

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

This Settlement Agreement and General Release (“Agreement”) is entered into between the City of Ojai, its past or present council members, directors, governing body, employees, agents, predecessors, attorneys, divisions, departments, representatives, insurers, successors in interest and assigns, and all persons acting by, through, under or in concert with any of them (collectively the “City”), on the one hand, and Anthony Palacios (“Palacios” or “Employee”) on the other. City and Employee are collectively referred to as the “Parties” or individually as a “Party” with reference to the following:

RECITALS

Employee was employed by the City of Ojai as a Transit Operations Supervisor;

Employee was hired on or about September 6, 2024 and began employment on or about September 17, 2024;

Employee’s position was at-will and could be terminated with or without cause;

Employee faced administrative allegations and was placed on paid administrative leave on April 22, 2025. Employee disputes and denies those allegations;

Employee made allegations of misconduct, retaliation and discrimination against City employees, which allegations the City disputes and denies;

Employee received a Notice of Proposed Discipline on January 27, 2026; and

Employee timely requested an informal *Skelly* meeting to appeal the disciplinary decision;

The City and Employee desire to settle and compromise all disputes and controversies existing between the Parties arising out of Employee's employment with the City, including any other facts or causes existing on or prior to the execution date of the Agreement, whether known or unknown, including without limitation those described in more detail hereafter; the Parties enter into this Agreement without any admission of liability and to avoid litigation; and

This Agreement is intended to be a full, complete and final settlement of each and every claim, cause of action, appeal, or liability, whether known or unknown, Employee may have or may have had against City or that City may have against Employee prior to and up through the Effective Date (as defined herein) of this Agreement, and any other claims arising out of, or in any way related to Employee’s employment with the City and/or separation from such employment.

NOW THEREFORE, and in consideration for the promises contained herein, and other good and valuable consideration, receipt of which is acknowledged by the execution of this Agreement, and to avoid unnecessary litigation, it is agreed by and between the Parties as follows:

SETTLEMENT TERMS

1. The Parties' Promises. In consideration of the promises made by the Parties in this Agreement, as further detailed below, the Parties will:

a. **Payment.** The City of Ojai shall pay Employee the total sum of ONE HUNDRED AND TWENTY FIVE THOUSAND DOLLARS AND ZERO CENTS (\$125,000.00) (the "Settlement Proceeds") within fourteen (14) days after the effective date of this Agreement. The Settlement Proceeds will be allocated in accordance with **Section 6** below.

b. **Resignation and Withdrawal of Administrative Appeal.** Employee shall withdraw his administrative *Skelly* appeal request and submit to the waivers and releases as set forth below, and after doing so, upon the Effective Date (defined herein) of this Agreement, shall resign from his employment at the City. The City will remove any draft disciplinary materials and references to proposed discipline, administrative allegations, or investigation from all personnel files and HR systems, and will not disclose or rely on them absent legally mandated disclosure.

c. The Parties agree that nothing in this Agreement precludes Employee from applying for or being considered for future employment or other work opportunities with the City. The City will not retaliate against or summarily disqualify Employee for seeking such opportunities. Nothing herein obligates the City to hire Employee.

2. Waiver and Release. In consideration of the promises made by the Parties in this Agreement, Parties agree to the following:

a. **No Admission of Liability.** Neither of the Parties admits any liability; neither party admits that they have committed any act which creates liability to any other. The Parties specifically disclaim any liability to, or wrongful acts against each other or against any other person, any related person or any related predecessor corporation or its or their agents, representatives or successors in interest and assigns.

b. **Mutual Release.** As consideration for the payments and agreements contained herein, the Parties hereby irrevocably and unconditionally waive, release and forever discharge each other from any and all claims they may have against one another, including any and all claims by Employee against the current City Manager in his capacity as City Manager and in his individual capacity or against any City Staff personnel in their capacity of City Staff Personnel or individual capacity. The following enumeration of claims represents a list of claims that employees typically may have against their employer and does not necessarily reflect the actual allegations comprising this dispute or constitute a limitation of the claims being waived in this waiver and release. Such claims include but are not limited to:

