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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

NADENE NEVAREZ, individually, and on behalf of all other aggrieved employees, Plaintiff, vs. SONESTA INTERNATIONAL HOTELS CORPORATION, a California corporation; and DOES 1 to 50, inclusive, Defendants.	Los Angeles County Superior Court Case No.: 22STCV36156 **JOINT STIPULATION OF PAGA SETTLEMENT AND RELEASE AGREEMENT** Assigned to: Hon. Wendy Chang Department: 36 Complaint Filed: November 14, 2022
JILL GARDNER, a proxy for the State of California as an aggrieved employee pursuant to the Private Attorneys General Act ("PAGA"), Plaintiff, vs. SONESTA INTERNATIONAL HOTELS CORPORATION, and DOES 1 through 10, inclusive, Defendants.	San Diego County Superior Court Case No.: 37-2022-00001666-CU-OE-CTL Assigned to: Hon. Carolyn Caietti Department: C-70 Complaint Filed: January 13, 2022
BERTHA DOMINGUEZ, on behalf of herself and all others similarly situated, Plaintiff, vs. SONESTA INTERNATIONAL HOTELS CORPORATION, a Maryland corporation; and DOES 1 to 10, inclusive, Defendants.	United States District Court for the Northern District of California Case No.: 3:22-CV-03027-JCS Assigned to: Magistrate Judge Joseph C. Spero Department: Courtroom D Complaint Filed: April 7, 2022 FAC Filed: October 27, 2022

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JOINT STIPULATION OF PAGA SETTLEMENT AND RELEASE AGREEMENT

This Joint Stipulation of PAGA Settlement and Release Agreement is made and entered into by and between Plaintiffs Jill Gardner, Bertha Dominguez and Nadene Nevarez ("Plaintiffs") individually and on behalf of the State of California and all PAGA Members (as defined in Paragraph 32) and Defendant Sonesta International Hotels Corporation ("Defendant" or "Sonesta") (as defined in Paragraph 35 below, Plaintiffs and Defendant are together referred to as the "Parties"). The Parties agree that the Actions, as defined below, shall be settled on the terms and conditions set forth in this Joint Stipulation of PAGA Settlement and Release Agreement ("Settlement Agreement" or "Settlement"), subject to the approval of the Court pursuant to the California Private Attorneys General Act of 2004, Labor Code sections 2698 et seq. ("PAGA").

INTRODUCTION

1. On November 9, 2021, pursuant to PAGA, Plaintiff Jill Gardner provided notice ("PAGA Notice"), via online submission, to the State of California's Labor and Workforce Development Agency ("LWDA") and by certified mail to Defendant regarding various alleged California Labor Code violations. The PAGA Notice bears number LWDA-CM-851843-21.

2. On January 13, 2022, after exhausting the pre-filing requirements, Plaintiff Gardner filed a wage and hour PAGA action against Defendant alleging, among other things, failure to provide meal periods and rest periods, and the underpayment of wages. Plaintiff Gardner's PAGA Action was filed in San Diego County Superior Court, Case No. 37-2022-00001666-CU-OE-CTL.

3. On March 17, 2022, pursuant to PAGA, Plaintiff Nadene Nevarez provided notice ("PAGA Notice"), via online submission, to the LWDA and by mail to Defendant regarding various alleged California Labor Code violations. The PAGA Notice bears number LWDA-CM-873956-22.

4. On November 14, 2022, after exhausting the pre-filing requirements, Plaintiff Nevarez filed a wage and hour PAGA action against Defendant alleging, among other things, failure to provide meal periods and rest periods, and the underpayment of wages. Plaintiff Nevarez's PAGA Action was filed in Los Angeles County Superior Court, Case No. 22STCV36156.

5. On April 7, 2022, pursuant to PAGA, Plaintiff Bertha Dominguez provided notice ("PAGA Notice"), via online submission, to the LWDA and by mail to Defendant regarding various

alleged California Labor Code violations. The PAGA Notice bears number LWDA-CM-877648-22.

6. On April 7, 2022, Plaintiff Dominguez filed a wage and hour class action against Defendant in San Mateo County Superior Court which was later removed to the U.S. District Court for Northern District of California, Case No. 3:22-cv-03027-JCS, on May 31, 2022. Plaintiff Dominguez then amended her complaint to add PAGA claims on October 27, 2022. The class allegations have been dismissed without prejudice.

7. On October 18, 2024, the Parties participated in an all-day mediation with Todd Smith, in which the Parties accepted a mediator's proposal at the end of the day.

