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**SETTLEMENT AGREEMENT  
AND  
RELEASE**

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This **SETTLEMENT AGREEMENT AND RELEASE** (this “**Agreement**”) is made this 12<sup>th</sup> day of September 2023, by and between **ROBERT DISPIRITO** (“**Releasor**”) and **THE MAYOR AND COUNCIL OF ROCKVILLE**, a body corporate and politic and municipal corporation of the State of Maryland (the “**City**”). Individually, the City and Releasor may each be referred to hereinafter as the “**Party**,” or collectively as the “**Parties**.”

**RECITALS**

- A. WHEREAS**, the Releasor entered into an Employment Contract with the City, dated November 23, 2016 (the “**Employment Contract**”), to serve as the City Manager for the City of Rockville, Maryland, effective January 3, 2017; and
- B. WHEREAS**, effective August 17, 2023 (the “**Resignation Date**”), the City Manager resigned from his position as the City Manager for the City of Rockville, Maryland; and
- C. WHEREAS**, in consideration of certain payments and/or benefits listed below, Releasor agrees to and hereby releases and forever discharges the City from all claims concerning the acts or omissions which were actually asserted, or which could have been asserted by Releasor with respect to Releasor’s employment with the City, including without limitation, all claims for declaratory or injunctive relief and all claims for attorneys’ fees, except as expressly set forth herein and other costs (the “**Release**”); and
- D. WHEREAS**, in consideration of the Release, the City hereby agrees to pay to Releasor a one-time lump sum cash payment of **Two Hundred Twenty-Nine Thousand Six Hundred Thirty and 98/100 Dollars (\$229,630.98)** (the “**Settlement Payment**”), which consists of the following: **(i)** a lump sum cash payment equal to nine (9) months of Releasor’s most recent salary totaling Two Hundred Six Thousand Nine Hundred Nineteen and 93/100 Dollars (\$206,919.93); **(ii)** a lump sum cash payment equal to Twenty Two Thousand One Hundred Thirteen and 90/100 Dollars (\$22,113.90), the City’s portion of the Releasor’s health and dental insurance benefits through COBRA for nine (9) months, and **(iii)** a lump sum cash payment equal to Five Hundred Ninety-Seven and 15/100 Dollars (\$597.15), the two percent (2%) administrative cost for COBRA for nine (9) months; and
- E. WHEREAS**, the Releasor shall also be entitled to receive lump sum payment of 547.5 hours of entitled annual leave for a total amount of **Seventy Seven Thousand Four Hundred Sixty-Two and 33/100 Dollars (\$77,462.33)**; and
- F. WHEREAS**, it is the intent of Releasor and the City that all claims concerning the acts or omissions which were actually asserted, or which could have been asserted with respect to Releasor’s employment with the City, be settled and discharged, including without

limitation, all claims for declaratory or injunctive relief and all claims for attorneys' fees, except as expressly set forth herein and other costs; and

**G. WHEREAS**, it has been determined by the Mayor and Council of Rockville that the execution of this Agreement, and the provisions contained herein, is in the best interest of the City of Rockville, Maryland.

**NOW, THEREFORE**, in consideration of the mutual promises of the Parties and other good and valuable consideration contained herein, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. The foregoing recitals are fully incorporated into this Agreement by this reference as if fully set forth herein.

2. Releasor hereby completely releases and forever discharges the City, its agents, servants, employees, successors and assigns, in their individual and official capacities, from any and all past, present or future claims, demands, obligations, actions, causes of action, rights, damages, costs, losses of services or other losses, expenses and compensation of any nature whatsoever, whether based in tort, contract or other theory of recovery, which Releasor now has, or which accrued up to and including the Resignation Date or otherwise may be acquired on account of, or may in any way grow out of his employment with the City, including without limitation, any and all known or unknown claims for bodily, economic or other injuries to Releasor.