i. Any and all charges, complaints, lawsuits, claims, liabilities, claims for relief, claims for punitive damages, claims for fees, obligations, promises, agreements, contracts, interests, controversies, injuries, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, liens, judgments, indebtedness, and expenses (including attorney's fees and costs actually incurred), indemnification or other relief from the City arising from

claims related to Employee's employment, of any nature whatsoever, whether in law or in equity, known or unknown, suspected or unsuspected, actual or potential, which the Parties now have, own, or hold, or claim to have, own, or hold against each other, at common law or under any statute, rule, regulation, order or law, whether federal, state, or local, or on any grounds whatsoever, with respect to any act, omission, event, matter, claim, damage, loss, or injury arising out of the employment of and/or the separation from such employment between Employee and City, and/or with respect to any other claim, matter, or event arising prior to execution of this Agreement by the Parties, including, but not limited to the following:

ii. The California Fair Employment and Housing Act (California Government Code §12940 et seq.), the California Family Rights Act (California Government Code §12945.2, 19702.3 et seq.), California Government Code §11135, the Unruh and George Civil Rights Acts (California Civil Code § 51 et seq.), the California Labor Code, including but not limited to, Labor Code section 1194 and any related Wage Orders or similar directives/authorities issued by any state authority having enforcement powers, the Fair Labor Standards Act and any related regulations, interpretive bulletins or similar directives/authorities issued by any Federal authority having enforcement powers;

iii. The Constitution of the United States, the Constitution of the State of California, Title VII of the Civil Rights Act of 1964 (42 U.S.C. §2000e et seq.), the Equal Pay Act (29 U.S.C. §206(d)), the Rehabilitation Act of 1973 (29 U.S.C. §793 et seq.), the Family and Medical Leave Act (29 U.S.C. §2901 et seq.), the Employee Retirement Income Security Act of 1974, also known as "ERISA" (29 U.S.C. §1001 et seq.), and/or Sections 1981, 1983, 1985, 1986 or 1988 of Title 42 of the United States Code (42 U.S.C. 1981 et seq.), the Americans with Disabilities Act (42 U.S.C. §12101 et seq.), and claims for retirement benefits under California or any other applicable law;

iv. Claims of Retaliation, generally (California Government Code §12940 et seq.); Claims of "Whistle-blower" retaliation (California Labor Code §1102.5 et seq.); Claims for violations of age and discrimination laws, claims for breach of any type of contract, including written, oral or implied contracts, breach of any covenant, promise, or representation pertaining to Employee's employment, whether express or implied, claims for negligent hiring, retention, supervision, investigation, wrongful termination, discrimination of any type, interference with economic relations, failure to pay wages and/or benefits of any kind, fraud and/or misrepresentation of any kind, negligent or intentional infliction of emotional distress, slander, assault, battery, and/or any other claims arising under any other state or federal provision, act, ordinance, Constitution, law, common law, or arising under any contract or agreement, against City.

v. Nothing in this Agreement is intended to or shall interfere with Employee's right to participate in a proceeding with any appropriate federal, state or local governmental agency, including but not limited to the federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing, enforcing discrimination laws, nor shall this Agreement prohibit Employee from cooperating with any such agency in its investigation(s).

vi. Pursuant to California Code of Civil Procedure § 1001, nothing in this Agreement is intended to or shall interfere with Employee's ability to disclose factual information in a claim filed in a civil action or a complaint filed in an administrative action regarding the following acts: 1) an act of sexual assault that is not governed by California Code of Civil Procedure § 1002(a); 2) an act of sexual harassment as defined by California Civil Code § 51.9; or 3) an act of workplace harassment or discrimination, failure to prevent an act of workplace harassment or discrimination, or an act of retaliation against a person for reporting or opposing harassment or discrimination as described in Government Code §§ 2940(a), (h), (i), (j), and (k).

vii. Nothing in this Agreement prevents Employee from (i) providing testimony, information, or documents if legally compelled to do so.

viii. Nothing in this Agreement waives Employee's rights to (a) assert or bring claims arising after the Effective Date; (b) assert or bring claims to enforce this Agreement; (c) assert or bring claims for unemployment insurance or workers' compensation benefits; (d) assert or bring claims concerning vested pension/CalPERS rights accrued to date; and (e) non-waivable statutory rights.