8. Based on Plaintiffs' investigations, discovery, records analysis, and taking into account the defenses that Defendant raised in connection with both liability on the merits and the amount of any civil penalty that might be imposed by the Court pursuant to Labor Code section 2699(e)(2), the expense and time necessary to pursue the Action through trial, the risks and costs of further prosecution of the Action, the uncertainties of complex litigation and developing law, and the benefits that will accrue to the LWDA and the PAGA Members, Plaintiffs and their counsel believe that a settlement with Defendant on the terms set forth in this Agreement is fair, reasonable, adequate, and in the best interests of the State of California (i.e., LWDA), the PAGA Members (as defined in Paragraph 32), and Plaintiffs.

9. By entering into this Settlement Agreement, Defendant is not admitting any liability whatsoever, including that the imposition of any PAGA civil penalties in connection with the Actions is proper or warranted, and Defendant maintains all defenses. The Parties have entered into this Settlement Agreement to avoid the expense, risk, and burden of continued litigation. An express condition of this Settlement is that there has been no finding of liability on the merits, and that this Settlement Agreement and ensuing judgment therefore cannot be a basis for a derivative finding that Defendant violated any provision of the Labor Code.

10. Defendant denies liability, and Plaintiffs acknowledge that neither this Settlement Agreement nor promises made pursuant to the Settlement Agreement shall be taken or construed to be an admission or concession of any kind with respect to liability or alleged wrongdoing by Defendant. Any stipulations or statements by Defendant contained in this Settlement Agreement are made for settlement purposes only.

11. This Settlement Agreement requires Defendant to pay a non-reversionary sum of Two Million Eight Hundred Fifty Thousand Dollars and Zero Cents ($2,850,000.00) inclusive of all amounts to be paid under the Settlement, including the amounts to the Plaintiffs for General Release Payments, PAGA penalties to the State of California and PAGA Members, Attorneys' Fees and Costs, and Settlement Administration Costs ("Maximum Settlement Amount") to settle the claims for PAGA penalties based on the alleged violations of the Labor Code asserted based on the operative facts alleged in Plaintiffs' Complaints and/or PAGA exhaustion letter to the LWDA, on behalf all persons who are or were employed by Defendant as hourly paid, non-exempt employees in California for Defendant at any time during the PAGA Period.

12. The Parties stipulate to approval of the representative action for purposes of settlement only.

13. The Parties further agree to cooperate and to take all steps necessary and appropriate to effectuate all aspects of this Settlement.

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

14. "Action(s)" means the actions entitled *Jill Gardner v. Sonesta International Hotels Corporation*, San Diego County Superior Court, Case No. 37-2022-00001666-CU-OE-CTL ("*Gardner*"), *Bertha Dominguez v. Sonesta International Hotels Corporation*, Northern District of California, Case No. 3:22-cv-03027-JCS ("*Dominguez*"), and *Nadene Nevarez v. Sonesta International Hotels Corporation*, Los Angeles County Superior Court, Case No. 22STCV36156 ("*Nevarez*").

15. "Approval Order" means the order issued and entered by the Court following a Motion for Approval of this Settlement Agreement.

16. "Attorneys' Fees and Costs" means attorneys' fees agreed upon by the Parties and approved by the Court for Plaintiffs' Counsel's litigation and resolution of the Action, and all costs incurred and to be incurred by Plaintiffs' Counsel in the Action, including, but not limited to, costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court's approval of the Settlement, administering the Settlement, obtaining

entry of the Judgment terminating the Action, and expenses for any consultants or experts. Attorneys' Fees and Costs shall be paid to Plaintiffs' Counsel, the Law Offices of Mark Yablonovich, the Law Office of Scott Ernest Wheeler, and Bradley/Grombacher, LLP as set forth below in Paragraph 44.a.i. The Parties have agreed to, and Defendant will not oppose, an application to the Court for Attorneys' Fees in an amount not to exceed one third (33⅓%) of the Maximum Settlement Amount (Nine Hundred Fifty Thousand Dollars and Zero Cents ($950,000.00) if the Maximum Settlement Amount remains $2,850,000.00) and costs and expenses not to exceed Sixty Thousand Dollars and Zero Cents ($60,000.00).

17. "Complaint(s)" means the operative complaint filed in the Actions for civil penalties for violations of California Labor Code, pursuant to the Private Attorneys General Act of 2004, Labor Code sections 2698, et seq. To effectuate the terms of this Settlement, a First Amended Complaint will be filed by way of a Joint Stipulation for Leave to File a First Amended Complaint.

