

AGREEMENT AND GENERAL RELEASE

This **AGREEMENT AND GENERAL RELEASE** ("Agreement") is made and entered into by Sean R. Stegall ("Employee") and the Town of Cary, North Carolina, a municipal corporation ("the Town").

The Town currently employs Employee as Town Manager pursuant to the Employment Agreement dated May 26, 2016 ("Employment Agreement"), the terms of which provide for severance pay in the event of termination of employment for certain reasons set forth therein. Employee's employment with the Town shall terminate on the Effective Termination Date (defined in paragraph 1 below), and Employee is required to execute this Agreement as a condition of receiving severance pay pursuant to the terms of Employment Agreement.

In consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Employee and the Town agree as follows:

1. **TERMINATION**. Employee's employment with the Town shall terminate effective on the day Employee signs this Agreement but in no event later than the 21st calendar day following the Delivery Date (defined in paragraph 6 below) ("Effective Termination Date").

By signing this Agreement, Employee represents that he has been properly paid for all salary, expense reimbursement, and all other amounts of any kind due to him from the Town with the sole exception of (a) his final paycheck through the final payroll period of his employment and pay for any accrued but unused vacation which will be paid on the next regularly scheduled payroll date following his Effective Termination Date, and (b) the severance benefit payable under this Agreement.

2. **SEVERANCE BENEFIT**. In consideration of the execution and non-revocation of the general release of claims and other promises contained herein and on the condition that this Agreement becomes effective under paragraph 6 below and Employee fully complies with his obligations under this Agreement, Employee will be provided the following:

A. **Lump Sum Severance Pay**. The Town will pay Employee severance pay in the total amount of \$194,832.00 (less applicable withholdings), which is an amount equal to six (6) months of his current aggregate salary, payable in a lump sum on the first regular payroll date following the 10th day after this Agreement becomes effective as stated in paragraph 6 below.

B. **COBRA Assistance**. In the event that Employee timely and properly elects COBRA continuation coverage under the Town's group health plan, the Town will pay Employee an amount equal to the difference between the amount of the health insurance premium that Employee was paying immediately prior to the Effective Termination Date and the COBRA premium amount he pays to continue coverage under the Town's group health plan ("Premium Difference"), such payments to be made until the earlier of the six (6) month anniversary of the Effective Termination Date or the date on which Employee discontinues COBRA coverage. Payments will be made on a

monthly basis, but in no event later than the last day of the calendar year following the year in which the expenses were incurred. Payments will be grossed up for applicable taxes. Nothing in this Agreement shall constitute a guarantee of COBRA continuation coverage or benefits. Employee shall be solely responsible for all obligations in electing COBRA continuation coverage and taking all steps necessary to qualify for such coverage.

For the avoidance of doubt, the severance benefit afforded under this Agreement is in lieu of any other compensation or benefits to which Employee otherwise might be entitled, and payment of the severance benefit is conditioned upon Employee's execution, non-revocation, and compliance with the terms of this Agreement.

3. GENERAL RELEASE.

A. In consideration of the Severance Benefit and other consideration set forth in this Agreement, **EMPLOYEE (ON BEHALF OF HIMSELF AND HIS ASSIGNS, HEIRS, AND OTHER REPRESENTATIVES) RELEASES THE TOWN AND ITS RELATED PARTIES (DEFINED BELOW) ("RELEASEEES") FROM ALL CLAIMS, CONTESTED CASES, GRIEVANCES, DEMANDS, ACTIONS, OBLIGATIONS, LIABILITIES, DAMAGES, AND EXPENSES, KNOWN OR UNKNOWN, AND WAIVES ALL RIGHTS KNOWN OR UNKNOWN, HE MAY HAVE OR CLAIM TO HAVE RELATING TO HIS EMPLOYMENT WITH THE TOWN OR SEPARATION THEREFROM** arising before the execution of the Agreement to the fullest extent permitted by law, including but not limited to claims:

(i) for discrimination, harassment, or retaliation arising under federal, state, or local laws prohibiting age (including but not limited to claims under the Age Discrimination in Employment Act of 1967 (ADEA), as amended), sex (including pregnancy, gender identity, sexual orientation, transgender status), national origin, race, religion, disability, military or veteran status, or other protected class discrimination, harassment, or retaliation for protected activity;

