

SEVERANCE AGREEMENT AND GENERAL RELEASE OF ALL CLAIMS

This Severance Agreement and General Release of All Claims (this “Agreement”), dated December 2, 2022 (the “Effective Date”), memorializes the complete agreement between PHILIP M. SMITH (“Employee”) and TULARE LOCAL HEALTHCARE DISTRICT (“Employer”), each individually referred to herein as a “Party”, and collectively referred to as the “Parties”.

RECITALS

A. Employee was employed by Employer from November 28, 2021 until December 2, 2022 (the “Employment”).

B. In exchange for the consideration described in Paragraph 6 below, Employee agrees to release Employer and Released Parties identified in Paragraphs 1 through 5 below, from any claims arising from or relating to the Employment that occurred at any time during or after the Employment, up to the date Employee executes this Agreement.

AGREEMENT

1. In consideration for Employer’s promises and payments set forth above and in Paragraph 6 below, Employee agrees to forever and fully release and discharge Employer and all of Employer’s directors, officers, executives, agents, successors, predecessors, employees and representatives (collectively, the “Released Parties”) from all claims and damages of every kind and nature, known and unknown, which now exist or could arise out of or in any way relate to the Employment, including compensation, termination of employment, or Employee’s interactions or communications with the Released Parties, through and including the date of Employee’s execution of this Agreement.

2. The release in Paragraph 1 above includes, but is not limited to, any rights or claims arising under the Constitutions of the state of California or the United States, California statutory and common law (including contract law, employment law, and tort law) and Federal statutory law, including but not limited to the following: the California Fair Employment and Housing Act and any other provisions of the California Government Code; the California Health and Safety Code; the California Labor Code; the Fair Labor Standards Act; the National Labor Relations Act; the Age Discrimination in Employment Act; the Older Worker Protection Act; the Business and Professions Code; the Uniform Services Employment and Reemployment Rights Acts; the Americans with Disabilities Act; the Equal Pay Act; the Fair Pay Act; the Employee Retirement Income Security Act; the Family Medical Leave Act; the California Family Rights Act; Section 1981 of Title 42 of the United States Code; Title VII of the Civil Rights Act of 1964, as amended; the Unruh Act; defamation; negligence; breach of contract and related claims; and any and all other federal, state and local laws, statutes, executive orders, regulations or common law; any claim from any loss, cost or damage (including compensatory, special, general

and punitive damages); any claim for statutory or civil penalties; any claim for loss or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; any and all claims for attorneys' fees and costs; and any and all claims relating to, or arising from any claims for fraud, misrepresentation or breach of any duty.

This release is not intended to operate as, nor shall be construed as, a release or waiver of any rights and/or claims that cannot be released or waived as a matter of law.

3. Without limiting the scope of this Agreement, Employee agrees that this Agreement constitutes a knowing and voluntary waiver of any and all rights or claims that exist or that Employee may claim to have under the Age Discrimination in Employment Act ("ADEA"), as amended by the Older Workers' Benefit Protection Act of 1990 (29 U.S.C. §§621, *et seq.*). Employee acknowledges all of the following:

(a) The consideration provided pursuant to this Agreement is in addition to any consideration that Employee would otherwise be entitled to receive;

(b) Employee has been and is advised in writing to consult with an attorney prior to signing this Agreement;

(c) Employee has been provided full and ample opportunity to study this Agreement, including a period of twenty-one calendar days within which to consider and accept it;

(d) To the extent that Employee takes less than twenty-one (21) calendar days to consider this Agreement prior to signing it, Employee acknowledges that they have had sufficient time to consider this Agreement with legal counsel of their choice and that they expressly, voluntarily and knowingly waive any additional time;

(e) Employee agrees that any changes made to the agreement during the twenty-one (21) day period (whether material or immaterial) do not restart the running of the twenty-one day period; and

(f) Employee is aware of their right to revoke this Agreement any time within the seven (7) calendar-day period following the date Employee signs the Agreement and that the Agreement shall not become effective or enforceable until the seven (7) calendar-day revocation period expires. Employee understands that their decision to revoke the Agreement will render the entire Agreement unenforceable and cancel all obligations of Employer set forth in this Agreement including payment of the consideration set forth in Paragraph 6 of this Agreement.

In order to be effective, timely notice of revocation of this Agreement must be made by Employee in writing and must be delivered in person, certified mail or via e-mail to Employer through Christie Watkins, Administrative Offices, Modular Building, 842 N. Gem Street, Tulare, CA 93274, 559-656-1301, cwatkins@tulararegional.org, no later than the seventh

(7th) day after Employee executes this Agreement. Employee agrees to keep written documentation proving that they revoked this Agreement as provided in this paragraph, either by keeping the documents attesting to the delivery of the revocation, or verification that the e-mail or mail envelope was, in fact, received.

