

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release ("Agreement") is entered into by and between the CITY OF SALEM, an Oregon municipal Corporation ("Salem"), and Keith Stahley ("Stahley"), collectively, the "Parties." As used in this Agreement, "Salem" includes the City of Salem, its councilors, attorneys, insurers, as well as its past and present representatives, agents, and employees.

WHEREAS Keith Stahley is currently employed by Salem as a City Manager for the City of Salem;

WHEREAS it is the desire of Stahley to voluntarily resign from his position as the City Manager at the request of City Council. Salem and Stahley agree to end his employment relationship with Salem, and the Parties agree to fully settle any and all disputes, claims, complaints and causes of action arise out of relate to Stahley's employment without the potential for or necessity of time-consuming litigation or other process(es). The Parties have reached an understanding resolving all such disputes, claims, complaints, and cause of action in lieu of furthering a personnel investigation and/or action;

THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. The Parties acknowledge that this Agreement is supported by good and valuable consideration and entered into in consideration of the mutual promises, covenants, and the consideration identified herein.
2. Stahley voluntarily resigns his employment, effective as of March 3, 2025 (Resignation Date). This Agreement will be effective in seven (7) days after the Parties have executed this Agreement. By virtue of Stahley's execution of this Agreement, Salem accepts his resignation.
3. Stahley acknowledges that he has been offered at least twenty-one (21) days to consider this Agreement, and that he has signed it voluntarily and of his own free will prior to the expiration of the 21-day period. In doing so, Stahley has seven (7) days from the date of his execution of this Agreement to revoke his execution and cancel this Agreement. Stahley's revocation must be in writing and received by the City of Salem on or before 5:00 p.m. of seventh day after the date of his execution of this Agreement. At the expiration of the seven (7) day period, Stahley's right to cancel this Agreement shall expire.
4. Stahley will return all property owned or issued by Salem, including but not limited to any physical or electronic documents, keys, laptop, access card(s) and phone on or before February 28, 2025. Stahley will be given the opportunity to retrieve any personal items from his Salem workspace(s), at a mutually convenient time for Salem and Stahley, but not to exceed three (3) days after his resignation date. Salem acknowledges receipt of Stahley's parking passes, mobile phone and "prox" key card.
5. Salem shall pay \$255,845.97 for all contractual severance, which includes an amount equal to eight months base salary, an amount equal to Stahley's six percent contribution to PERS, an amount equal to the payment into Stahley's deferred compensation account for the total base salary severance amount, an amount equal to the cost to continue health insurance and long-term disability insurance for the total base salary severance amount, and Stahley's vacation and holiday payouts. This amount will be paid each Salem pay period (21) beginning on March 14, 2025 with the final payment being made on December 19, 2025. Withholding will be maintained in accordance with the tax forms Stahley on file with Salem. Stahley agrees he is due no further compensation or monies for wages, benefits, vacation pay or holiday pay except as outlined in this Agreement.

6. Stahley agrees that he will not accrue any leave, nor will he receive any benefits as a Salem employee after his resignation date.
7. Stahley agrees to indemnify Salem from any and all other tax liability including, without limitation, all penalties, interest, and other costs that may be imposed by the Internal Revenue Service or other governmental agencies regarding any tax obligations that may arise from the monetary consideration paid to him under this Agreement.
8. Salem will respond to all requests for references from potential employers with Stahley's position title, dates of service, and rates of pay. The Salem Human Resources Department (the Director or the Director's designee) will provide all references.
9. In consideration of the above commitments, Stahley irrevocably and unconditionally releases Salem and covenants not to sue Salem, its employees, agents, attorneys and assigns from any and all claims whether direct or indirect, known or unknown, expenses, injuries, losses, rights of contribution or indemnity, as well as any other statutory rights, attorneys' fees and damages, without limitation, which now exist or may ever develop, which are in any way connected with, based upon, or arise out of Stahley's employment with Salem, up to and including his resignation date. This release includes but is not limited to claims for wages, monies, damages, attorneys' fees, emotional distress, stress, interest, and reinstatement to employment. This release also includes any claims or charges which could have been filed with any Oregon state agency or with the Equal Employment Opportunity Commission or which could have been pursued through any local, state, or federal law or authority, including but not limited to any claim for additional compensation in any form and any claim arising under any Oregon or federal statutes pertaining to wages, condition of employment, wrongful discharge, retaliation, or discrimination in employment, and including any claim under Oregon Revised Statutes Chapters, 652, 653, 654, 656, 659 and 659A; Title VII of the Civil Rights Act of 1964; the Post Civil War Acts (42 USC §§ 1981-1988); the Age Discrimination in Employment Act ("ADEA"); the Americans with Disabilities Act ("ADA"); the Family Medical Leave Act; the Equal Pay Act of 1963; the Fair Labor Standards ACT; the Contract Worker Hours and Safety Act; the Older Workers Benefit Protection Act ("OWBPA"); Constitutional claims like due process; Executive Order 11246; any regulations under or amendments of such authorities; and by way of contract either express or implied, tort, or other common law or statutory law theories. This is a full and final waiver and release, and the Parties intend that it have the broadest effect possible under law. Stahley agrees that this waiver shall include any legal claim of any kind except to the extent waiver or release is specifically prohibited by law. Stahley expressly represents that he knows of no claim which is not released under this Agreement (such as claims for unemployment compensation, workers' compensation, vested employee benefits, and claims filed with the Equal Employment Opportunity Commission). Nothing in this Agreement is intended to impact Stahley's rights or Salem's obligations for claims made by third parties based on events that occur prior to March 3, 2025, under ORS Chapter 30 or under any Salem workplace rule.
10. Reciprocally, in consideration of the above commitments, Salem irrevocably and unconditionally releases Stahley and covenants not to sue Stahley, from any and all claims whether direct or indirect, known or unknown, expenses, injuries, losses, rights of contribution or indemnity, as well as any other statutory rights, attorneys' fees and damages, without limitation, arising prior to the date of this Agreement, which are in any way connected with, based upon, or arise out of Stahley's employment with Salem, up to and including his resignation date, except claims for intentional conduct. This is a full and final waiver and release, and the Parties intend that it have the broadest effect possible under law. Salem agrees that this waiver shall include any legal claim of any kind except to the extent waiver or release is specifically prohibited by law. Salem expressly represents that Salem knows of no claim which is not released under this Agreement.

