

Private Attorneys General Act (Cal. Lab. Code § 2698, *Et Seq.*) Settlement Agreement

IT IS HEREBY STIPULATED AND AGREED by and among the undersigned Parties, subject to the approval of the Court, that the Action and PAGA Released Claims shall be settled and resolved subject to the following terms and conditions set forth in this Private Attorneys General Act (Cal. Lab. Code § 2698, *et seq.*) Settlement Agreement (“Settlement Agreement”), entered by and between Plaintiff Luis Melgoza (“Plaintiff”), for himself and on behalf of the State of California and other Aggrieved Employees pursuant to the California Private Attorneys General Act, and Defendant Century Tile, LLC dba Lunada Bay Tile (“Defendant” or “Lunada Bay Tile”) (collectively, the “Parties”).

This Settlement Agreement shall be effective upon the date the Court executes the order approving the Settlement Agreement (the “Effective Date”).

I. DEFINITIONS

Unless otherwise defined herein, the following terms, when used in this Settlement Agreement, shall have the following meanings:

1. “Action” means the matter entitled *Luis Melgoza v. Century Tile, LLC dba Lunada Bay Tile.*, Los Angeles Superior Court Case No. 20STCV33049.

2. “Aggrieved Employees” mean all current and former hourly-paid or non-exempt employees who worked at least one pay period for Defendant in the State of California during the PAGA Period, i.e., from August 27, 2019 through Court Approval of the Settlement Agreement.

3. “LWDA” means the California Labor and Workforce Development Agency.

4. “Complaint” means the claims and allegations set forth in Plaintiff’s correspondence to the California Labor and Workforce Development Agency dated August 27, 2019 (“LWDA Letter”) and the Second Amended Complaint (“Operative Complaint”) filed on February 18, 2021.

5. “Court” or “Los Angeles Superior Court” means the Superior Court of California for the County of Los Angeles.

6. “Defendant” mean Century Tile, LLC dba Lunada Bay Tile.

7. “Defense Counsel” or “Counsel for Defendant” means Katherine C. Den Bleyker and Heather E. Horn of Lewis Brisbois Bisgaard & Smith LLP, 633 West 5th Street, Suite 4000, Los Angeles, California 90071.

8. “Employee PAGA Portion” is the amount to be distributed to the Aggrieved Employees, which shall consist of 25% of the PAGA Penalties Amount, as provided in Section III.3 herein.

9. "Employee Payments" refers to the PAGA Penalty Payments that will be distributed to Aggrieved Employees, as provided in Section III.3 herein.

10. "Gross Settlement Amount" is the sum of One Hundred Fifty Thousand Dollars and Zero Cents (\$150,000.00), which represents the total amount payable under this Settlement Agreement by Defendant, and includes the Employee PAGA Portion payable to Aggrieved Employees, LWDA Payment payable to the LWDA, Court-Awarded Attorneys' Fees (not to exceed \$50,000) to Plaintiff's Counsel, Court-awarded Litigation Costs (not to exceed \$15,000.00) to Plaintiff's Counsel, Court-Awarded General Release Fee (not to exceed \$5000.00) to Plaintiff, Court-Awarded Payment to the Settlement Administrator for Settlement Administration Costs (not to exceed \$15,000).

11. "Plaintiff's Counsel" means Marcus J. Bradley, Esq. of Bradley/ Grombacher, LLP., 31365 Oak Crest Drive, Suite 240, Westlake Village, California 91361.

12. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts are subtracted from the Gross Settlement Amount: (a) Attorneys' Fees to Plaintiff's Counsel; (b) Litigation Costs to Plaintiff's Counsel; (c) General Release Fee to Plaintiff; and (d) Settlement Administration Costs to Settlement Administrator.

13. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

14. "LWDA Payment" means the amount to be paid to the LWDA, which is seventy-five percent (75%) of the Other PAGA Penalties Amount as set forth in Section III.3 herein.

15. "PAGA Period" means the time period from August 27, 2019 through Court Approval of the Settlement Agreement.

16. "PAGA Released Claims" mean any and all claims, rights, demands, liabilities and causes of action for civil penalties under the PAGA asserted, or that could have been asserted in the Complaint, including, but not limited to, those under California *Labor Code* §§ 200, 201, 202, 203, 204, 210, 218.6, 226, 226.3, 226.7, 510, 1174, 1194, 1198, 2698, *et seq.*, 2699, 2699(a), 2699(g)(1), 2699.3, 2699.5, 6720, Wage Order sections 12 and a California *Civil Code* § 1542 release as to those sections, that arose during the PAGA Period, based on the factual allegations pled in the operative complaint in the Action.

