

SETTLEMENT AGREEMENT AND GENERAL RELEASE OF CLAIMS

This Settlement Agreement and General Release of Claims is voluntarily made and entered into by the plaintiffs Maria Osorio and Alec Nygard ("Plaintiffs") on one hand, and defendant Reneson Hotels, Inc. ("Defendant") on the other hand (collectively, the "Parties"). The Parties hereby agree to the following settlement of the representative actions, designated *Maria Osorio v. Reneson Hotels, Inc.*, Marin County Superior Court Case No. CIV2104377, and *Alec Nygard v. Reneson Hotels, Inc.*, San Mateo County Superior Court Case No. 22-CIV-00272, (the "PAGA Action").

RECITALS

WHEREAS, Plaintiffs worked for Defendants as non-exempt employees and filed enforcement actions in their respective venues for wage-and-hour violations, including failure to pay California minimum wage, failure to indemnify employees for necessary business expenses, unlawful deductions from wages, failure to furnish accurate wage statements, failure to maintain records, failure to pay all wages during employment, and failure to pay all wages upon separation;

WHEREAS, the "Aggrieved Employees" consist of all persons employed by Defendant as non-exempt employees in California at any time from September 13, 2020 through June 1, 2022 (the "PAGA Period");

WHEREAS, all claims related to Plaintiffs' work for and/or services rendered to and/or on behalf of Defendant, and/or that were or could have been asserted against Defendant in connection with the PAGA Action are hereinafter referred to as the "Claims" or "Plaintiffs' Claims";

WHEREAS, Defendant has denied and continues to deny every material allegation asserted by Plaintiffs, as further delineated in the Claims, and further denies that it is liable to Plaintiffs for anything in any manner related to their work with, employment with and/or services provided to Defendant, including cessation of such work and/or employment from and/or services with Defendant (hereinafter "employment");,

WHEREAS, the Parties hereto desire to settle all existing and potential claims that Plaintiffs have, they had or may have against Defendant including, without limitation, all wage-and-hour claims arising from Plaintiffs' employment with and cessation of employment from Defendant covered under PAGA;

WHEREAS, this Agreement is entered into as a compromise of disputed claims. Neither this Agreement nor any action taken pursuant to this Agreement will constitute an admission by Defendant of liability and/or any wrongdoing whatsoever. The Parties acknowledge that the payment made as consideration for this Agreement is made for the sole purpose of avoiding the uncertainties, vexations and expense of further defense of the Claims presented in the PAGA Action. Furthermore, except in a proceeding alleging a breach of the terms set forth below, or in which this Agreement may be raised in defense of the Claims alleged, nothing in this Agreement may be used against any party released herein in the event of any future dispute between the Parties;

WHEREAS, the Parties believe and agree that this Agreement provides for a fair, adequate, and reasonable resolution of the Claims, and have arrived at the settlement in extensive, arms-length negotiations, taking into account all relevant factors, present and potential; and,

NOW, THEREFORE, in consideration of the covenants and conditions set forth below, the Parties hereby agree and represent as follows:

1. **INCORPORATION OF RECITALS.** The recitals set forth above are incorporated by reference as part of this Agreement.
2. Effective Date. The effective date of the release of Plaintiffs' Claims shall be the date the Court approves this Agreement pursuant to paragraph 3 below ("Effective Date").
3. Court Approval. This Agreement is conditioned on Court approval. Upon execution of this Agreement, Plaintiffs and their attorneys shall promptly cause to be filed with the Court in the Osorio Action a motion to approve this Agreement. Similarly, Plaintiffs will, within 10 days of the Court approving the settlement in the Osorio action, cause to be filed with the Court in both Actions a Request for Dismissal pursuant to California Rules of Court, Rule 3.770. Should either Court not approve this Agreement, the Parties shall request leave and work jointly to attempt to remedy the settlement to obtain Court approval, provided that any such remedy does not materially alter the terms of the Settlement, nor require Defendant to pay more than the Settlement Amount.

The terms of this Agreement are binding on the Parties upon execution of the Agreement and pending Court approval. Upon execution, the Parties are obligated to work cooperatively in seeking Court approval of this Agreement.