18. "Court" means the Superior Court of the State of California for the County of Los Angeles or any other court taking jurisdiction of the Actions.

19. "Defendant" means Defendant Sonesta International Hotels Corporation.

20. "Defendant's Counsel" means Jackson Lewis, P.C. For purposes of providing any notices required under this Settlement, Defendant's Counsel shall refer to: Mia Farber, Benjamin Schnayerson, Buck N. Haddix, and Jimmy Macias, 725 South Figueroa Street, Suite 2500, Los Angeles, California 90017.

21. "Effective Date" means the date when all of the following events have occurred: (1) the Court has entered a Final Order and Judgment approving the Settlement; (2) sixty-five (65) calendar days have passed since the Court has entered a Final Order and Judgment, has approved the Settlement, and no challenge to the Settlement, motion to intervene or motion to vacate has been filed; and (3) the period for filing any appeal, writ, other appellate proceeding or challenge opposing the Court's entry of the Final Order and Judgment has expired without any appeal, writ or other appellate proceeding having been filed or any other opposition, review, challenge, motion for reconsideration or motion to vacate the entry of the Final Order and Judgment having been filed; or, if any appeal, writ or other appellate proceeding opposing the Final Order and Judgment has been filed, or any other opposition, review,

challenge, motion for reconsideration or motion to vacate the Court's Final Order and Judgment approving the Settlement has been filed, five calendar days after any appeal, writ or other appellate proceedings opposing the Settlement or seeking to reconsider the order or seeking to vacate the Judgment, or any other opposition, challenge or review has been finally and conclusively dismissed with no right to pursue further remedies or relief.

22. "First Amended Complaint" and or "FAC" means the First Amended Complaint and Enforcement Action Under the Private Attorneys General Act, California Labor Code sections 2698, et seq. filed in *Nevarez* via stipulation pursuant to Paragraph 59 by Plaintiffs against Defendant alleging claims for violations of California Labor Code sections: (1) 510 and 1198 (failure to pay overtime and double-time wages); (2) 223, 1182.12, 1194, 1197, 1197.1, and 1198 (failure to pay minimum wages); (3) 226.7, 512(a), and 1198 (failure to provide meal periods); (4) 226.7 and 1198 (failure to provide rest periods); (5) 226(a), and 1198 (failure to provide accurate itemized wage statements); (6) 1174(d) and 1198 (failure to maintain accurate and complete payroll records); (7) 1174(d) and 1198 (failure to maintain accurate and complete timekeeping records); (8) 204 (failure to timely pay wages during employment); (9) 201, 202 and 203 (failure to timely pay wages upon termination); (10) 2810.5 (failure to provide written notice of material information); (11) 432.5 and 1024.5 (failure to conduct compliant background checks); (12) 2802 (unreimbursed business expenses); (13) 1198 and California Code of Regulations, Title 8, section 11050(5)(A) (failure to provide reporting time pay); (14) 1198 and California Code of Regulations, Title 8, section 11050(4)(C) (failure to pay split shift premium wages); (15) 2810.8 (failure to rehire laid-off employees); (16) 1198 and California Code of Regulations, Title 8, section 11050(13)(B) (failure to provide resting facilities); (17) 1198 and California Code of Regulations, Title 8, section 11050(14) (failure to provide suitable seating); and (18) 246, 247.5, 248.1, 248.2, 248.5, 248.6 (failure to provide and maintain records of sick leave and supplemental COVID-19 sick leave, failure to provide sick pay at the regular rate, and failure to provide written notice of sick leave).

23. "General Release Payment(s)" means the amount to be paid to Plaintiffs in recognition of their effort and work in prosecuting the Action on behalf of PAGA Members, as well as the state of California, and for their general release of claims. PAGA Representatives will execute a general release

that includes a release of claims against Defendant and their present and former parent companies, subsidiaries, divisions, concepts, related or affiliated companies, and its shareholders, owners, partners, managers, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any other individual or entity related to Defendant, as well as a waiver of California Civil Code section 1542, and Defendant shall not oppose the payments to the PAGA Representatives in an amount not to exceed the combined amount of Thirty Thousand Dollars ($30,000) or $10,000 to each PAGA Representative, subject to approval by the Court. The General Release Payment is to be part of, and to be deducted from, the Maximum Settlement Amount. IRS Forms 1099 shall be issues for the General Release Payments. The General Release Payments are separate and apart from any money Plaintiffs are entitled to as PAGA Members. Any portion of the General Release Payments not awarded to the PAGA Representatives will be added to the Net Settlement Amount.