17. "Released Parties" mean Century Tile, LLC dba Lunada Bay Tile, and their former, present and future owners, parents, and subsidiaries, and all of their current, former and future spouse(s), children, officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, predecessors, successors, assigns, accountants, reinsurers, insurers, or legal representatives.

18. "Settlement Administrator" means Phoenix Settlement Administration, a third-party administrator who shall administer the Settlement, subject to approval by the Court, in accordance with this Settlement Agreement, and whose costs and expenses to administer the Settlement are currently estimated not to exceed \$15,000 ("Settlement Administration Costs").

19. "Effective Date" means the date the Court executes the order approving the Settlement Agreement.

II. RECITALS

1. Plaintiff filed his Operative Complaint against Defendant on February 18, 2021. Plaintiff's Complaint alleged the individual causes of action on behalf of himself and civil penalties on behalf of himself and a PAGA group of all current and former hourly employees of Defendant: (1) failure to pay wages pursuant to California Labor Code sections 1194, 1198 and the applicable IWC Wage Order; (2) failure to compensate all hours worked pursuant to California Labor Code section 200, 226, 510; (3) failure to provide meal periods pursuant to California Labor Code sections 226.7, 1198 and the applicable IWC wage order; (4) failure to provide rest periods pursuant to California Labor Code sections 226.7, 1198 and the applicable IWC order wage order; (5) failure to provide compliant wage statements pursuant to California Labor Code section 226; (6) failure to timely pay wages upon termination/separation pursuant to California Labor Code sections 201, 202, 203; (7) failure to adopt standards to minimize indoor heat-related illnesses sections 6720 and 226.7; (8) statutory penalties pursuant to California Labor Code sections 203; and (9) civil penalties pursuant to PAGA.

2. On September 10, 2021, the Parties participated in mediation before mediator Steve J. Rottman, Esq, after undertaking investigation and exchange of information and documents pertaining to Plaintiff and the Aggrieved Employees.

3. On September 10, 2021, the Parties agreed to fully and finally resolve the Action and the PAGA Released Claims as to Plaintiff, the State of California, and the Aggrieved Employees.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement Agreement nor action taken in implementation thereof shall be construed to be an admission or concession by Plaintiff that his claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved Employees, or any other person, and Defendant specifically disclaims any such liability or wrongdoing. Nor will any of the foregoing be used in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this Settlement Agreement may be used in any court proceeding that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection

therewith. The Parties have entered into this Settlement Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Settlement Agreement and any related Court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** Defendant shall pay \$150,000.00 as the Gross Settlement Amount. Defendant will not pay more than the Gross Settlement Amount.

3. **Net Settlement Amount.** The Parties agree that the Net Settlement Amount shall be distributed to the LWDA and Aggrieved Employees as follows: Seventy-five percent (75%) of the Net Settlement Amount shall be distributed to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) of the Net Settlement Amount shall be distributed to the Aggrieved Employees on a *pro rata* basis, based on their respective number of pay periods worked for Lunada Bay Tile during the PAGA Period. Payments to Aggrieved Employees of their share of the Other PAGA Penalties Amount shall be referred to as "PAGA Penalty Payment(s)." Each Aggrieved Employee will be paid a non-wage check for the PAGA Penalty Payment, and will receive an IRS Form 1099 for said payment.

4. **Attorneys' Fees Payment and Litigation Costs Payment.** Defendant will not oppose Plaintiff's request for an award of attorneys' fees in the amount up to \$50,000.00 ("Attorneys' Fees") and litigation costs and expenses in the amount up to \$15,000.00 incurred in prosecuting this Action ("Litigation Costs"), to Plaintiff's Counsel. In the event the Court approves a payment of less than \$50,000.00 for Attorneys' Fees and/or less than \$15,000.00 for Litigation Costs to Plaintiff's Counsel, the difference will be a part of the Net Settlement Amount. The Attorneys' Fees and Litigation Costs payments will be reported on an IRS Form 1099 issued to Plaintiff's Counsel.

5. **General Release Fee.** Defendant will not oppose Plaintiff's request for payment in the amount up to \$5000.00 as a General Release Fee in connection with the release and waivers provided by Plaintiff, in his individual capacity ("General Release Fee"). In the event the Court approves a payment of less than \$5000.00 as a General Release Fee award to Plaintiff, the difference will be a part of the Net Settlement Amount. The General Release Fee will be reported on an IRS Form 1099 issued to Plaintiff.

