otherwise, between the parties except as expressly set forth herein.

14. BARNES affirms that he is competent to enter into this settlement agreement and that he is not currently under the care of a person licensed to practice the healing arts for any personal injury he claims to have incurred as a result of this incident.

15. This Agreement shall be construed and interpreted in accordance with the laws of the State of New Mexico.

16. I HAVE CAREFULLY READ THIS RELEASE, FULLY UNDERSTAND ITS TERMS, AND HAVE DISCUSSED THE IMPACT AND IMPORTANCE OF SIGNING THIS RELEASE WITH MY ATTORNEY.


SEAN M. BARNES

STATE OF New Mexico)
) ss
COUNTY OF Sierra)

SUBSCRIBED and SWORN TO before me this 20 day of July, 2026, by
Sean Barnes





Notary Public
My Commission Expires: 3.21.27