3. Releasor acknowledges that he is knowingly and voluntarily waiving and releasing any and all rights under the Age Discrimination and Employment Act of 1967 (as amended) ("ADEA"), 29 U.S.C. § 621 *et seq.* Releasor also acknowledges that the consideration given for the above waiver and release is in addition to anything of value to which he is already entitled. Releasor further acknowledges that he has been advised by this writing as required by the ADEA that: (a) the waiver and release do not apply to any rights or claims that may arise after the date this Agreement is signed; (b) Releasor has been advised hereby that he has the right to consult with an attorney prior to executing this Agreement; (c) Releasor has Twenty-One (21) days to consider this Agreement (although he may choose to voluntarily execute the Agreement earlier); and (d) Releasor has Seven (7) days following execution of this Agreement to revoke the Agreement and that if he does so, the Agreement shall be of no force or effect and he will not be entitled to receive the Compensation.

4. Releasor understands that the claims released include, without limitation, whether based on federal, State or local law, claims for breach of any implied contract, quasi contract, express contract or covenant; claims for promissory estoppel; claims of entitlement to any pay (other than the consideration, as set forth above) claims of wrongful denial of insurance and employee benefits or wages; claims for wrongful termination, public policy violations, unfair business practices, negligence, defamation, invasion of privacy, fraud, misrepresentation, emotional distress or other common law or tort causes of action; wage and hour claims; claims of harassment, retaliation or discrimination under federal, State or local law; claims based on any federal, State or other governmental statute, regulation or ordinance, including, without limitation,

the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*; Title VII of the Civil Rights Act of 1964 (and as amended in 1991), 42 U.S.C. § 2000e *et seq.*; the Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.*; the Employee Retirement Income Security Act (as amended), 29 U.S.C. § 1001 *et seq.*; the Consolidated Omnibus Budget Reconciliation Act of 1985, 29 USC §§ 1161-67, 42 USC §§ 300bb-1-300bb-8; the Worker Adjustment and Retraining Act; the Family and Medical Leave Act; Title 20 of State Government Article of the Maryland Annotated Code; the National Labor Relations Act, the Labor Management Relations Act; all claims or causes of action that are known or unknown, suspected or unsuspected, concealed or hidden or whether developed or undeveloped, up through and including the Resignation Date; and any liability for damages, affirmative or equitable relief, judgments or attorneys' fees therefrom.

5. Nothing in this Agreement precludes Releasor from filing a charge with or participating in an investigation of the Equal Employment Opportunity Commission or similar State agency. However, Releasor agrees not to accept any monetary relief whatsoever as a result of such charge or investigation. Nothing herein shall affect any pension benefit to which Releasor may be entitled.

6. Releasor understands and agrees to be solely responsible for the payment of all income and other taxes due, or that may become due, because of the Settlement Payment received as described in this Agreement, including, but not limited to, those imposed by federal, State, county and municipal jurisdictions, and Releasor hereby agrees to indemnify and hold the City harmless against any taxes, interest, penalties or other charges assessed by any federal, State or local taxing authority in connection with the Settlement Payment. Notwithstanding the forgoing, the City may withhold from amounts payable under this Agreement all federal, State, local and foreign taxes that are required to be withheld by applicable laws or regulations.

7. This Release shall be fully binding and complete settlement between and among the Releasor, the City and their heirs, assigns, insurers, representatives and successors of the same.

8. Releasor acknowledges and agrees that the Release and discharge set forth above is a general release as to the City. Releasor expressly waives and assumes the risk of any and all claims arising from his employment with the City which exist as of this date, but of which Releasor does not know or suspect to exist, whether through ignorance, oversight, error, negligence or otherwise and which, if known, would materially affect Releasor's decision to enter into this Release. Releasor further agrees that he has accepted the agreements made by the City herein as a complete compromise of matters involving disputed issues of law and fact. Releasor assumes the risk that the facts or law may be other than as he believes.

9. Releasor agrees that neither this Agreement nor any action by the City pursuant to this Agreement shall constitute or be construed as an admission of liability on the part of the City, its officials, officers and/or current or former employees and agents.