6. **Settlement Administration Costs.** Defendant will not oppose Plaintiff's request for payment in the amount up to \$15,000 to the Settlement Administrator for administering the Settlement. In the event the Court approves a payment of less than \$15,000 or Settlement Administration Costs, the difference will be a part of the Net Settlement Amount. Settlement Administration Costs will be reported on an IRS Form 1099 issued to the Settlement Administrator.

7. **Plaintiff's Release of Claims and Waiver of California Civil Code section 1542.** In consideration of payment under the Settlement, and upon the funding of the Settlement by Defendant, Plaintiff shall be deemed to release the Released Parties from any and all PAGA Released Claims and any other claims that he may have against the Released Parties, including and not limited to, all complaints, claims, liabilities, obligations, promises, agreements,

controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including attorneys' fees and costs actually incurred, other than as otherwise provided herein) of any nature whatsoever, known or unknown, suspected or unsuspected, including, but not limited to, any claim for damages related to Plaintiff's employment with Defendant, the separation of his employment, rights arising out of alleged violations of any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, or any tort including defamation, any claim of wrongful termination, retaliation, or wage and hour violations, or any legal restrictions of Defendant's right to terminate employees, or any federal, state or other governmental statute, regulation or ordinance, including, without limitation: (1) the Civil Rights Act of 1964, as amended; (2) 42 U.S.C. § 1981; (3) the California Government Code; (4) section 503 of the Rehabilitation Act of 1973; (5) the Americans with Disabilities Act; (6) the Fair Labor Standards Act (including the Equal Pay Act); (7) the California Constitution; and (8) the California Labor Code, which Plaintiff now has, owns or holds, or claims to have, own or hold, or which Plaintiff at any time heretofore had, owned or held, or claimed to have owned or held against any of the Released Parties relating to any conduct occurring prior to and including the date of execution of this Settlement Agreement (collectively, "Plaintiff's Released Claims"). Plaintiff represents that he is not aware of any claims he may have against the Released Parties other than the PAGA Released Claims and Individual Claims asserted in the same Action, resolved by separate agreement. As a material inducement for Defendant to enter into this Settlement, Plaintiff waives any and all rights and benefits conferred by the provisions of section 1542 of the California Civil Code and any similar law of any state or territory of the United States or other jurisdiction. Section 1542 of the California Civil Code 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.

Plaintiff understands and acknowledges that this Settlement Agreement is meant to include, to the fullest extent, all PAGA Released Claims and other claims which Plaintiff does not know or suspect to exist in his favor against the Released Parties.

8. **PAGA Released Claims.** Upon the funding of the Settlement by Defendant, Plaintiff, Aggrieved Employees, and the State of California will be forever barred from pursuing any and all PAGA Released Claims defined in Section I.16 herein. This release of claims only covers those civil penalties which are recoverable under PAGA, and does not otherwise cover individual, underlying claims or causes of action that Aggrieved Employees may have under the law against Released Parties for violations of the California Labor Code.

9. **Covenants and Representations by Plaintiff and Plaintiff's Counsel.** Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement Agreement.

Plaintiff acknowledges that he has read this Settlement Agreement, that he fully understands his rights, privileges, and duties under the Settlement Agreement, and enters into this Settlement Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Settlement Agreement and the consequences of signing this Settlement Agreement.

10. **Limited Disclosure and No Publicity.** Except as provided below, to the extent necessary to effectuate the Settlement or as required by the PAGA statute, a court of law, or legal process, neither Defendant, Defense Counsel, Plaintiff, nor Plaintiff's Counsel will publicize the terms of this Settlement Agreement or issue a press release, hold a press conference, publish information about the Settlement on any website or through any social media, or otherwise publicize the Settlement or communicate its terms in public or in private, unless ordered by the Court. Any breach of disclosure will result in a payment of liquidated damages in the amount of 2% of the Settlement by the breaching party to the non-breaching party.

11. **Filing of Motion for Approval of Settlement by Plaintiff's Counsel.** Plaintiff's Counsel shall be responsible for preparing the Motion for Approval of the Settlement ("Motion") and providing Defense Counsel with an opportunity to propose revisions to the Motion prior to filing. Plaintiff's Counsel will file the Motion, which is mutually agreed to by the Parties, as soon as practicable. Plaintiff's Counsel will serve the Motion on Defendant's Counsel and submit it to the LWDA. Pursuant to California Labor Code section 2698, *et seq.*, Plaintiff's Counsel shall undertake all required submissions and disclosures to the LWDA and the Court to obtain approval of the Settlement.