(ii) for compensation and benefits (including but not limited to claims under Fair Labor Standards Act of 1938 (FLSA), Family and Medical Leave Act of 1993 (FMLA), all as amended, and similar federal, state, and local laws and claims under any other Town policy, plan, or program);

(iii) under federal, state, or local law of any nature whatsoever (including but not limited to claims under the Uniformed Services Employment and Reemployment Rights Act (USERRA), False Claims Act, constitutional, statutory, ordinances, tort, express or implied contract, or other common law) or the Town discipline or grievance policies and procedures;

(iv) for attorneys' fees; and

(v) of any kind whatsoever (with the sole exception of those listed below) whether or not Employee knows about them at the time he signs this general release. The identification of specific statutes is for purposes of example only, and the omission of any specific statute or law shall not limit the scope of this general release in any manner.

Provided, however, the release of claims set forth in this Agreement does NOT:

(vi) apply to claims for workers' compensation benefits or unemployment benefits filed with the applicable state agencies, vested retirement benefits, breach of this Agreement, or where otherwise prohibited by law;

(vii) bar a challenge under the Older Workers Benefit Protection Act of 1990 (OWBPA) to the enforceability of the waiver and release of ADEA claims set forth in this Agreement; or

(viii) prohibit Employee from filing a charge with or participating in an investigation by the U.S. Equal Employment Opportunity Commission or other governmental agency with jurisdiction concerning the terms, conditions, and privileges of employment or jurisdiction over the Town's business or assisting with an investigation conducted internally by the Town; provided, however, that by signing this Agreement, Employee waives the right to, and shall not seek or accept, any monetary or other relief of any nature whatsoever in connection with any such charges, investigations, or proceedings except as follows: This Agreement does not limit Employee's right to seek or receive an award from a governmental agency or regulatory or law enforcement authority for providing information in connection with protected whistleblower activity.

B. Employee will not sue the Town and/or its Related Parties on any matters relating to his employment or separation therefrom arising before the execution of this Agreement (with the sole exception of claims and challenges which are not released by this Agreement as set forth in subparagraph A (vi) and (vii) above), or join as a party with others who may sue on any such claims, or opt-in to an action brought by others asserting such claims, and in the event that Employee is made a member of any class asserting such claims without his knowledge or consent, Employee shall opt out of such action at the first opportunity.

C. The Town and its Related Parties which are being released by this Agreement include: the Town, Town Council (as a body and individually, including past and present councilmembers), Town attorneys, Town Clerk, and the Town's officers, directors, employees, employee benefit plans (together with all plan administrators, trustees, fiduciaries, and insurers), and agents.

4. NON-DISPARAGEMENT. Employee represents and warrants that since receiving this Agreement, he has not made, and going forward will not make, disparaging, defaming, or derogatory remarks about the Town, the Town Council or its individual council members (past and present), Town services, Town business practices, Town attorneys, Town Clerk, or the Town's officers, directors, or employees to anyone. Nothing in this section nor in this Agreement is intended, nor shall be construed, to prohibit Employee from any communications to, or participation in any investigation or proceeding conducted by, any governmental agency referenced in paragraph 3 or prevent Employee from otherwise engaging in any legally protected activity.

5. CONFIDENTIALITY OF TOWN INFORMATION AND RETURN OF TOWN PROPERTY.

A. Employee shall not at any time disclose, use, or aid third parties in obtaining or using any confidential or proprietary Town information nor access or attempt to access any Town computer systems, networks, or any resources or data that resides thereon, nor delete or otherwise destroy any information or data that resides thereon. By executing this Agreement, Employee represents that at no time prior to executing this Agreement (including during periods of administrative leave), has he engaged any of the acts listed above, with the sole exception of any use or access necessary for him to perform his duties during his employment with the Town and only then in strict compliance with applicable Town policies. Confidential or proprietary information is information relating to the Town or any aspect of its business or services which is not generally available to the public or other third parties, or ascertainable through common sense or general business or technical knowledge. Nothing in this paragraph or in this Agreement is intended, nor shall be construed, to: (i) prohibit Employee from any communications to, or participation in any investigation or proceeding conducted by, any governmental agency referenced in paragraph 3, or (ii) prevent Employee from otherwise engaging in any legally protected activity. Moreover, notwithstanding the foregoing or any other provision in this Agreement, Employee understands that Employee cannot be held criminally or civilly liable under any federal or state trade secret law if Employee discloses a trade secret (iii) to federal, state, or local government officials, to Employee's attorneys, or in a sealed court document, for the purpose of reporting or investigating a suspected violation of the law, or (iv) to Employee's attorneys or in a sealed court document in connection with a lawsuit for retaliation by an employer for reporting a suspected violation of the law. Nothing in this Agreement shall relieve Employee from any ongoing obligations that Employee has under any confidentiality agreements that Employee previously executed in connection with Employee's employment with the Town, or any confidentiality policies applicable to Employee. All such obligations shall continue to be in full force and effect upon the execution of this Agreement subject to the clarifications set forth in this paragraph.