10. Releasor agrees and acknowledges that if any litigation is brought against the City, Releasor will cooperate in connection with any such litigation against the City by being available

to provide information of which he has personal knowledge, including background information and to provide testimony as it relates to the litigation.

11. Releasor agrees that he shall keep the terms of this settlement completely confidential, and that confidentiality is an essential element of the settlement itself. Except as may become required by law, Releasor subscribes to this confidentiality paragraph of this Release, and together with and on behalf of his respective attorneys, agents, employees and representatives, hereby agrees and promises that the terms of this Release shall remain confidential and shall not be communicated in any manner to any third party (other than his financial advisor, legal advisor or accountant for purposes of obtaining professional advice), person, relative (other than spouse), friend or entity whatsoever. Additionally, this confidentiality provision shall not apply to Releasor's disclosure of this Agreement, or the basis of this Agreement, to the Internal Revenue Service or the appropriate State or local taxing agency.

12. In the event that Releasor receives any legal process, Court order or subpoena which requests or compels disclosure of information deemed confidential hereunder, Releasor within five (5) days after such receipt shall provide notice to the City's Attorney's Office. The notice shall include copies of the applicable legal process, Court order and/or subpoena. Unless a shorter time is required by the legal process, Court order and/or subpoena, Releasor shall not comply with the same until at least five (5) days after notice has been received. Violation of the confidentiality provisions of this Release by Releasor, his attorneys, agents, representatives and/or assigns, shall entitle the City to seek an appropriate remedy in any Court of law in the State of Maryland, jurisdiction to which Releasor submits by his signature on this Release.

13. Releasor agrees not to, directly or indirectly, engage in communication or conduct that disparages the City, its elected officials, officers, employees or agents or make any negative statements about the employment practices of the City. The Releasee agrees not to, directly or indirectly, engage in communication or conduct that disparages the Releasor. In addition, Releasor agrees not to help, encourage or voluntarily participate in the asserting or filing of any claim or suit related to the employment or separation thereof, of any individual currently employed by the City, except as required by law.

14. Releasor agrees that the City shall be entitled to injunctive or other equitable relief enjoining and restraining any actual or threatened breaches of the provisions of this Agreement. Nothing herein, however, shall be construed as prohibiting the City from pursuing any other remedies available to the City for such breach or threatened breach, including but not limited to, the recovery of damages (both actual and punitive) from Releasor.

15. Releasor agrees that as an employee of the City, Releasor had access to and may have become informed of confidential, proprietary and trade secret information of the City ("**Confidential Information**"). Such Confidential Information includes, but is not limited to, any information concerning City operations, systems, projects, products, pricing methods, marketing plans, services, or any other information about the City or its operations which is not generally known to the public and if misused or disclosed, could adversely affect the City. Releasor agrees that he will keep in strict confidence and will not directly or indirectly disclose or use any

Confidential Information of the City unless required by law or court order. Releasor acknowledges and agrees that the duties and obligations under this Section will continue for as long as such Confidential Information remains confidential with respect to the City. Releasor further acknowledges and agrees that any breach of this Section would constitute a material breach of this Agreement, and any violation of this provision shall entitle the City to appropriate relief, including injunctive relief and an award of actual damages.

**16.** Releasor represents and warrants that no other person or entity has, or has had, any interest in the claims, demands, obligations or causes of action referred to in this Release, except as otherwise set forth herein; that he has the sole right and exclusive authority to execute this Release and to agree to the terms specified in it; and that he has not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations or such causes of action referred to in this Release.

**17.** As of the date of the execution of this Agreement, Releasor will have returned all City property (keys, credit cards, identifications, computers, PDAs, phones, pagers etc.) and information, including manuals or other materials created by the City or used by the City in any manner, which directly or indirectly relates to the City's operations.

**18.** Releasor understands and agrees for himself, his successors, heirs, administrators and assigns, that in the event any provision of this Release shall be deemed for any reason to be unenforceable, illegal or otherwise invalid, then that provision alone shall be stricken, and the remaining provisions shall survive and shall be enforceable in accordance with their terms.

