WAGE AND HOUR AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND LIMITED RELEASE

This Wage and Hour and Private Attorneys General Act Settlement Agreement and Release ("Agreement") is made by and between Rachael Clark ("Releasor"), on behalf of herself, on behalf of the PAGA Employees (as defined below), and as a proxy/agent for the California Labor Workforce Development Agency ("LWDA"), and Releasee Woodland Veterinary Hospital ("Releasee"), to resolve the Action and Released Claims, subject to the terms and conditions hereof. Releasor and Releasee are collectively referred to herein as the "Parties" and each may be individually referred to as a "Party."

I. REPRESENTATIONS AND DEFINITIONS

1. "Action" means and refers to Releasor's PAGA Notice filed with the LWDA on behalf of herself and other aggrieved employees, *Rachel Clark v. Woodland Veterinary Hospital*, No. LWDA-CM-1084200-25, dated March 5, 2025.

2. "Agreement" means the settlement agreement reached between the Parties as set forth in this Private Attorneys General Act Settlement Agreement and Limited Release, and the terms, conditions and requirements set forth herein, including any attached exhibits.

3. "Counsel for Releasee" means and refers to Natalie P. Vance and Seana K. Scholtemeyer of Klinedinst PC for Woodland Veterinary Hospital.

4. "Releasee" means and refers to Woodland Veterinary Hospital.

5. "Effective Date" means and refers to the date by which all of the following have occurred: (1) the LWDA has approved the settlement (as defined below), and (2) the Releasee has fully funded the Settlement.

6. "LWDA" means and refers to the California Labor and Workforce Development Agency.

7. "PAGA" means and refers to the Private Attorneys General Act of 2004, codified at California Labor Code § 2698, *et seq.*

8. "PAGA Employees," or singularly "PAGA Employee," means and refers to Releasee's current and former employees who were employed as inventory managers, clerical staff, veterinary technicians, veterinary technician leads, front desk staff and receoptionists, front desk managers, Client Care Representatives, Lead Client Care Representatives, pet hotel

associates, kennel staff, pet hotel leads, animal care attendants and/or associates in the State of California at any time during the PAGA Period.

9. "PAGA Period" means the time period between March 5, 2024 through June 9, 2025.

10. "Parties" means and refers to, collectively, Releasor and Releasee, and "Party" means and refers to Parties individually.

11. "Pay Periods" means and refers to the total number of pay periods that each PAGA Employee worked as a Client Care Representative for Releasee during the PAGA Period.

12. "Releasor" means Rachel Clark.

13. "Releasor's Counsel" means and refers to Terry R. Leoni and Jenica P. Leonard of Leoni Law, PLC.

14. "Released Claims" means and refers to all claims alleged or could have been alleged based on the facts alleged in the PAGA Notice to the LWDA and case *Rachel Clark v. Woodland Veterinary Hospital*, No.LWDA-CM-1084200-25,which arose during the PAGA Period for violations of Labor Code sections 201, 203, 210, 226(a), 226.3, 226.7, 510, 1102.5, 1174, 1174.5, 1194, 1199, and 2698.

15. "Released Parties" means and refers to **Releasee** and their past and present, subsidiaries, affiliates, directors, officers, managing agents, and owners.

II. NATURE OF ACTION

1. On March 5, 2025, a letter was sent by Releasor to the LWDA and Releasee giving notice of her intent to pursue a representative action pursuant to the PAGA, on behalf of herself and the State of California, as well as on behalf of a proposed group of aggrieved employees. This letter is referred to as "Notice to the LWDA."

2. The Parties engaged in significant investigation and an exchange of data and documents, and after weeks of settlement discussions, the Parties reached the Settlement described herein.

3. This Settlement relates solely to the PAGA claims on behalf of Releasor and the State of California with respect to Releasor and all PAGA Employees. Releasee denies any liability or wrongdoing of any kind associated with the claims alleged in the Action, denies liability

for the Released Claims, and further denies that the Action is appropriate for representative treatment for any purpose other than settling this Action.