4. Settlement Sum Payment and Distribution Procedures

(a) Settlement Sum

In exchange for the promises herein, including the release of claims set forth in paragraph 5, Defendant shall pay the gross sum of \$328,000.00 (Three Hundred Twenty Eight Thousand Dollars) to the Settlement Administrator, to be held in escrow and distributed as described herein. The Settlement Sum shall not revert to Defendant in any manner. The Settlement Sum shall be allocated as follows:

(1) PAGA Action Settlement. The Settlement Sum is to resolve the PAGA Action as described herein, including payment of civil penalties as permitted under PAGA, payment of Settlement Administrator fees, and Plaintiffs' counsel's fees and costs.

(a) Attorneys' Fees and Costs: Plaintiffs Counsel may apply to the Court for up to one-third (33.33%) of the total Settlement Sum ("Fee Amount") as attorneys' fees and will seek reimbursement of their out-of-pocket expenses ("Actual Costs") pursuant to PAGA, which provides for the recovery of attorneys' fees and costs. Defendant will not oppose the reasonableness of these

requests. Any reduction by the Court of these requests will be included in the Net Settlement Amount.

(b) Any modification of such application by the Court shall not: (i) affect the enforceability of the Settlement Agreement; (ii) provide any of the Parties with the right to terminate the Settlement Agreement; or (iii) impose any obligation on Defendant to increase the consideration paid in connection with the Settlement. Plaintiffs' counsel's entitlement to fees and costs is a material condition of this Settlement, but the Fee Amount awarded is not. If the amount awarded for either Attorneys' Fees or Costs is less than the amount requested by Plaintiffs' counsel for fees or costs, the difference shall become part of the Payment of PAGA Penalties and distributed pursuant to the allocation formula set forth below.

(c) Settlement Administration Fees: All Settlement Administration expenses shall be paid from the Settlement Sum and shall not exceed Twenty Thousand Dollars (\$20,000.00). Settlement Administration expenses paid to an outside Settlement Administration service must come out of the Settlement Sum. The Parties agree to retain Phoenix Class Action Administration Solutions ("Settlement Administrator") to serve as the Settlement Administrator in this matter. If the Settlement Administration Fees are less than the estimated amount of \$20,000, the remainder will be distributed as Payment of PAGA Penalties pursuant to the allocation formula set forth below. The Settlement Administrator's duties will include performing all acts related to administering the settlement, including calculating and distributing PAGA Settlement Member Payments, Plaintiffs' Settlement Payment, attorneys' fees and litigation costs/expenses, and administration costs to itself; processing all necessary 1099 and W-2 IRS Forms; remitting appropriate tax forms to the appropriate government agencies; distributing payment to ; and otherwise ensuring the terms of the Settlement Agreement are achieved.

(d) Payment of PAGA Penalties: The total sum available for payment of PAGA penalties shall be calculated by deducting the Actual Fee Amount Awarded, Actual Costs Awarded, Plaintiff's Settlement Payment, and Settlement Administration Fees from the \$328,000.00 Settlement Sum (this will yield the "Net Settlement Amount"). Thereafter, of the remaining Net Settlement Amount, for each PAGA Settlement Member, seventy-five percent (75%) of his or her allocated share of the Net Settlement Amount shall be distributed to the Labor and Workforce Development Agency ("LWDA") ("LWDA Payment") and the remaining twenty-five percent (25%) shall be distributed to the PAGA Settlement Members ("PAGA Settlement Member Payment") pursuant to the allocation formula set forth in this Section.

The "PAGA Settlement Member Payment" for each PAGA Settlement Member shall be determined based on a formula taking into account the number of each PAGA Settlement Member's "Qualifying Pay Periods." A "Qualifying Pay Period" shall be defined as any pay period in which a PAGA Settlement Member

worked at least one day for Defendant, as PAGA Settlement Members were paid weekly. Each PAGA Settlement Member will then be paid an amount equal to the Qualifying Pay Period amount multiplied by that PAGA Settlement Member's total number of Qualifying Pay Periods.

(b) Funding and Distribution Process

Within five (5) days after the Effective Date, Defendant will transmit to the Settlement Administrator the Settlement Sum.

Within five (5) days after the Effective Date, Defendant shall also provide the Settlement Administrator with a list of the names, social security numbers, and addresses of the PAGA Settlement Members. The contact information is being provided confidentially to the Settlement Administrator only, and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the confidentiality of contact information of the PAGA Settlement Members. This information is to be used only to carry out the Settlement Administrator's duties as specified in this Settlement.

