

CONFIDENTIAL SETTLEMENT AND RELEASE AGREEMENT

This Confidential Settlement And Release Agreement (the “Agreement”) is made and entered into by and between San Clemente Inn Vacation Plan Owners Association (the “Company”) and Jill Gardner (“Gardner”) (Gardner and the Company are collectively referred to as the “Parties”).

On August 27, 2021, Gardner, through her counsel, submitted a letter to the California Labor and Workforce Development Agency (“LWDA”) alleging that the Company and Vacation Resorts International (“Vacation Resorts”) violated various provisions of the California Labor Code and Wage Orders, and seeking to pursue a claim against the Company and Vacation Resorts, pursuant to the California Private Attorneys General Act of 2004, codified under California Labor Code, sections 2698, et seq. (“PAGA”);

On November 1, 2021, Gardner filed a civil action against the Company and Vacation Resorts in the Superior Court for the State of California, County of Orange, entitled *Jill Gardner v. Vacation Resorts International, et al.*, Orange County Superior Court Case No. 30-2021-01229216-CU-OE-CXC (the “PAGA Action”).

On October 25, 2022, the Court compelled the individual portions of the PAGA Action to arbitration, where it is currently pending before the Hon. James L. Crandall (Ret.) with Judicate West, ADR Case No. S301255 (the “Arbitration Action”) (the PAGA Action and Arbitration Action are referred to collectively as the “Action”), and stayed the PAGA Action as to the non-individual PAGA claims¹ pending the outcome of the Arbitration Action.

The Company denies and disputes any and all of Gardner’s alleged claims and allegations in the Action, and specifically denies that it employed Gardner or can otherwise be held liable for the claims asserted by Gardner in the Action;

The Parties wish to avoid the expense of further proceedings and desire to resolve the claims in the Actions as to Gardner with a release described below and to dismiss the non-individual PAGA claims, which are not being settled;

The Parties agree that the Company will provide Gardner with certain benefits in consideration of Gardner’s promises contained in this Agreement, including but not limited to Gardner’s agreement to release all claims against the Company, and the Company’s affiliated persons or companies, along with dismissal of the Action.

NOW THEREFORE, in consideration of and exchange for the promises and releases contained in this Agreement, the Parties mutually agree as follows:

¹ “Non-Individual PAGA Claims” means claims seeking to recover civil penalties imposed because of an alleged violation of the California Labor Code, allegedly suffered by employees other than Gardner, which if recovered, will be distributed with 75% to the California Labor & Workforce Development Agency and 25% to employees aggrieved by the alleged violation, pursuant to PAGA. (Cal. Lab. Code §§ 2698, et seq.)

Confidential Settlement And Release Agreement

1. Agreement Effective Date. This Agreement shall be effective on the date by which: (a) Gardner signs the Agreement, and (b) the Company's counsel receives the Agreement signed by Gardner via E-Mail (the "Effective Date").

2. Consideration. In exchange for Gardner agreeing to this Agreement and dismissal of the Action, the Company agrees to pay Gardner the total amount of Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) (the "Settlement Payment") in full compromise and settlement of all claims released in this Agreement. Gardner's counsel shall provide the Company's counsel with a completed IRS Form W-9 by the Effective Date. The Company will have thirty (30) calendar days after all of the following to deliver the Settlement Payment to Gardner's counsel at 9595 Wilshire Boulevard, Suite 900, Beverly Hills, California 90212: (1) the Effective Date of this Agreement; and (2) receipt of the completed W-9 from Gardner's Counsel. Upon delivery of the Settlement Payment to Gardner's Counsel, the Company will have fully met its obligations under this Agreement. By execution of this Agreement, Gardner authorizes payment to be made as set forth in this Section.

The Settlement Payment includes the "PAGA Settlement Amount" of One Thousand Dollars and Zero Cents (\$1,000.00). The "PAGA Settlement Amount" shall mean and refer to the amount the Parties have agreed to pay to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA Action, which includes Gardner's share of civil penalties. The Parties have agreed that One Thousand Dollars and Zero Cents (\$1,000.00) from the Settlement Payment will be allocated to the resolution of Gardner's individual PAGA claims² and the LWDA's claims arising from Gardner's individual PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), i.e., Seven Hundred and Fifty Dollars (\$750), of the PAGA Settlement Amount, will be paid to the LWDA, and the remaining Twenty-Five Percent (25%), i.e., Two Hundred and Fifty Dollars (\$250), of the PAGA Settlement Amount, will be distributed to Gardner.