4. Releasee contends that it has complied at all times with the California Labor Code and the related Industrial Welfare Commission Wage Orders, all other state and federal wage laws, and further contends that all of their respective employees were and are paid properly and that the Action is without merit, with the exception of the failure to pay certain meal premiums. Releasee contends that it discovered in 2024 that a former employee had removed meal premiums from payroll without the knowledge or consent of the owners of the business. After discovering the error, in May 2024, Releasee contends that it immediately took steps to ensure automatic payment of meal premiums where time records showed a late, short or missed meal period, and timely paid all past-owed meal premiums for missed and late meal premiums to its current and former employees, going back to January 2022, except Releasee did not pay Releasor for certain alleged meal violations that were disputed by Releasee. Releasee has denied and continues to deny all other factual allegations and alleged claims asserted against it in the Action. Releasor disagrees with this characterization of the facts, but for the purposes of settlement, acknowledging the risks inherent in proceeding litigation, accepts them.

5. The Parties recognize that the issues presented in the Action are likely only to be resolved with litigation and costly pretrial and trial proceedings, which will cause inconvenience, distraction, disruption, delay and expense disproportionate to the potential benefits of litigation. The Parties have taken into account the risk and uncertainty of the outcome inherent in any litigation.

6. Based on their own independent investigations and evaluations, the Parties and their respective counsel are of the opinion that the settlement for the consideration and on the terms set forth in this Agreement is fair, reasonable, adequate, and is in the best interests of Releasor, PAGA Employees, the State of California, and Releasee in light of all known facts and circumstances and the risks inherent in litigation, including the potential appellate issues. Further, Releasor's Counsel believes that the settlement amount entered into is in the best interests of the PAGA Employees and the Statement of California, and fair, reasonable, and adequate given the inherent risk of litigation.

III. TERMS OF SETTLEMENT

1. In consideration of the mutual covenants, promises and representations set forth in this Agreement, Releasor, on behalf of herself, the State of California, and all PAGA Employees, and Releasee agree to settle and compromise the Action and the Released Claims.

2. The Gross Settlement Amount. As consideration for the settlement described herein and the release provided herein, Releasee agrees to pay the all inclusive total amount of Five Thousand Dollars and Zero Cents ($5,000.00) (the "PAGA Settlement Amount" or "PSA") no later than thirty (30) calendar days after final approval of the settlement has been ordered by the LWDA. The PAGA Settlement Amount shall be allocated one hundred percent to PAGA Penalties in the amount of $5,000.00 to be paid to the LWDA and PAGA Employees, as set forth herein. Sixty Five Percent (65%) of the PAGA Penalties will be paid to the LWDA ("LWDA Payment"), and Thirty Five Percent (35%) of the PAGA Penalties will be paid to the PAGA Employees ("Employee Amount"), as required by California Labor Code § 2699(m).

3. Allocation and Calculation of the Individual Settlement Payments. Each PAGA Employee will receive a *pro rata* portion of the Employee Amount, determined based on the pay periods that he or she worked for Releasee in the State of California during the PAGA Period, to be calculated as follows: the Employee Amount will be divided by the total number of Pay Periods of all PAGA Employees to yield the "Per Pay Period Amount," and then each PAGA Employee's individual number of Pay Periods will be multiplied by the Per Pay Period Amount to yield his or her "Individual Settlement Payment." Individual Settlement Payments shall be paid to PAGA Employees by way of a single check to each PAGA Employee ("Individual Settlement Check").

4. Tax Treatment of Individual Settlement Payments to PAGA Employees. The Parties agree that Individual Settlement Payments sent to PAGA Employees will be characterized One Hundred Percent (100%) as penalties and Form 1099s will be issued. Nothing in this Agreement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Releasor and PAGA Employees shall be deemed to acknowledge that they have not obtained any tax advice from Releasee, Counsel for Releasee, or Releasor's Counsel, and that neither Releasee, Counsel for Releasee, nor Releasor's Counsel have made any representation concerning the tax consequences, if any, of any payments made pursuant to this Agreement. To the extent that this Agreement or its attachment(s) are interpreted to contain or constitute advice regarding any U.S. or Federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Releasor and PAGA Employees are solely responsible for any tax obligations in connection with any payments made pursuant to this Agreement.