4. In consideration for Employer's promises and payments set forth above and in Paragraph 6 below, Employee further covenants and agrees that he shall forever refrain from initiating, prosecuting, maintaining or pressing action, suit or claim against Employer or Released Parties which now exist or could arise out of or in any way relate to the Employment, including compensation, termination of employment, or Employee's interactions or communications with the Released Parties, through and including the date of Employee's execution of this Agreement. As a material term of this Agreement, Employee represents and agrees that he understands that he cannot bring an action and will not bring an action with respect to the matters released herein.

5. Employee further agrees and acknowledges that the release provided for in Paragraphs 1 through 4, inclusive, shall apply to all unknown and unanticipated injuries and/or damages (as well as those now disclosed). Employee acknowledges and understands that Section 1542 of the Civil Code of the State of California provides 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.

Being aware of Section 1542 of the California Civil Code, Employee understands that by signing this Agreement they expressly waive the provisions of Section 1542 and any other similar provisions of law that may be applicable.

6. In exchange for the release described in Paragraphs 1 through 5, inclusive, Employer shall pay Employee: (a) the equivalent of a gross payment of \$61,000.00, less applicable withholdings under federal, state and local law, payable in bi-weekly installments for a period of six (6) months commencing on the Effective Date and expiring on May 30, 2023 (the "Severance Period"); and (b) Employer shall pay on behalf Employee the full amount of COBRA/CAL COBRA premiums due and owing for Employee and his dependents for the Severance Period commensurate with the level of benefits provided by Employer to Employee prior to the Effective Date; provided that Employer's obligations with respect to Paragraph 6(b) are conditioned on Employee timely remitting invoices to Employer for COBRA/CAL COBRA premiums received by Employee.

Unless otherwise agreed to by the Parties, each payment under Paragraph 6(a) above will either be direct deposited in accordance with Employee's provided information and direction, or will be

mailed to Employee at 1813 S. Irwin Street, Tulare, CA 93274, with such payments commencing on either the date upon which the payroll is next processed by Employer in the normal course of its operations or the eighth day after Employee returns this executed Agreement to Employer and does not revoke this Agreement, whichever is later.

7. Employee agrees that the payments identified in Paragraph 6 shall constitute the entire amount of monetary consideration provided to Employee under this Agreement and that Employee will not seek any further compensation for any reason by any means in connection with the matters encompassed in this Agreement including but not limited to the Employment. Employee represents and warrants that as of the date Employee executes this Agreement, Employee has received all compensation due and owing to them, including all wages, commissions, accrued vacation, and has been fully reimbursed for all reasonably necessary business-related expenses.

8. Employee represents and warrants that:

(a) No complaints have been filed in any court or administrative forum on behalf of Employee. Employee agrees not to file any complaint or charge of any type against Employer or Released Parties with any federal, state, county or municipal court or agency unless such claims or complaints may not be waived under applicable law.

(b) As of the date Employee executes this Agreement, Employee has not performed any services or incurred any liabilities on behalf of Employer. Employee further represents and warrants that Employee's separation from Employer is not in any way related to any work-related injury and that Employee did not experience a work-related injury while employed by Employer.

(c) Employee has not erased, written over, removed, copied, or destroyed any Employer information contained on any computer storage media or other electronic media.

(d) During the course of Employee's employment with Employer, Employee did not defraud Employer or any of its officers, directors, owners, employees, customers or vendors.

9. Employee acknowledges that any payment to him made under this Agreement is not an admission or concession by Employer or any Released Party of any wrongful or illegal act or something to which Employee is not otherwise legally or contractually entitled by virtue of the Employment.

10. Employee agrees that Employee will not disparage or speak negatively about Employer or Employer's officers, agents, directors, supervisors, employees, or representatives, and that Employee will not otherwise do or say anything that could disrupt the good morale of Employer or Employer's employees or harm its mission, business interests or reputation in the community. Employee understands that because of this non-disparagement provision, Employee must not post negative comments or reviews on the internet using either the Employee's own

name, any pseudonym or anonymously. As used herein, the term “internet” includes but is not limited to any social media or job search site, including, but not limited to, Facebook, Instagram, LinkedIn, Indeed, Monster, Glassdoor, and Career Bliss.

11. Employee agrees to abide by all lawful confidentiality and nondisclosure agreements entered into in connection with his employment with Employer. Employee further covenants and agrees not to use any confidential, privileged or proprietary information of Employer in any manner, including, without limitation, to in any way unlawfully interfere with Employer’s relationships with tenants, agents, representatives, vendors, employees or members of the public, including any information that may have been disclosed to Employee in any closed session meeting of Employer held in accordance with Government Code Section 54954 et seq., or as may have been disclosed to Employee during discussions with any of Employer’s directors or legal counsel.