12. **Termination of Settlement Agreement.** If the Court does not approve the Settlement, if the Court does not dismiss the Action with prejudice, as provided for in this Settlement Agreement, or if appellate review is sought and, on such review, the Court's decision is materially modified or reversed, or if one or more of the terms of the Settlement Agreement is not approved or is materially modified or reversed or found to be invalid, or the Settlement does not become final for any other reason, then either of the Parties shall have the right within ten (10) calendar days of written notice thereof to elect to terminate the Settlement Agreement, in which case it shall have no force or effect, and the Parties shall be deemed to have reverted to their original, respective status as of the date and time immediately prior to the execution of this Settlement Agreement. However, the Parties agree to attempt to re-negotiate the Settlement in good faith in an effort to obtain approval by the Court of the Settlement.

13. **Dismissal.** The Settlement Administrator will provide the Parties with a declaration confirming that distribution of payments has been completed in accordance with the Settlement Agreement and the Court's orders within ten (10) business days of distributing all payments under the Settlement. Plaintiff's Counsel will file the declaration with the Court and required dismissal papers (i.e., a Request for Dismissal of the Action with prejudice) within ten (10) business days of receipt or as otherwise ordered by the Court. This Settlement Agreement is expressly conditioned upon the Court entering the dismissal of the Action in its entirety. The dismissal will not release or bar any claims other than all claims as to Plaintiff pursuant to Cal. Code Civ. Proc. Section 1542, and the PAGA Released Claims as to Plaintiff, Aggrieved Employees, and State of California.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator.** The Parties have mutually selected Phoenix Settlement Administration to handle the administration of this Settlement, subject to approval by the Court.

2. **Notice to Aggrieved Employees.**

a. No later than twenty-one (21) business days after the Effective Date, Defendant shall provide the Settlement Administrator with a list of the Aggrieved Employees (the "Aggrieved Employees List"). The Aggrieved Employees List shall include each Aggrieved Employee's full name, last known mailing address, start and end date(s) of employment or total pay periods worked for Defendant in California during the PAGA Period, and Social Security number, to the extent available from Defendant's records. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and shall only access and use the list to administer the Settlement in conformity with the Court's orders. Defendant will in good faith compile from its records the Aggrieved Employees List and provide it to the Settlement Administrator in a computer-readable format, such as a Microsoft Excel spreadsheet.

b. No later than fourteen (14) calendar days after receipt of the Gross Settlement Amount from Defendant, the Settlement Administrator will mail the Employee Payments under cover letter, substantially in the form attached hereto as "**Exhibit A**" ("Cover Letter"), to each of the Aggrieved Employees identified on the Aggrieved Employees List. Prior to mailing the Cover Letter, the Settlement Administrator shall check the addresses provided in the Aggrieved Employees List using the United States Postal Service's National Change of Address database and update the addresses for known address changes. Should any of the mailings to the Aggrieved Employees of their Cover Letter and Employee Payments be returned as undeliverable within thirty (30) calendar days of mailing, the Settlement Administrator will have five (5) calendar days after it receives the returned undeliverable mail to search for a more current address for the Aggrieved Employee (via a skip trace or other reasonable method) and re-mail the Cover Letter and Employee Payments to any alternative or updated address obtained by the Settlement Administrator.

3. **Deposit and Distribution of Gross Settlement Amount.**

a. No later than twenty-one (21) business days from the Effective Date ("Funding Date"), Defendant shall fund the Gross Settlement Amount into an account established by the Settlement Administrator, for administration and distribution in accordance with this Settlement Agreement and the Court's orders.

b. The Settlement Administrator shall distribute payments for the General Release Fee, the Attorneys' Fees, the Litigation Costs, the Settlement Administration Costs, the Employee Payments, and the LWDA Payment within twenty-one (21) calendar days after receipt of the Gross Settlement Amount from Defendant. All payments provided for by this Settlement

Agreement shall be made by the Settlement Administrator in accordance with this Settlement Agreement and the Court's order approving this Settlement.

c. Each Aggrieved Employee will be issued one check for his or her Employee Payment which will expire one hundred and eighty (180) calendar days from the date the checks are issued by the Settlement Administrator. After the 180 day-period, the Settlement Administrator shall cancel all checks that have not been cashed or deposited and remit funds associated with such canceled checks to the State Controller's Office, Unclaimed Property Division in the name associated with each Aggrieved Employee whose Employee Payment checks are canceled.

V. MISCELLANEOUS PROVISIONS

1. **No Impact on Employee Benefit Plans.** Neither the Settlement Agreement nor any amounts paid to Plaintiff, any Aggrieved Employee, or the LWDA under the Settlement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Settlement Agreement shall not be applied retroactively, currently, or on a going-forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any Defendant's benefit plan, policy, or bonus program. Defendant retain the right, if necessary, to modify the language of their benefit plans, policies, and bonus programs to effect this intent, and to make clear that any amounts paid pursuant to this Settlement Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Settlement Agreement.