5. Releasor's Counsel's Attorneys' Fees and Costs. Each Party agrees to be responsible for their own fees and costs in connection with the PAGA settlement.

6. No Effect on Employee Benefits. The payments made to Releasor and other PAGA Employees pursuant to this Agreement are not intended to count as earnings by Releasor or the

PAGA Employees, and will not entitle Releasor or the PAGA Employees to any additional compensation and/or benefits under any retirement, benefit, bonus, incentive, pension, welfare, and/or any other plan of or sponsored by Releasee. Releasee shall not make as part of this Agreement, nor be required to make, any deductions, nor pay any monthly contributions for any insurance, retirement, bonuses, 403(b), or profit sharing plans related to monies paid as a result of this Agreement. The Individual Settlement Payments paid to PAGA Employees shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g. bonuses, vacation, holiday pay, retirement plans, etc.) of PAGA Employees. The Parties agree that any Individual Settlement Payments paid to PAGA Employees under the terms of this Agreement do not represent any modification of PAGA Employees' previously credited hours of service or other eligibility criteria under an employee benefit plan sponsored by Releasee. Further, any Individual Settlement Payments are penalties and thus shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, and employee benefit plan or bonus plan sponsored by Releasee.

IV. RELEASE OF CLAIMS

1. Release by Releasor, PAGA Employees and LWDA. Upon the Effective Date, Releasor and each PAGA Employee, shall fully release and forever discharge Released Parties from the Released Claims during the period from March 5, 2024 through June 9, 2025, and the State of California shall fully release and forever discharge Released Parties from the Released Claims as they pertain to Releasor and PAGA Employees from March 5, 2024 through June 9, 2025.

2. It is understood and agreed that this Agreement neither releases the Released Parties from liability, if any, to PAGA Employees for violations of any predicate statutes other than PAGA, nor effects a waiver of claims by PAGA Employees against the Released Parties for the same.

V. ADDITIONAL TERMS.

1. No Prior Assignments. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

2. No Admission. Nothing contained herein, nor is the consummation of this Settlement, to be construed or deemed an admission with respect to liability, culpability,

negligence, or wrongdoing on the part of Releasee, Released Parties, Releasor, Releasor's Counsel, PAGA Employees, or the LWDA. Each of the Parties hereto has entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience and expenses. Releasee denies that it has engaged in any unlawful activity, that it has failed to comply with the law in any respect, and that it has any liability to anyone under the claims asserted in the Action. The Parties agree that this Agreement does not constitute an admission by Releasee or any of the Released Parties of any of the matters alleged in the Action or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing by Releasor, Releasee or any of the Released Parties.

3. Nullification. If the LWDA should fail to approve the Settlement as agreed upon by the Parties, the Parties shall coordinate efforts to address the LWDA's questions or concerns and work jointly to make reasonable efforts to remedy the Settlement in order to obtain the LWDA's approval. If the Parties cannot resolve the issues identified by the LWDA in denying approval, the Parties shall be restored to their positions and all funds returned to Releasee. If, after the Parties make a second attempt to obtain approval of the material terms of the Settlement, unless the Parties specifically agree to continue with their coordinated efforts to obtain LWDA approval, the LWDA fails to approve the material terms of the settlement in the form agreed to by the Parties (except for the amount of Attorneys' Fees and Costs requested by Releasor's Counsel), or if the LWDA's approval of this Agreement is reversed, modified, or declared or rendered void, then: (a) this Agreement shall be considered null and void; (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; and (c) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into. Invalidation of any material portion of this Agreement, except for the amount of the Attorneys' Fees and Costs, shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect.

4. Attorneys' Fees, Costs And Expenses. Except as specifically set forth herein, each Party shall bear its/his/her own attorneys' fees, costs and expenses, taxable or otherwise, incurred by him/her/it/them arising out of the Action, and shall not seek reimbursement thereof from any other party to this Agreement, unless otherwise specifically stated.