24. "Individual Settlement Payment" means each PAGA Member's share of the Net Settlement Amount, to be distributed to the PAGA Members.

25. "Labor and Workforce Development Agency Payment" or "LWDA Payment" means the amount to be paid to the California Labor and Workforce Development Agency ("LWDA") in connection with PAGA (Cal. Lab. Code §§ 2698, *et seq*.). Seventy-five percent (75%) of the Net Settlement Amount of civil penalties shall be payable to the LWDA.

26. "Maximum Settlement Amount" means an all-in and non-reversionary sum of Two Million Eight Hundred Fifty Thousand Dollars and Zero Cents ($2,850,000.00) inclusive of all amounts to be paid under the Settlement, including the amounts for Individual Settlement Payments to PAGA Members, the Labor and Workforce Development Agency Payment, Attorneys' Fees and Costs to Plaintiffs' Counsel, the General Release Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator. Under no circumstances will Defendant's payment exceed the Maximum Settlement Amount except as set forth in the escalator clause in Paragraph 49.

27. "Memorandum of Understanding" or "MOU" means the short form settlement agreement reflected in the Confidential Memorandum of Understanding fully executed by the Parties on or about November 14, 2024.

28. "Net Settlement Amount" means the portion of the Maximum Settlement Amount

remaining after deduction of the approved General Release Payments, Settlement Administration Costs, and Plaintiffs' Attorneys' Fees and Costs. Of the Net Settlement Amount, seventy-five percent (75%) shall be distributed to the LWDA and twenty-five percent (25%) shall be distributed to the PAGA Members.

29. "Notice" means the Notice of PAGA Settlement (in English, Spanish, Simplified Chinese, Tagalog, and Vietnamese), substantially in the form attached as Exhibit A.

30. "PAGA Period" shall be from November 9, 2020 to November 17, 2024. The PAGA Period is the same as the Release Period.

31. "PAGA Distribution Fund" means the twenty-five percent (25%) of the Net Settlement Amount to be distributed to PAGA Members.

32. "PAGA Members" means all persons who are or were employed by Defendant as hourly paid, non-exempt employees in the State of California at any time during the PAGA Period.

33. "PAGA Member Data" means a complete list and data of all PAGA Members that Defendant will provide to the Settlement Administrator in an electronic database within twenty-one (21) calendar days after the Court approves this Settlement. The PAGA Member Data shall contain each PAGA Member's full name, Social Security number, last known home address, and dates worked by each PAGA Member as a non-exempt employee for Defendant in California during the PAGA Period and any other information reasonably requested or needed by the Settlement Administrator.

34. "PAGA Representative(s)" means, for the purposes of this Settlement only, Plaintiffs Jill Gardner, Bertha Dominguez, and Nadene Nevarez.

35. "Parties" means Plaintiffs and Defendant together.

36. "Pay Period(s)" means the number of pay periods of employment for each PAGA Member during the PAGA Period in which the PAGA Member received a paycheck. The Pay Periods shall not include any pay periods of employment during which an PAGA Member worked outside the state of California, performed no work for Defendant, or performed work in a position that was not non-exempt. All PAGA Members shall be credited with at least one Pay Period.

37. "Plaintiffs' Counsel" or "PAGA Counsel" mean the Law Offices of Mark Yablonovich ("LOMY"), The Wheeler Law Firm, APC ("WLF"), and Bradley/Grombacher, LLP ("BG") on behalf

of Plaintiffs and the State of California as well as all attorneys engaged by LOMY, WLF, and BG.

38. "Release Period" shall be from November 9, 2020 to November 17, 2024. The Release Period is the same as the PAGA Period.