3. Waiver of Civil Code Section 1542. The Employee hereby waives any and all rights that he may have pursuant to California Civil Code section 1542, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

a. The Employee hereby expressly waives the provisions of California Civil Code section 1542, but this waiver applies only to claims, whether known or unknown, that accrued on or before the Effective Date and that may lawfully be released, and does not waive claims based on events occurring after the Effective Date.

b. The Parties recognize and acknowledge that factors which have induced the parties to enter into this Agreement may turn out to be innocent or different from what they had previously anticipated, and the parties hereby expressly assume any and all of the risks thereof.

4. Non-disparagement/Resolution Announcement.

a. Employee agrees that he has not, will not, and will not encourage, facilitate, or induce others to, make, publish, or communicate to any person or entity or in any public forum any maliciously false, slanderous, defamatory, negative, or disparaging verbal or written remarks, comments, posts or statements concerning the City, including but not limited to

its current and former elected and non elected officials, employees, attorneys, and agents. The foregoing applies to any remarks, comments, posts or statements made by Employee himself or under his own name, any pseudonym, or anonymously.

b. This provision excludes compelled testimony, or disclosures to immediate family, attorneys, tax/financial advisors, and as required by law, subpoena, CPRA responses by the City, or to government agencies.

c. The City agrees that, in addition to the conditions contained in Section 17, below, the City, City Council, City Manager and its employees will not, and will not encourage, facilitate, or induce others to make, publish, or communicate to any person or entity or in any public forum any slanderous, defamatory, negative or disparaging information about Employee, his job performance, abilities and veteran status. Statutory obligations as further discussed in detail in Section 17 are not impacted by this clause. The City further agrees to take reasonable steps to enforce that City personnel are not to disparage Employee, his job performance, abilities and veteran status.

d. The Parties agree not to disclose the Settlement Amount or the terms of the Settlement unless required as a matter of law. The Parties have agreed on a form of a press release that will be used to respond to any inquiries relating to the resolution of this dispute, attached as Exhibit A. The press release will constitute the only information that the Parties will share in connection with the resolution of this dispute unless disclosure of this Agreement and the terms thereof are mandated by law. The Parties acknowledge that as a result of the City's position as a public entity, the entirety of the Agreement is subject to disclosure, whether by a Public Records Act request or other legally disclosable mechanism. The Parties understand that the City is required to comply with such legally required disclosures.

5. Voluntary Agreement. The Parties knowingly and voluntarily agree to all of the terms set forth in this Agreement and knowingly and voluntarily intend to be bound by those terms and acknowledge and accept that the Recitals above are true and correct representations of fact and the Parties' intent herein.

PROCEDURES FOLLOWING THE EFFECTIVE DATE OF THIS AGREEMENT

6. Lump sum payment to Employee. Within fourteen (14) days of the full execution of the Agreement from all Parties, the City of Ojai shall pay Employee the total settlement consideration of ONE HUNDRED AND TWENTY FIVE THOUSAND DOLLARS (\$125,000). The specific payment terms are as follows: (a) upon receipt of an executed W9, a one-time payment of \$31,250 will be made to counsel for the Employee, Nancy Gray, 11500 West Olympic Blvd. Suite 400, Los Angeles CA 90064 and reported on an IRS Form 1099; and (b) a one-time payment of \$93,750 will be issued to Employee paid via IRS Form 1099.

7. CalPERS. Employee shall not be entitled to any further CalPERS service credit in relation to the City after the Effective Date of this Agreement.

ADDITIONAL TERMS

8. No Representation of Tax Liabilities. No Party, including the attorneys for any Party, has made any representations or warranties regarding whether the Settlement Proceeds are subject to taxation. The City does not bear any responsibility for tax liability that may arise as a result of the Settlement Proceeds. Employee agrees to assume any responsibility for payment of taxes for any of the Settlement Proceeds. Employee agrees to indemnify and hold the City and all releasees harmless from any and all tax liability which may become due as a result of the Settlement Proceeds under this Agreement.

9. No Third-Party Beneficiary Rights. This Agreement cannot be used by any person to demonstrate any admission of liability or wrongdoing by any Party to this Agreement, and this Agreement cannot be used by any person to establish that he or she or it is a third-party beneficiary of this Agreement.