**19.** Releasor has been advised to consult with an attorney prior to executing this Agreement. In signing this Agreement, Releasor has relied on his own judgment and/or the advice of his attorney, and not on any statement or representation made by the City or its officers, employees or representatives. Releasor understands the terms and conditions of this Agreement, has fully read the same, agrees to abide by them, and voluntarily execute it without any reservation. Releasor understands this Agreement is a full and final release of any and all claims that Releasor may have against the City.

**20.** This Agreement shall constitute the entire agreement between Releasor and the City, and any modifications hereto shall be in writing and signed by both Parties. This Agreement may not be modified by any oral statements or representation by any representative of the City, whether or not said representations purport to be on behalf of the City. The interpretation of this Agreement shall be governed by the laws of the State of Maryland. Both Parties agree and consent to the jurisdiction of the Maryland State Courts with respect to any dispute arising out of this Agreement and further agree and consent to venue in Montgomery County, Maryland.

**21.** This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

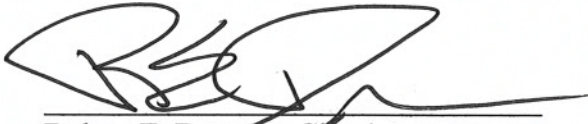
**[Signatures and acknowledgments appear on the following pages]**

**IN WITNESS WHEREOF**, the Mayor and Council of Rockville and Robert DiSpirito have each executed or caused to be duly executed, this Settlement Agreement and Release under seal in duplicate, in the name and behalf of each of them (acting individually or by their respective officers or appropriate legal representatives, as the case may be, thereunto duly authorized) as of the day and year first written above.

**MAYOR AND COUNCIL**

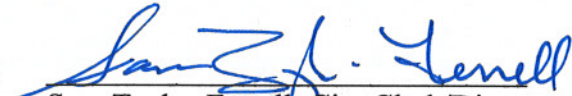
**Approved as to form:**

**THE MAYOR AND COUNCIL OF  
ROCKVILLE**, a body corporate and municipal  
corporation of the State of Maryland

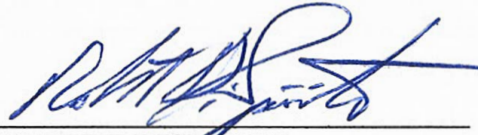
  
\_\_\_\_\_  
Robert E. Dawson, City Attorney

By:   
\_\_\_\_\_  
Bridget Donnell Newton, Mayor

**ATTEST**

By:   
\_\_\_\_\_  
Sara Taylor-Ferrell, City Clerk/Director of  
Council Operations

**THE UNDERSIGNED REPRESENTS AND WARANTS THAT HE HAS READ THE FOREGOING AGREEMENT, FULLY UNDERSTANDS AND AGREES TO ITS TERMS AND HAS THE REQUISITE AUTHORITY TO EXECUTE, WHETHER SIGNING INDIVIDUALLY OR IN A REPRESENTATIVE CAPACITY.**

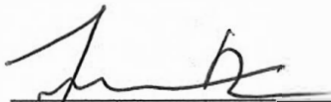
By:   
**ROBERT DISPIRTO**  
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I

**ACKNOWLEDGMENT**

STATE OF MARYLAND  
COUNTY OF MONTGOMERY, to wit:

I hereby certify that on the 14 day of September 2023, before me, the subscriber, a notary public of the State of Maryland, in and for Montgomery County, personally appeared Robert DiSpirito, and made an affirmation in due form of law that the matters and facts set forth in that certain Settlement Agreement and Release, dated September \_\_\_ 2023, by and between Robert DiSpirito and the Mayor and Council and Rockville, are true.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

  
\_\_\_\_\_  
NOTARY PUBLIC  
My Commission Expires: 09/27/2025  
Serial Number: \_\_\_\_\_

<b>FARUK DIAMOND HARJI</b> Notary Public Montgomery County Maryland My Commission Expires Sept. 27, 2025
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