

5. Settlement Amount

The Employer agrees to pay to Employee, and Employee will accept, in complete satisfaction of any and all claims of any kind, the gross sum of One Hundred Seventy Five Thousand Dollars (\$175,000.00) (the "Payment"). The Payment shall be payable as follows: (a) payment of wages

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payable to Employee in the gross amount of exactly Ten Thousand Dollars (\$10,000), less all applicable federal and state payroll tax deductions; (b) payment of non-wages reflecting Employee's claims of unwanted touching by her former supervisor, the Employer's City Manager payable to Employee in the amount of exactly One Hundred Sixty Five Thousand and no/100 Dollars (\$165,000.00), from which no deductions will be made and (c) a payment to Employee's attorney law firm of Forty Five Thousand and no/100 Dollars (\$45,000.00) for fees and costs incurred by Employee's attorney who shall supply the Employer with a W-9 prior to receipt of such payment. Employee acknowledges that she is not entitled to any further Payment apart from this Agreement. Employee further acknowledges and agrees that she will indemnify the City for any claim(s) raised by the North Carolina Department of Revenue or the United States Internal Revenue Service, and that any amount owed to either, whether the amount is considered to be taxes owed, interests, or penalties, regarding the payment outlined in (b), shall be paid by Employee.

The parties agree that such payment shall be made to Employee at the conclusion of the 7-day revocation period as outlined in paragraph 7 below. Release of such payment is also contingent upon the City receiving an executed Agreement and W-9 from Employee.