B. All records, files, or other materials maintained by or under the control, custody, or possession of the Town or its agents in their capacity as such shall be and remain the property of the Town and Employee shall return all such property. By signing this Agreement, Employee represents that:

(i) Employee has returned all Town property (including, but not limited to, credit cards; keys; cell phone; air card; access cards; thumb drive(s), laptop(s), personal digital devices and all other computer hardware and software; records, files, documents, manuals, and other documents in whatever form they exist, whether electronic, hard copy, or otherwise and all copies, notes, or summaries thereof) and turned over all passwords, log-in IDs, credentials, and access codes that Employee created, received, used, or otherwise obtained in connection with Employee's employment;

(ii) Employee has not copied and will not cause to be copied, and has not printed and will not print or cause to be printed, any software, documents, or other materials originating with or belonging to the Town other than in the course of Employee's legitimate performance of Employee's job duties through the Effective Termination Date and Employee will return all such materials to the Town;

(iii) Employee has not deleted any emails, files, or other information from any Town computer or device before Employee's return of the property except in compliance with the Town record retention policies, including compliance with litigation holds and preservation notices issued to Employee;

(iv) Employee has not deleted any email, files, text messages, or other information that constitute public records under North Carolina law from Employee's personal computer(s), other devices, or accounts and will submit upon request all personal computers, phones, and other devices which Employee used for Town business, and identified all personal accounts on which Town information has been placed and related passwords, to a third-party vendor, if and as may be designated by the Town, for inspection and removal of any Town-related information; and

(v) Employee will fully cooperate with the Town in winding up Employee's work and transferring that work to those individuals designated by the Town through the Effective Termination Date. Employee agrees that he will assist and cooperate with the Town in connection with the defense or prosecution of any claim that may be made against or by the Town, or in connection with any ongoing or future investigation or dispute or claim of any kind involving the Town, including any proceeding before any arbitral, administrative, judicial, legislative, or other body or agency, including testifying in any proceeding to the extent such claims, investigations, or proceedings relate to services performed or required to be performed by Employee, pertinent knowledge possessed by Employee, or any act or omission by Employee. Employee further agrees to perform all acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Section 5.B.(v). The Town shall make reasonable efforts to minimize disruption of the Employee's other activities. The Town shall reimburse the Employee for reasonable expenses incurred in connection with such cooperation. For the avoidance of doubt, this provision does not prevent the Employee from reporting possible law violations to any other federal or state regulatory authority, or participating, assisting, or cooperating in governmental investigations.

6. **RIGHT TO REVIEW AND REVOKE.** The Town delivered this Agreement to Employee on November 25, 2025 ("Delivery Date") by electronic delivery to his personal email address stegallsean@gmail.com and desires that he have adequate time and opportunity to review and understand the consequences of entering into it. Accordingly, the Town advises him to consult with his attorney prior to executing it and that he has 21 days within which to consider it. The parties agree that any changes made to the Agreement, whether material or immaterial, will not restart the running of the review period.

To accept the Agreement, Employee must sign this Agreement and return it by electronic delivery before the 22nd calendar day following the Delivery Date to: Renee P. Poole, Chief Human Resources Officer, Town of Cary (email address: Renee.Poole@carync.gov). In the event that Employee does not return an executed copy of this Agreement in the time frame described above, this Agreement and the obligations of the Town herein shall become null and void, and Employee will not receive the severance benefits set forth in Paragraph 2 above.

Employee may revoke the Agreement during the seven (7) day period immediately following his execution of it. The Agreement will not become effective or enforceable until the revocation period has expired without revocation. To revoke the Agreement, a written notice of revocation must be emailed to Renee P. Poole, address above.