Gardner agrees that Gardner is not owed any additional consideration pursuant to this Agreement, including without limitation for attorney fees and costs, interest, penalties, or any other amounts, other than as provided in this Agreement. The Settlement Payment will be paid via a single check to the "Law Offices Of Mark Yablonovich Client Trust Account" to be reported on IRS Form 1099 pursuant to IRS Regulations.

3. Valid Consideration. Gardner acknowledges that this is a disputed claim. Gardner further acknowledges and agrees that, upon receiving the Settlement Payment described above, Gardner will have received all compensation, remuneration, or benefits of any kind allegedly due or owed to Gardner from the Company for the claims released in Sections 4 and 5 below.

4. Release by Gardner. Gardner on her own behalf and on behalf of her predecessors, heirs, successors and assigns, releases and forever discharges and promises not to sue the Company, and its subsidiaries and parent company(s), subsidiaries of its parent company(s), all

² "Individual PAGA claims" means Gardner's individual claims seeking to recover a civil penalty imposed because of an alleged Labor Code violation allegedly suffered by Gardner herself, which if recovered, will be distributed 75 percent to the LWDA and 25 percent to the plaintiff as the employee aggrieved by the violation pursuant to PAGA (Cal. Lab. Code §§ 2698, et seq.).

Confidential Settlement And Release Agreement

employee benefits plans and employee benefit plans and programs, sponsored, maintained or administered by the Company, whether or not subject to the Employee Retirement Income Security Act, and each of their respective attorneys, past, present and future divisions, affiliates, predecessors, successors, shareholders, officers, directors, employees, agents, trustees, representatives, administrators, fiduciaries, assigns, subrogees, executors, partners, parents, subsidiaries, payroll service providers, staffing agencies, Professional Employer Organizations, Administrative Service Organizations, insurers, related corporations, and/or privies, both individually and collectively, and any other individual or entity which could be jointly liable with Company, whether previously or later affiliated in any manner, and the respective predecessors, successors and assigns of all of the foregoing (collectively referred to in this Agreement as “Releasees” or “Released Parties”³), from any and all claims, debts, promises, agreements, demands, causes of action, attorneys’ fees, penalties, losses and expenses of every nature whatsoever, contingent, or non-contingent, matured or unmatured, liquidated or unliquidated, whether or not known, suspected or claimed, which Gardner had, now has or may claim to have arising on or prior to the Effective Date of this Agreement, or arising out of or in connection with Gardner’s employment and/or the separation of such employment with Company. This total and complete release includes claims arising directly or indirectly from Gardner’s engagement by and alleged employment with the Company and the separation of such engagement and alleged employment; claims or demands related to salary, bonuses, commissions, stock, stock options, vacation pay, penalties, fringe benefits; breach of contract, breach of the implied covenant of good faith and fair dealing, infliction of emotional harm, wrongful discharge, violation of public policy, defamation and impairment of economic opportunity; claims for harassment, discrimination, retaliation, negligent retention, negligent hiring, and negligent supervision; or any federal, state, municipal or other governmental statute, public policy, regulation or ordinance, including but not limited to the following: claims under The Civil Rights Acts of 1866, 1964, and 1991; 42 U.S.C. § 1981; The California Fair Employment and Housing Act; Section 503 of the Rehabilitation Act of 1973; The Fair Labor Standards Act (including the Equal Pay Act); The National Labor Relations Act; The Lily Ledbetter Fair Pay Act; the Occupational Safety and Health Act; The California Occupational Safety and Health Act; The California Workers' Compensation Act; The California Constitution; The California Labor Code; The California Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code §§ 2698, et seq. (“PAGA”); The California Business and Professions Code; The California Government Code; The Employment Retirement Income Security Act; The Americans With Disabilities Act; The Family and Medical Leave Act, as allowed by law; The California Family Rights Act; The California Pregnancy Discrimination Act; The Wage Orders of the California Industrial Welfare Commission; The Immigration Reform and Control Act; the Families First Coronavirus Response Act; local ordinances including city, county, and other municipal ordinances concerning sick leave, minimum wage, and other matters; the federal Worker Adjustment and Retraining Notification Act (and any state law equivalents) (“WARN”) and any claims for failure to comply with WARN and claims for associated penalties and wages, and any Executive Order, each as amended. Such released claims are referred to as the “Released Claims.” This Release specifically excludes and is not intended in any way or manner to release Gardner’s claims asserted against Vacation Resorts