10. Representation of No Pending Claims. Except for the administrative allegations and informal Skelly appeal identified in the Recitals, which Employee will withdraw as part of this Agreement, Employee represents he has not filed any other lawsuits, complaints, appeals, claims, applications or charges against the City or any related persons or against any of its past or present officers, directors, governing bodies, elected officials, employees, agents, predecessors, attorneys, divisions, affiliates, representatives, successors in interest and assigns and/or all persons acting by, through, under, or in concert with any of them, with any state or federal court, or local, state or federal agency, or administrative or quasi-administrative tribunal or person, on or prior to the date of execution of this Agreement.

11. No Additional Leave Payment or Benefits. The Parties agree that Employee is not entitled to any additional leave payment or benefits other than what has been contemplated within this Agreement.

12. Each Party to Bear Own Fees and Costs. Each Party shall bear their own costs, expenses, and attorneys' fees incurred in connection with the proceedings and/or events resulting in and/or preceding this Agreement, or in connection with any other claims made or investigated by either Party against the other in any forum (civil, criminal, administrative, or quasi-administrative), and each of the Parties hereto expressly waives any claim for recovery of any such costs, expenses or attorneys' fees from the other Party except as expressly provided for in this Agreement. Unless otherwise stated in this Agreement, Attorneys for all Parties to this Agreement do likewise expressly waive any claim for recovery of costs, expenses and/or attorney's fees from the opposing Party(ies). Neither Party shall be deemed a "prevailing party" by virtue of executing this Agreement. In any action to enforce this Agreement due to non-payment or material breach, the prevailing party shall recover reasonable attorneys' fees and costs.

13. Joint Drafting. This Agreement is deemed to have been drafted jointly by the parties. Any uncertainty or ambiguity shall not be construed for or against any party based upon attribution of drafting to any party.

14. No Prior Assignments. Employee represents that he has not assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or any portion thereof or interest therein against the City.

15. Enforcement. This Agreement is made and entered into in the State of California, and shall be governed, interpreted, and enforced under the laws of the State of California. The Parties agree that jurisdiction and/or venue of any action involving the validity, interpretation, or enforcement of this Agreement or any of its terms, provisions, or obligations, or claiming breach thereof, shall exist exclusively in a court or government agency located within the State of California. The Parties further agree that this Agreement may be used as evidence in any subsequent proceeding in which any of the Parties allege a breach of this Agreement or seek to enforce its terms, conditions, provisions, or obligations.

16. Covenant to Effectuate Agreement. Each Party agrees to do all things and execute and deliver all documents necessary to fulfill and give effect to the provisions of this Agreement and to protect the respective rights of the Parties to this Agreement.

17. Employment References. Inquiries from prospective employers performing background investigations or requesting information or references shall be directed exclusively to Human Resources and only be responded to with information of the dates of Employee's employment, and his job title and his salary on the last date of employment, unless the inquiry is accompanied by a release/authorization executed by Employee providing for more detailed disclosures. Nothing in this provision or in this Agreement alters the City's obligations to produce records or information that are required to be disclosed under the California Public Records Act ("CPRA") or similar laws, nor shall any provision of this Agreement be construed to alter the City's obligations to provide records or information regarding Employee's employment to CalPERS, a district attorney's office or other prosecutor's office pursuant to a legally authorized request, or similar legally required disclosures.

18. No Duress or Undue Influence. The Parties represent and agree that they have carefully read and fully understand all provisions of this Agreement, and that they are voluntarily, without any duress or undue influence on the part of or on behalf of any Party, entering into this Agreement.

19. Consultation with Counsel. The Parties affirm that, prior to execution of this Agreement, they were aware and remain aware of their right to consult with legal counsel concerning the terms and conditions set forth herein.

20. Entire Agreement. This Agreement contains all of the terms and conditions agreed upon by the Parties regarding the subject matter of this Agreement. Any prior agreements, promises, negotiations, or representations, either oral or written, relating to the subject matter of this Agreement, not expressly set forth in this Agreement, are no longer of any force or effect.

21. Interpretation. The language in this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any of the Parties.

22. Severability. In the event that any provision of this Agreement is declared to be illegal, invalid, unenforceable, and/or void by a court of competent jurisdiction, such provision shall be deemed to be severed and deleted from this Agreement, but this Agreement shall in all other respects remain unmodified and continue in force and effect.