Within ten (10) days of receipt of the Settlement Sum, the Settlement Administrator will disburse PAGA Settlement Member Payments to each PAGA Settlement Member to the last known physical address on file with Defendant in its regularly maintained records. Prior to this disbursement, the Settlement Administrator shall run a skip trace for every separated PAGA Settlement Member. Such mailing as described in this paragraph shall be conclusive evidence of payment of the PAGA Settlement Member Payments, and shall satisfy any and all due process requirements. All funds not claimed within 180 days of mailing of payment shall be sent to Legal Aid at Work as the designated *cy pres* recipient (subject to Court approval).

Within ten (10) days of receipt of the Settlement Sum, the Settlement Administrator shall send a check to the LWDA as the LWDA Payment, in the amount calculated pursuant to the terms of this Settlement.

Within ten (10) days of receipt of the Settlement Sum, the Settlement Administrator will disburse from the Settlement Sum an amount sufficient to pay the Attorneys' Fees and Costs, as described above and subject to Court approval, in the form of a check or wire for 75% of the Fee Amount and Actual Costs made payable to "Matern Law Group, PC", and delivered to Matern Law Group; (2) a check or wire for 25% of the Fee Amount and Actual Costs made payable to "Moon & Yang, APC," and delivered to Moon & Yang; and (3) checks for the PAGA Settlement Member Payment to Plaintiffs, made payable in their name, delivered to the appropriate Plaintiff's Counsel.

(c) No Additional Contribution by Defendant

Defendant's monetary obligation under this Agreement is limited to the Settlement Sum. Defendant shall not be required to pay more than the Settlement Sum to obtain the relief (including, but not limited to, the Settlement, releases of claims, issuance of the Final Order, dismissal of the Action in its entirety in accordance with the terms of this Agreement) provided in this Agreement or to fully and finally settle and resolve the PAGA Action.

Notwithstanding the above, in the event that this Agreement is voided or nullified, in whole or in part, however that may occur, or the Settlement of the Action is barred by operation of law, or invalidated, or ordered not to be carried out by a Court of competent jurisdiction, Defendant will cease to have any obligation to pay any portion of the Settlement Sum to anyone under the terms of this Agreement.

(d) Tax Indemnity

The PAGA Settlement Member Payment will be attributed entirely to civil penalties, as provided under PAGA. PAGA Settlement Members will be issued a Form 1099 for the PAGA Settlement Member Payment.

5. Release of Claims.

(a) In General. In exchange for the payment of the settlement sum, Plaintiffs and PAGA Settlement Members shall release the PAGA cause of action in the operative complaints and PAGA notice and all claims for civil penalties thereon, including but not limited to all claims for civil penalties pursuant to Labor Code section 2698, et seq., premised on the alleged failure to issue accurately itemized wage statements, including but not limited to alleged underlying violations of Labor Code section 226, based on any theory pled or that could have been pled in the operative and all prior complaints.

(d) Future Cooperation. Plaintiffs agree to sign any documents and do anything else that is necessary in the future to implement this Agreement, including ensuring that all operative complaints and/or claims in the PAGA Actions shall be dismissed with prejudice. Plaintiffs acknowledge and affirm that Plaintiffs may be a witness in litigation, arbitration, government or other administrative proceedings involving a Released Party as a result of Plaintiffs' employment. Plaintiffs hereby covenant and agree to testify truthfully in any and all such litigation, arbitrations, government or administrative proceedings.

(e) Confidentiality. Plaintiffs and their counsel represent and agree that they have not and will not issue any public announcement, publication, or otherwise disclose the Agreement, the terms thereof, the claims, demand, or allegations alleged by Plaintiffs, or any facts alleged to exist as support thereof, the information gathered in discovery, to anyone, including the press, media, websites, or any service which reports litigation, verdicts or settlements. Plaintiffs and their attorneys will not issue any press or other media releases or have any communication with the press or media or anyone other than family members, clients, PAGA Settlement Group Members, financial advisors, retained experts, and vendors related to settlement administration, regarding the Settlement. Information regarding the Settlement may be disclosed to the Court if requested or in response to information disclosed by Defendant. The requirement to obtain approval of the settlement and dismissal of the PAGA Claim is a limited exception to obligations of Plaintiffs and their counsel under this provision. Furthermore, insofar as Defendant may be required to provide Plaintiffs and/or any settlement administrator with the names, social security numbers, addresses or any other private or personal information of any of the Aggrieved Drivers who might be entitled to a distribution from this Agreement under PAGA, such information will be kept confidential by Plaintiffs and any settlement administrator.