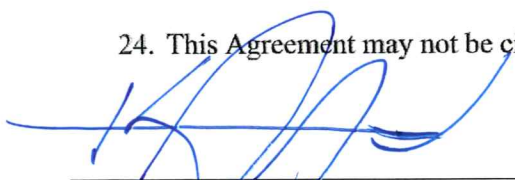
11. The release of claims and causes of action set forth above does not bar Stahley from filing an administrative complaint with the Equal Employment Opportunity Commission, the Bureau of Labor and Industries, or other state and federal agencies that expressly prohibit waiver of such rights. The release does, however, bar Stahley from recovering any monetary gain whatsoever from the filing of such administrative complaints. Stahley hereby waives his right to receive any such monetary compensation, including penalties and attorneys' fees, and, if awarded such compensation despite this Agreement, agrees to assign to Salem his rights to such compensation, including penalties.
12. Stahley agrees to waive and relinquish any and all grievance or appeal rights under Salem's Human Resources Rules, and any other agreements, policies, laws, rules, or regulations.
13. Stahley acknowledges that neither Salem nor its officers, employees or agents have provided any advice, and that he is not relying on any advice from Salem, its officers, employees, or agents.
14. Salem recommends that Stahley seek counsel of an attorney of his choice in negotiating this agreement and Stahley understands and agrees that he has the opportunity to have his attorney review this Agreement and advise of the benefits and consequences of signing the Agreement. Stahley further understands and agrees that his interests as a City of Salem employee have been fairly represented in the process of forming and executing this Agreement.
15. This Agreement shall be interpreted under and enforced in accordance with the laws of the State of Oregon applicable to contracts made and to be performed entirely within the state.
16. The terms of this Agreement are contractual and not merely recitals. This Agreement contains the entire agreement of the Parties hereto. The Parties acknowledge that this Agreement contains the complete terms of the mutual promise, agreements and between the Parties, and that thereto are no other understandings, promises covenants, agreements, or representations made to any Party concerning the subject matter of this Agreement other than those terms and conditions set forth herein.
17. If any provision of this Agreement is found to be invalid or unenforceable under applicable statute or rules of law, such provisions shall, to that extent, be deleted. All other provisions shall remain in full force and effect.
18. Any dispute involving the interpretation, application, or alleged violation of any provision of this Agreement shall be subject to Oregon law. The Parties agree that this Agreement was mutually negotiated and prepared by Salem and Stahley. As a result, any uncertainty or ambiguity arising from this Agreement shall not be interpreted against any party as a preparer, but according to the application of other rules of the interpretation of contracts, if any such uncertainty or ambiguity exists.
19. In any action or proceeding to enforce or interpret any provision of this Agreement, whether arising in law or equity, or where any provision hereof is validly asserted as a defense, each party shall bear its own attorney fees, costs, and expenses.
20. This Agreement may not be modified except by a writing signed by the Parties.
21. It is further understood and agreed that this Agreement is not to be considered as an admission of any liability whatsoever by Stahley or by Salem, its officers, employees, agents, or representative for any claims which have

been, or could have been made by either party arising out of or related to his employment with Salem. The parties further understand and agree that each party expressly denies any and all liability for any and all claims arising out of, or related to, the employment relationship of the parties. It is further understood and agreed that this Agreement is not to be considered as an admission of any liability whatsoever by either Party for any action or inaction.

22. Stahley and Salem acknowledge and agree that both parties have read this entire Agreement and completely understands its terms, including the waiver and release provisions, and have entered into this Agreement knowingly, intelligently, and voluntarily. Stahley and Salem acknowledge and agree that this is a full and final release of all claims of every nature and kind whatsoever and that neither party has not relied on any other representations or promises by either party or the Salem, its officers, employees, agents, or representatives, except those contained in this Agreement.

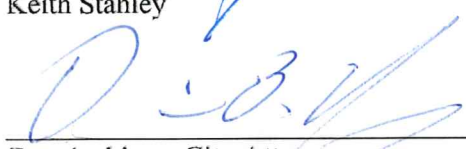
23. Except as is otherwise required to be disclosed by law, no Party will disclose or discuss the existence or terms of this Agreement with third Parties.

24. This Agreement may not be cited as precedent for any purpose.



Keith Stahley

DATED: 2/12/2025



Dan Atchison, City Attorney
on behalf of the City of Salem (Salem)

DATED: 2/12/25