23. No Precedent. This Agreement is in no way intended, and shall in no way be construed, to restrict rights guaranteed to the City under local, state, or federal law, rule, policy or agreement, or to establish a precedent in this or any other matter, now or in the future. Nothing in this Agreement, nor any statements, discussions, or communications, nor any materials prepared, exchanged, issued or used during the negotiations leading to this Agreement, shall be admissible in any proceeding of whatever kind or nature except solely to prove breach of this Agreement.

24. Enforceable and Binding Agreement. This Agreement is intended to be binding and enforceable and reflects the material terms of the final agreement between the Parties to this dispute, and each of them, pursuant to Evidence Code section 1123. This Agreement is admissible and subject to disclosure, despite any otherwise enforceable requirements of confidentiality, for the purpose of establishing in court that an agreement has been reached by the Parties for purposes of enforcing and interpreting that agreement or as required by law.

25. Effective Date. The Effective Date of this Agreement occurs once all Parties have signed this Agreement.

26. Notice. Any and all notices given to any party under this Agreement shall be given as provided in this paragraph. All notices given to either party shall be made by certified or registered United States mail, electronic mail, or personal delivery, at the noticing party's discretion, and addressed to the parties as set forth below. Notices shall be deemed, for all purposes, to have been given on the date of personal or electronic service or three (3) consecutive calendar days following deposit of the same in the United States mail.

Notice to the City shall be made at:
City of Ojai, Attention: City Manager and City Attorney
401 S. Ventura Street, Ojai CA 93023

Notice to Employee shall be made at:
Anthony Palacios
2311 N H Street
Oxnard, CA 93036
email: bluemongoose01@yahoo.com

27. Waiver of Terms of Agreement. No waiver by any Party of any breach of any term or provision of this Agreement shall be, nor construed to be, a waiver of any preceding, concurrent or succeeding breach of the same, or any other term or provision hereof. No waiver shall be binding unless in writing and signed by the Party to be charged or bound.

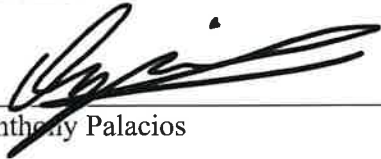
28. Execution of Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A photocopy, facsimile, or electronic transmission of the Agreement, including signatures, shall be deemed to constitute evidence of the Agreement having been executed.

PLEASE READ CAREFULLY. THIS SETTLEMENT AGREEMENT AND RELEASE INCLUDES A RELEASE BY EMPLOYEE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the Parties hereto have executed the Settlement Agreement and General Release.

ANTHONY PALACIOS

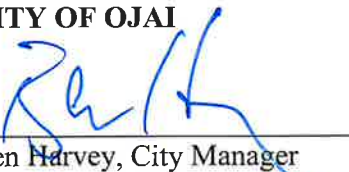
Dated: 4/29/2026



Anthony Palacios

CITY OF OJAI

Dated: 4/29/26

By: 

Ben Harvey, City Manager

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Dated: 4-29-2026

By: 

Jennifer Krikorian, City Attorney's Office
Bethany Burgess

FOR IMMEDIATE RELEASE

April 29, 2026

Contact: Norma Cervantes, Assistant to the City Manager norma.cervantes@ojai.ca.gov

CITY OF OJAI AND ANTHONY PALACIOS ANNOUNCE MUTUAL AGREEMENT ON SEPARATION OF EMPLOYMENT

Ojai, Calif. — The City of Ojai and Anthony Palacios announce today that they have reached a mutually agreed upon resolution regarding the conclusion of Anthony’s employment with the City as Transit Operations Supervisor.

Anthony has resigned from his position effective April 29, 2026, and the City Council wishes him success in all future endeavors. Anthony joined the City of Ojai in September 2024 and has supported its operations and the community during his tenure.

Anthony likewise expresses appreciation for the opportunity to serve the residents of Ojai and wishes the City continued success.

As part of the resolution, the City of Ojai and Anthony Palacios have agreed that this joint statement accurately reflects the circumstances of the separation. Neither the City nor Anthony will be providing additional comment regarding matters related to the employment or the resolution.

For further information, members of the media are directed to this joint statement.