5. Severability. The Parties agree that if any immaterial provision of this Agreement is held to be invalid by a court of competent jurisdiction, that provision shall be deemed severed

and deleted from this Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions, and the remaining provisions shall be deemed enforceable.

6. Construction. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties and that this Agreement constitutes the entire agreement between Releasor and Releasee regarding the settlement of the Released Claims and that this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding the resolution of the Released Claims.

7. Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, no presumption for or against any Party arising out of drafting all or any part of this Agreement may be applied in any action relating to, connected to, or involving this Agreement. Accordingly, the Parties hereby waive the benefit of any legal principle or rule providing that, in cases of uncertainty, the language of a contract should be interpreted against the Party who caused the uncertainty to exist

8. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that Releasor may appeal any reduction to the Attorneys' Fees below the amounts they request from the LWDA, and either party may appeal any court order that materially alters the Settlement's terms.

9. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

10. Non-Evidentiary Use. Neither the existence of this Agreement, the terms of this Agreement, the negotiation and execution of this Agreement, all acts performed or documents executed pursuant to or in furtherance of this Agreement, nor the settlement of the Action shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Releasor, the LWDA, Releasee or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, culpability, fault, wrongdoing, omission, concession, or damage, or of the truth of any of the factual allegations in the Action; (b) disclosed, referred to, or offered in evidence against Releasor, the LWDA, or any of the Released Parties in any further proceeding in the Action, or any other civil, criminal, or administrative action or proceeding in any court, administrative agency or other tribunal except for the purposes of effectuating the Settlement

pursuant to this Agreement or for Releasee to attempt to establish that a PAGA Employee has resolved or been compensated for any claims made by that employee; and (c) deemed to be, nor used as, an admission or evidence of the appropriateness of these or similar claims for representative treatment, class certification or administration other than for purposes of administering this Settlement. Nothing herein shall constitute an admission by Releasee that the Action was properly brought as a representative action other than for settlement purposes.

11. Choice of Law. The rights and obligations of the Parties under this Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. California law shall govern the interpretation of this Agreement even if a choice of law analysis under state or federal law would dictate that another forum's law be applied.

12. Cooperation. Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

13. Captions and Headings. Paragraph titles, captions, or headings contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

14. Modification. This Agreement may not be changed, altered, waived, or modified, except in writing and signed by counsel for the Parties hereto, and approved by the LWDA. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

15. Binding. This Agreement is binding upon, and shall inure to the benefit of, the Parties hereto and their respective agents, owners, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

16. Electronic Signatures and Counterparts. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties. The counterparts may be executed and/or transmitted electronically or by facsimile.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Private Attorneys General Act Settlement Agreement and Release as of the date set forth below.

Dated: ____________________ **RACHAEL CLARK**

By: ______________________________
Rachael Clark, Named Releasor

Dated: 6/13/25 **WOODLAND VETERINARY HOSPITAL**

By: Eleanor Johnson
Eleanor Johnson, CEO
Woodland Veterinary Hospital

APPROVED AS TO FORM AND CONTENT:

Dated: ____________________ **LEONI LAW, PLC**

By: ______________________________
Terry R. Leoni
Jenica P. Leonard
Attorneys for Rachel Clark

Dated: 6/13/25 **KLINEDINST PC**

By: ZL
Natalie P. Vance
Seana K. Scholtemeyer
Attorneys for Woodland Veterinary Hospital

Dated: 06/16/2025

RACHAEL CLARK

By: Rachael Clark

Rachael Clark, Named Releasor

Dated: ____________________

WOODLAND VETERINARY HOSPITAL

By: ______________________________

Eleanor Johnson, CEO
Woodland Veterinary Hospital

APPROVED AS TO FORM AND CONTENT:

Dated: 06/16/2025

LEONI LAW, PLC

By: ______________________________

Terry R. Leoni
Jenica P. Leonard
Attorneys for Rachael Clark

Dated: ____________________

KLINEDINST PC

By: ______________________________

Natalie P. Vance
Seana K. Scholtemeyer
Attorneys for Woodland Veterinary Hospital