(f) Taxes. Plaintiffs acknowledge that they are responsible for paying any taxes on amounts they receive because they signed this Agreement. Moreover, Plaintiffs acknowledge that Defendant makes no representation or warranties with respect to the tax consequences of the payment of any sums to Plaintiffs under the terms of this Agreement. Plaintiffs agree and understand that she is solely responsible for payment, if any, of all local, state and/or federal taxes on all sums paid hereunder, and any penalties or assessments thereon.

8. Warranties and Representations.

(a) Entire Agreement. Except as noted herein, this Agreement as well as Plaintiffs' continuing obligations under any confidentiality or proprietary information agreement as referred to above constitute the entire agreement between Plaintiffs and Defendant. This Release may not be modified or canceled in any manner except by a writing signed by Defendant. Each party acknowledges that the other party has made no representations or promises to each other than those contained in this Agreement. If any provision in this Agreement is found to be unenforceable, all other provisions will remain fully enforceable.

(b) Successors. This Agreement binds Defendant's heirs, administrators, representatives, executors, successors, and assigns, and will inure to the benefit of the Released Party and their agents, administrators, representatives, executors, successors and assigns.

(c) Interpretation. Except to the extent governed by federal law, this Agreement shall be governed by the statutes and common law of the State of California.

(d) Waiver. The failure of either party to insist upon the performance of any of the terms and conditions in this Agreement, or the failure to prosecute any breach of any of the terms and conditions of this Agreement, shall not be construed thereafter as a waiver of any such terms or conditions. This entire Agreement shall remain in full force and effect as if no such forbearance or failure of performance had occurred.

(e) Attorneys' Fees. Except as provided herein, the Parties to this Agreement shall bear their own attorneys' fees and costs arising from Plaintiffs' pursuit of the Claims, and/or arising from the actions of their counsel in connection with this Agreement. In the event either party to this Agreement institutes an action or proceeding against another party to enforce the provisions of this Agreement, the prevailing party shall be entitled to recover its expenses, including reasonable attorneys' fees, in addition to any other relief to which that party is entitled.

(f) Mutual Drafting. Each party to this Agreement has had an opportunity to participate in the drafting of this Agreement to the extent they desire and therefore, this Agreement shall be construed according to its plain meaning and not strictly construed for or against any party.

(g) Representation and Review. The Parties to this Agreement have been represented and advised by counsel. The Parties each represent that they are competent to enter into this Agreement; that they have had adequate time to review this Agreement and decide whether or not to enter into this Agreement; that they have reviewed this Agreement with their respective counsel; that they fully understand the meaning of the terms and conditions set forth

in this Agreement; and that they are each entering into this Agreement knowingly and voluntarily; and,

(h) Counterparts. This Agreement may be executed in separate counterparts and each such counterpart shall be deemed an original with the same effect as if all parties had signed the same document.

(i) Electronic Signature. Electronic or scanned signatures on this Agreement (including PDF scans of signatures) shall be treated as original signatures.

(j) Authority. The individual signing on behalf of Defendant represents and warrants that he or she has full authority to enter into this Agreement such that this Agreement shall be a legal and binding obligation of Defendant.

Dated: September 8th, 2022

MCh

Maria Chiti Osorio (Sep 7, 2022 11:14 PDT)

Maria Osorio

Dated: September 8, 2022

DocuSigned by:

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Alec Nygard

Dated: September 18, 2022

Douglas Sherer

Douglas Sherer (Sep 18, 2022 11:02 PDT)

For Defendant Reneson Hotels, Inc.

Approved as to form only:

Dated: September 7, 2022

MATE IN LAW GROUP, LLC

By: 
Matthew J. Matern
Joshua Boxer
Corey Bennett
Attorneys for Plaintiff Maria Osorio

Dated: September 7, 2022

MOON & YANG, APC

By: 
Kane Moon
Allen Feghali
Edwin Kamarzarian
Attorneys for Plaintiff Alec Nygard

Dated: September 16, 2022

KAUFMAN DOLOWICH VOLUCK

By: 
Katherine S. Catlos
Arthur Gaus
Attorneys for Defendant Reneson Hotels, Inc.