This Agreement does not prohibit Gardner from filing a charge with a government agency, such as the Equal Employment Opportunity Commission or the California Civil Rights

³ “Releasees” or “Released Parties” does not include Vacation Resorts.

Confidential Settlement And Release Agreement

Department, but this Agreement does release any claim which Gardner has or may have for monetary relief, reinstatement, alleged reemployment, or for any other remedy for Gardner personally, arising out of any proceeding before any government agency or court. If any agency or court should take jurisdiction over any matter in which Gardner has or may have any personal interest, whether initiated by Gardner or otherwise, Gardner will promptly inform that agency or court that this Agreement constitutes a full and final settlement by Gardner of all claims released under this Agreement as to all Releasees. To the extent permissible by law, if Gardner is awarded any monetary or other relief as a result of any such proceedings that involve claims subject to the releases set forth in this Agreement, Gardner expressly waives the right to such relief, and agrees to promptly return any monies that are so awarded or paid to her, to the respective Releasees that were ordered or otherwise required to pay such monies.

Notwithstanding anything to the contrary in the foregoing or this Agreement, Released Claims do not include any claims that Gardner cannot lawfully waive. Additionally, Released Claims do not include any claims that Gardner has or may claim to have against Vacation Resorts, which is not a Releasee or Released Party. By signing this Agreement, Gardner does not release workers' compensation or unemployment compensation claims (if any) or waive any rights or claims that may arise after the Effective Date of this Agreement.

5. Waiver of Unknown Claims. The Parties expressly waive all of the benefits and rights granted to the Parties pursuant to California Civil Code, section 1542, or any similar statute in any state, which reads 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.

The Parties certify that they have read and understand all of this Agreement, including the release provisions contained in Section 4 above, and in this Section, and the quoted Civil Code section above. The Parties agree that they are a "releasing party" for purposes of California Civil Code, section 1542. The Parties agree that unless specifically allowed under this Agreement, they cannot sue (or otherwise claim any kind of liability in any manner against) any of the Parties and Releasees based on any facts or circumstances that arose prior to the Parties signing this Agreement. The Parties agree that this is their intent, regardless of whether they may or may not know about such claims as of when they sign this Agreement. The Parties agree and stipulate that it is the express intention of this Agreement that the Parties will never sue or otherwise bring claims of any kind or nature against any of the Parties and Releasees based on circumstances that arose prior to the Parties' execution of this Agreement, for any reason and on any basis, regardless of the validity of such claims.

6. Dismissal of the Action as to the Company and Promise Not to Sue. Gardner shall, upon the full execution of this Agreement, take all steps necessary to effect the dismissal of the PAGA Action as to the Company, including but not limited to compliance with California Code of Civil Procedure, section 2699, subdivision (l), and/or California Rules of Court, rule 3.770, if applicable, and any other provisions of law or judicial requirements as may be applicable