2. **Tax Consequences.** Plaintiff and Aggrieved Employees will be solely responsible for correctly characterizing any compensation received under the Settlement on his/her personal income tax returns for tax purposes, and paying all appropriate taxes due for any and all amounts paid to them under the Settlement. Plaintiff, Defendant, Plaintiff's Counsel, and Defense Counsel make no representations or warranties with respect to tax consequences of any payment under this Settlement Agreement, do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied upon as such.

3. **Governing Law.** This Settlement Agreement shall be construed under and governed by the laws of the State of California. This Settlement Agreement shall be deemed to have been entered into in California, and all questions of validity, interpretation, or performance of any of its terms or of any rights or obligations of the Parties to this Settlement Agreement shall be governed by California law. If any legal or equitable action or arbitration is necessary to enforce the terms of this Settlement Agreement, it shall be brought in the State of California, County of Los Angeles.

4. **Entire Agreement.** This Settlement Agreement constitutes the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties each acknowledge and represent that no promise or representation not contained in this Settlement Agreement has been made to them and acknowledge and represent that this Settlement Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the Action and PAGA Released Claims.

5. **Judgment and Continued Jurisdiction.** The Parties agree that this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6, and the Court, to the fullest extent of the law, shall retain exclusive and continuing jurisdiction over this Action, over all Parties, and the Aggrieved Employees to interpret and enforce the terms, conditions, and obligations of the Settlement Agreement.

6. **Amendment or Modification.** This Settlement Agreement may be amended or modified only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all Parties, subject to approval by the Court.

7. **Authorization to Enter into Binding Settlement Agreement.** Defendant represent and warrant that the undersigned has the authority to act on behalf of Lunada Bay Tile and to bind Lunada Bay Tile to the terms of this Settlement Agreement. Plaintiff represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind him to the terms and conditions of this Settlement Agreement. Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any Settlement and/or mediation privileges and/or confidentiality provisions that otherwise might apply under federal or state law.

8. **Binding on Successors and Assigns.** This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

9. **Execution and Counterparts.** This Settlement Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

10. **Acknowledgement of Mutual Drafting and that the Settlement is Fair, Adequate, and Reasonable.** The Parties believe this Settlement Agreement is a fair, adequate, and reasonable Settlement of the Action, and have arrived at this Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each

represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement. The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive, arm's-length negotiations and that neither Party shall be considered the "drafter" of this Settlement Agreement for purposes of having terms construed against that Party. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

11. **Invalidity of Any Provision.** Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Settlement Agreement valid and enforceable.

12. **Severability.** If any term or provision of this Settlement Agreement is held to be invalid or unenforceable, the remaining portions of this Settlement Agreement will continue to be valid and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Settlement Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

13. **No Waiver.** No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right, or remedy.

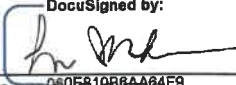
14. **Cooperation and Execution of Necessary Documents.** All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to implement the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

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IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

PLAINTIFF

Dated: 11/3/2021

By: 
LUIS MELGOZA

DEFENDANT CENTURY TILE, LLC., dba LUNADA BAY TILE

Dated: 10/29/2021

By: Carl A. Steadly

APPROVED AS TO FORM AND CONTENT:

BRADLEY/GROMBACHER, LLP

Dated: _____

By: _____
Marcus J. Bradley, Esq.
Attorneys for Plaintiff
Luis Melgoza

LEWIS BRISBOIS BISGAARD & SMITH LLP

Dated: 11/1/21

By: Katherine C. Den Bleyker
Katherine C. Den Bleyker
Heather E. Horn
Attorneys for Defendant
CENTURY TILE, LLC., dba LUNADA BAY
TILE

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Settlement Agreement, accepts and agrees to the provisions contained in this Settlement Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

PLAINTIFF

Dated: _____

By: _____
LUIS MELGOZA

DEFENDANT CENTURY TILE, LLC., dba LUNADA BAY TILE

Dated: 10/29/2021

By: Carl A. Steadly

APPROVED AS TO FORM AND CONTENT:

BRADLEY/GROMBACHER, LLP

Dated: 11/11/21

By: [Signature]
Marcus J. Bradley, Esq.
Attorneys for Plaintiff
Luis Melgoza

LEWIS BRISBOIS BISGAARD & SMITH LLP

Dated: 11/1/21

By: Katherine C. Den Bleyker
Katherine C. Den Bleyker
Heather E. Horn
Attorneys for Defendant
CENTURY TILE, LLC., dba LUNADA BAY
TILE