7. CONFIDENTIALITY. Employee shall keep the terms and provisions of this Agreement confidential, and Employee represents and warrants that since receiving this Agreement he has not disclosed, and going forward will not disclose, the terms and conditions of this Agreement to third parties, except as follows: (i) he may reveal the terms and provisions of this Agreement to members of his immediate family, tax advisor, or to an attorney whom he may consult for legal advice provided that such persons agree to maintain the confidentiality of the Agreement, or to representatives of any governmental agency referenced in paragraph 3, and (ii) he may disclose the terms and provisions of this Agreement to the extent such disclosure is required by law.

8. BOOK. Employee acknowledges that Town holds all rights now or hereafter existing in the book "Top of the Arc" (Hardcover ISBN 9798895150849 and Ebook ISBN 9798895150429) ("Book"), including rights of copyright throughout the universe in all languages and in all media, including renewals and extensions of such copyright. In the event it is determined that the Book is not a "work-for-hire" under any applicable laws or regulations, then this Agreement shall be deemed to constitute an assignment of all rights to Town, including but not limited to any and all copyright therein.

9. OTHER. Except as expressly provided in this Agreement, this Agreement supersedes all other understandings and agreements, oral or written, between the parties and constitutes the sole agreement between the parties with respect to its subject matter. Each party acknowledges that no representations, inducements, promises, or agreements, oral or written, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement and no agreement, statement, or promise not contained in the Agreement shall be valid or binding on the parties unless such change or modification is in writing and is signed by the parties. Employee's or the Town's waiver of any breach of a provision of this Agreement shall not waive any subsequent breach by the other party. If a court of competent jurisdiction holds that any provision or sub-part thereof contained in this Agreement is invalid, illegal, or unenforceable, that invalidity, illegality, or unenforceability shall not affect any other provision in this Agreement.

This Agreement is intended to avoid all litigation relating to Employee's employment with the Town and his termination therefrom; therefore, it is not to be construed as the Town's admission of any liability to him - liability which the Town denies.

If Employee does not abide by this Agreement, then: (i) the Town will be relieved of its obligations hereunder, and Employee will return all monies received under this Agreement with the sole exception of One Hundred Dollars (\$100) which Employee will retain as full and complete consideration for his obligations under this Agreement and general release which will remain in full force and effect to the fullest extent permitted by the law, and (ii) he will indemnify the Town for all expenses it incurs in seeking to enforce the Agreement or as a result

of his failure to abide by this Agreement, including reasonable attorneys' fees in defending any released claims.

This Agreement shall apply to, be binding upon, and inure to the benefit of the parties' successors, assigns, heirs, and other representatives and be governed by North Carolina law (with the sole exception of its conflicts of laws provisions) and the applicable provisions of federal law, including but not limited to ADEA. The state and federal courts in North Carolina shall be the exclusive venues for the adjudication of all disputes arising out of this Agreement, and Employee consents to the exercise of personal jurisdiction over him in any such adjudication and hereby waives any and all objections and defenses to the exercise of such personal jurisdiction and such venue.

The parties hereby consent to (i) conduct business electronically, (ii) receive such documents and notices by such electronic delivery, and (iii) sign documents electronically via an electronic signature program that complies with federal law (e.g., www.docusign.com). This Agreement may be executed via electronic or facsimile signature, which shall be deemed an original for all purposes, and in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and the parties agree that their electronic signatures on this Agreement is intended to authenticate this writing and to have the same force and effect as a manual signature.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day and year written below.

[SIGNATURE PAGE FOLLOWS]

AGREEMENT AND GENERAL RELEASE

SIGNATURE PAGE

EMPLOYEE REPRESENTS THAT HE HAS CAREFULLY READ THE ENTIRE AGREEMENT, UNDERSTANDS ITS CONSEQUENCES, AND VOLUNTARILY ENTERS INTO IT.

Sean R. Stegall

December 13, 2025

Sean R. Stegall

Date

TOWN OF CARY

By: _____

Title: _____

AGREEMENT AND GENERAL RELEASE

SIGNATURE PAGE

EMPLOYEE REPRESENTS THAT HE HAS CAREFULLY READ THE ENTIRE AGREEMENT, UNDERSTANDS ITS CONSEQUENCES, AND VOLUNTARILY ENTERS INTO IT.

Sean R. Stegall

Date

TOWN OF CARY

By: Harold Weibusch

12/15/25
Date

Title: Mayor

Certificate of Town of Cary Finance Officer

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Kimberly O'Brien
Finance Officer

12/15/2025
Date