Confidential Settlement And Release Agreement

to the dismissal of the PAGA Action. Within ten (10) court days of receipt of the Settlement Payment, Gardner shall take all steps necessary to effect the dismissal of the Arbitration Action as to the Company (not as to Vacation Resorts) and then the dismissal of the PAGA Action as to the Company (not as to Vacation Resorts). Dismissal of the Arbitration Action as to the Company shall be with prejudice. Dismissal of the PAGA Action as to the Company shall be with prejudice as to Gardner's individual PAGA claims and without prejudice as to the non-individual PAGA claims. Gardner warrants that she does not have any claims, actions, administrative, or other proceedings currently pending against any of the Released Parties as to Gardner before any court, arbitrator, board, administrative body, judicial body, quasi-judicial body, or governmental or other agency whatsoever that seek to bring any Released Claims, in whole or in part, other than the Action. And, although there are not any such pending claims, actions, administrative, or other proceedings, Gardner will forthwith take all steps necessary to effect dismissal of same to the extent Gardner is seeking to bring Released Claims, and Gardner shall forthwith provide written proof of such dismissal or dismissals to Company except those proceedings that are related to the claims Gardner cannot lawfully waive and does not release by signing this agreement, i.e., workers' compensation or unemployment compensation claims.

Gardner also agrees not to sue or otherwise initiate or prosecute proceedings of any kind against any and all of the Released Parties in any forum, for any Released Claims except those proceedings that are related to the claims Gardner cannot lawfully waive and does not release by signing this agreement. Gardner will seek an order from the Arbitrator, Hon. James L. Crandall, with a finding that if the events and procedures in this Settlement Agreement are fulfilled, including: (1) the dismissal of the Released Claims against the Released Parties from the Action, and (2) the Settlement Payment is made and cleared, Gardner cannot and will not be considered an aggrieved employee of the Company or the Released Parties for the Released Claims. Because Gardner will not be considered an employee after the payment and clearing of the Settlement Payment, in addition to the dismissal of the Action, Gardner will not be permitted to issue a notice pursuant to California Labor Code, section 2699, subdivision (a)(1)(A), in relation to Gardner's alleged employment with the Company occurring on or before the date of execution of this Agreement or initiate, pursue, or file any PAGA action against the Company with respect to such employment as to the Released Claims. To the extent permissible by law, Gardner also agrees not to participate, as to any Released Claims against any of the Released Parties, in any class, collective, or representative action (including, but not limited, to, as a class representative and/or a named representative in a suit brought under the PAGA, or California's Unfair Competition Law, California Business & Professions Code, section 17200, et seq.).

Gardner agrees that any breach of Gardner's representations, warranties, and/or obligations pursuant to this Section shall permit Releasees to seek to prove against Gardner a cause of action for a breach of the Agreement, breach of contract, and breach of the duty of good faith and fair dealing. Nothing in this Agreement shall preclude or prohibit Gardner from pursuing the Action as to Vacation Resorts.

7. Confidentiality. Gardner agrees that Gardner will keep the terms and fact of this Agreement, and the amount paid to Gardner under this Agreement, completely confidential, and that Gardner will not disclose any information concerning this Agreement to anyone; provided, however, that Gardner may make such disclosure to Gardner's immediate family, and Gardner

Confidential Settlement And Release Agreement

may make such disclosure to Gardner's professional representatives (e.g., attorneys, accountants, auditors, tax preparers), all of whom will be informed of and agree to be bound by this confidentiality clause, or other such disclosures required by law. Nothing in this Agreement shall limit any type of speech that is protected under applicable state and/or federal law or prevent Gardner from discussing or disclosing information about unlawful acts in the workplace, such as California Labor Code wage and hour violations or any other conduct that Gardner has reason to believe is unlawful.

8. Non-Disparagement. The Parties will not undertake any harassing or disparaging conduct directed at each other. Gardner agrees and promises that Gardner will not induce or incite claims of discrimination, wrongful discharge, or any other claims against the Company by any other person. Nothing in this Agreement shall limit any type of speech that is protected under applicable state and/or federal law or prevent either party from discussing or disclosing information about unlawful acts in the workplace or any other conduct that the Parties have reason to believe is unlawful.

9. Tax Consequences of Settlement Payment. The Company will issue Forms W-2, 1099-MISC, and all other tax forms required by the Settlement Payment. The Company will also issue such additional forms as any state, federal, or local taxing authority may later require. Gardner acknowledges that some or all of the Settlement Payment may be classified as taxable income by state, federal, or other taxing authorities and that she should consult with a tax professional regarding the tax consequences of the Settlement Payment. Gardner agrees that she will be solely responsible for all taxes and penalties owing and payable by her as the recipient and payee of the Settlement Payment. Gardner agrees to indemnify the Company against the payment of taxes, costs, assessments, penalties, damages, and other losses and obligations imposed by any taxing authority, at any time, as a result of any failure by her to meet any tax obligations arising from her receipt of the Settlement Payment.