12. Employee acknowledges the particular value to Employer of the confidentiality provisions contained herein, as well as the non-disparagement provisions contained in this Agreement, any breach of which cannot reasonably or adequately be compensated in an action at law. Therefore, Employee agrees that if this section is violated, as determined by a court of competent jurisdiction, in addition to any other rights or remedies that Employer may possess, Employer will be entitled to immediate injunctive and/or other equitable relief to prevent or remedy a breach of these confidentiality and non-disparagement provisions, and reasonable attorneys’ fees and costs incurred in obtaining the aforementioned relief, without reinstatement of any claim, right, or demand the Parties have settled by and through this Agreement.

13. Employee acknowledges that the terms of this Agreement, including the amount of the severance, may be disclosed to the public by Employer as required by law.

14. Employee acknowledges and represents that he has: (a) fully and carefully read this Agreement prior to execution; (b) had the opportunity to be fully apprised by his attorneys of choice of the legal effect and meaning of this document and all terms and conditions hereof, or has voluntarily waived such right; (c) had the benefit of and relied upon counsel of his choice for any legal or financial advice relative to entering into this Agreement and agreeing to the terms hereof, or has voluntarily waived such right; (d) had the opportunity to make whatever investigation or inquiry they deemed necessary or appropriate in connection with the subject matters of this Agreement; and (e) been afforded the opportunity to negotiate as to any and all terms hereof. Employee further acknowledges and represents that he is executing this Agreement voluntarily, free of any duress, menace, pressure, or undue influence of any kind or nature whatsoever.

15. Employee acknowledges and represents that, as of the Effective Date, he has returned to Employer (or its designee) all equipment and property issued to Employee by Employer.

16. The representations, warranties, assurances and covenants to perform or forgo the performance of certain acts provided herein, to the extent not required during the pendency of

this Agreement, shall survive the execution hereof and performance hereunder. If any fact or representation (material or not) upon which Employee or Employer relied upon as a basis for entering into this Agreement is found later to be different than it is presently understood, this Agreement shall remain effective.

17. In the event any term, provision, interpretation, or application of this Agreement is deemed to be invalid, inoperable, or unenforceable for any reason, the Parties hereto declare their desire that only that provision, interpretation, or application be rendered invalid, inoperable, or unenforceable, such provision or portion thereof shall be construed or rewritten as to permit its applicability and enforceability to the full extent deemed permitted by law, and the remaining terms, provisions, interpretations, and applications shall not be affected and shall remain effective and fully enforceable. The Parties agree that venue is proper in Tulare County.

18. 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 facsimile copy or a photocopy of any Party's signature shall be deemed an original, binding signature.

19. Except as may be otherwise specifically provided in this Agreement, nothing herein, whether expressed or implied, is intended, or shall be construed, to confer upon or give any person (other than the Parties) any rights or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement herein contained.

20. Employee covenants and agrees to reasonably cooperate with Employer in the event Employer requests information related to or regarding the Employment, including, without limitation, as related to or arising from:

- (a) contracts to which Employer is or may become a party;
- (b) ongoing negotiations and/or communications with vendors, tenants, contractors, and/or any other individuals or entities with which Employer is negotiating/communicating;
- (c) staffing, including payroll and benefits;
- (d) marketing efforts;
- (e) management efforts and projects;
- (f) Evolutions Fitness & Wellness Center;
- (g) Employer's financial accounts, including investment and banking accounts;
- (h) technology-related projects and efforts;

- (i) legal issues and developments;
- (j) all capital improvements and construction projects, including the Tower Project; and
- (k) any maintenance projects or efforts related to Employer's assets.

21. The Parties agree that this Agreement is admissible for the purposes of proving up and/or enforcing the terms of this Agreement under California Evidence Code Section 1123 and California Civil Code Section 664.6.

22. The Parties acknowledge that, except as expressly set forth herein, no representation of any kind or character has been made to induce the execution of this Agreement. This Agreement sets forth the entire agreement between the Parties and fully supersedes any and all prior agreements and understandings between the Parties pertaining to the subject matter of this Agreement. The Parties agree that no change to or modification of this Agreement shall be valid or binding unless it is in writing and signed by Employee and an authorized representative of Employer.

[SIGNATURE PAGE FOLLOWS]

EMPLOYEE

EMPLOYER

Tulare Local Healthcare District

By: _____
Signature

By: _____
Name: _____
Title: _____

Printed Name

Date: _____

Date: _____