10. Costs and Attorneys' Fees. Nothing in this Agreement, nor the existence of this Agreement, shall be interpreted to render Gardner a prevailing party for any purpose, including, but not limited to, an award of attorneys' fees and costs. All parties shall bear their own attorney fees and costs with respect to the Action and this Agreement. If any legal action is necessary to enforce or interpret this Agreement, the prevailing party shall recover all costs and attorneys' fees incurred in such enforcement.

11. No Admission of Wrongdoing. It is understood and agreed by the Parties that this Agreement represents a compromise and settlement for various matters and that the promises and payments and consideration of this Agreement shall not be construed as an admission of any liability or obligation by either party to the other party or any other person, and that all issues asserted in the litigation remain disputed.

12. Admissibility of Agreement. This Agreement is admissible and subject to disclosure for the purpose of enforcing this Agreement pursuant to California Code of Civil Procedure, section 664.6, or any other procedure permitted by law. This Agreement is also admissible to effectuate the settlement; pursuant to California Labor Code, section 2699,

Confidential Settlement And Release Agreement

subdivision (l)(2), the Orange County Superior Court will need to review and approve the Settlement as to the PAGA Settlement Amount.

13. Enforcement of Agreement. In the event any legal action or other proceeding is brought to enforce or interpret any term of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and all reasonable litigation related costs and expenses incurred. The Parties agree that this Agreement shall be deemed admissible as evidence in an action for breach of this Agreement.

14. Miscellaneous.

a. Successors and Assigns. This Agreement shall be binding in all respects upon, and shall inure to the benefit of, the heirs, successors, and assigns of the Parties.

b. Governing Law. This Agreement shall be governed by the laws of the State of California, both as to interpretation and performance.

c. Severability. Each section, clause, term and provision of this Agreement shall be construed as separate and divisible, and in the event any section, clause, term or provision of this Agreement shall be held void, invalid, or unenforceable in any given circumstance or circumstances, the remainder of the sections, clauses or terms or provisions of this Agreement shall continue to be in full force and effect in said circumstance or circumstances and the entire Agreement shall nevertheless remain valid and enforceable in any other circumstances. In the event a court or arbitrator should determine not to enforce an agreement as written due to over breadth or for any other reason, the Parties specifically agree that said agreement shall be enforced to the extent reasonable, whether said revisions be in time, territory, or scope of prohibited activities.

d. Integration. This Agreement constitutes the entire agreement of the Parties and a complete merger of prior negotiations and agreements on the matters set forth in this Agreement. This Agreement is entered into without reliance upon any statement or representation of any kind or by any person, other than the statements and representations contained in writing in this Agreement. Any representations of any kind not contained in this Agreement shall not be valid or binding, unless, following the signing of this Agreement, the Parties put such a modification in a writing signed by both Gardner and an authorized representative of the Company.

e. Modification. This Agreement shall not be modified except in writing signed by the Parties or their authorized representatives.

f. Revocation. Gardner agrees that if Gardner ever revokes or rescinds this Agreement that the Company will not be responsible to Gardner for the Settlement Payment. Gardner agrees that if at the time of revocation Gardner has received the Settlement Payment, Gardner is liable to the Company for its full return.

Confidential Settlement And Release Agreement

g. Waiver. The failure to enforce at any time any of the provisions of this Agreement or to require at any time performance by the other party of any of the provisions of this Agreement, shall in no way be construed to be a waiver of such provisions or to affect the validity of this Agreement.

h. Voluntary. This Agreement is executed voluntarily and without any fraud, duress or undue influence on the part or behalf of the Parties.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

SAN CLEMENTE INN VACTION PLAN
OWNERS' ASSOCIATION

Dated: 8/30/2024

DocuSigned by:

John McCalley

37F7F9A5F73D410...

By: John McCalley

Title: Board President

JILL GARDNER

Dated: 5/28/2024

DocuSigned by:

Jill Gardner

8020CBA97D684D9...