39. "Released Claims" or "Settled Claims" means any and all claims for civil penalties under the California Private Attorneys General Act of 2004, California Labor Code sections 2698 et seq. ("PAGA") alleged in the operative Complaints in the Actions and notices submitted to the LWDA or that could have been pleaded based on the facts alleged in the operative complaints in the Actions and notices submitted to the LWDA in connection with the Actions, including all interest, fees, and costs as against the Released Parties during the Release Period. The Released Claims include claims for civil penalties under PAGA for the following alleged violations of the California Labor Code and related regulations during the Release Period: (1) Labor Code sections 510 and 1198 (failure to pay overtime and double-time wages); (2) Labor Code sections 223, 1182.12, 1194, 1197, 1197.1, and 1198 (failure to pay minimum wages); (3) Labor Code sections 226.7, 512(a), and 1198 (failure to provide meal periods); (4) Labor Code sections 226.7 and 1198 (failure to provide rest periods); (5) Labor Code sections 226(a), and 1198 (failure to provide accurate itemized wage statements); (6) Labor Code sections 1174(d) and 1198 (failure to maintain accurate and complete payroll records); (7) Labor Code sections 1174(d) and 1198 (failure to maintain accurate and complete timekeeping records); (8) Labor Code section 204 (failure to timely pay wages during employment); (9) Labor Code sections 201, 202 and 203 (failure to timely pay wages upon termination); (10) Labor Code section 2810.5 (failure to provide written notice of material information); (11) Labor Code sections 432.5 and 1024.5 (failure to conduct compliant background checks); (12) Labor Code section 2802 (unreimbursed business expenses); (13) Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(5)(A) (failure to provide reporting time pay); (14) Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(4)(C) (failure to pay split shift premium wages); (15) Labor Code section 2810.8 (failure to rehire laid-off employees); (16) Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(13)(B) (failure to provide resting facilities); (17) Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(14) (failure to provide suitable seating); and (18) Labor Code sections 246, 247.5, 248.1, 248.2, 248.5, 248.6 (failure to provide and

maintain records of sick leave and supplemental COVID-19 sick leave, failure to provide sick pay at the regular rate, and failure to provide written notice of sick leave). The Released Claims do not include individual non-PAGA claims except as to Plaintiffs Jill Gardner, Bertha Dominguez, and Nadene Nevarez, each of whom expressly release individual non-PAGA claims as set forth in Paragraph 23 above.

40. “Released Parties” means Defendant, Sonesta Redondo Beach, LLC, Sonesta Clift, LLC and their present and former parent companies, subsidiaries, divisions, concepts, related or affiliated companies, and its shareholders, owners, partners, managers, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any other individual or entity related to Defendant that could be liable for any of the Released Claims, and Defendant’s counsel of record in the Actions.

41. “Settlement Administrator” means the third-party administrator, Atticus Administration, LLC, or any other duly appointed administrator approved by the Court, who has been mutually selected by the Parties, subject to Court approval, to perform the notice and distribution of payment functions further described in this Settlement. The Settlement Administrator shall establish its own employer identification number and file an Internal Revenue Service Form W-9. The Settlement Administrator shall meet all of the requirements to establish a Qualified Settlement Fund (“QSF”) pursuant to U.S. Treasury Regulation Section 468B-1.

42. “Settlement Administration Costs” means the costs payable from the Maximum Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, translating the Notice, calculating estimated amounts per PAGA Member, distributing reminder postcards, tax reporting, distributing the Maximum Settlement Amount, and providing necessary reports and declarations, and other duties and responsibilities set forth in this Settlement Agreement to process this Settlement, and as reasonably requested by the Parties or the Court. All of the costs, fees and expenses incurred by the Settlement Administrator in performing these functions shall be paid and deductible from the Maximum Settlement Amount. The Settlement Administration Costs are estimated not to exceed Thirteen Thousand Dollars ($13,000.00). Any Settlement Administration Costs not awarded or incurred shall be included in the Net Settlement Amount.

43. "Settlement Funding Date" mean the date, within twenty-one (21) calendar days of the Effective Date, in which Defendant is to make a one-time deposit of the Maximum Settlement Amount into an account set up by the Settlement Administrator.

TERMS OF SETTLEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and warranties set forth in this Agreement, the Parties agree, subject to the Court's approval, as follows:

44. It is agreed by and between Plaintiffs and Defendant that the Action and any claims and causes of action which were or are the subject of the Action be fully settled and compromised as between Plaintiffs, on behalf of themselves, the State of California (the LWDA), and each and every PAGA Member, and Defendant and the Released Parties, subject to the terms and conditions set forth in this Settlement Agreement and the approval of the Court.

a. **Consideration**: In consideration for this Settlement Agreement, Defendant will pay the Maximum Settlement Amount of Two Million Eight Hundred Fifty Thousand Dollars and Zero Cents ($2,850,000.00) (subject to the escalator clause) to cover Individual Settlement Payments to PAGA Members, the Labor and Workforce Development Agency Payment, Attorneys' Fees and Costs to Plaintiffs' Counsel, the General Release Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator. This Settlement is non-reversionary. Defendant maintains no reversionary right to any portion of the Settlement Amount. The Maximum Settlement Amount shall be distributed as follows:

i. ***Attorneys' Fees and Costs.***

1. Subject to the Court's approval, Counsel for Plaintiffs and the State of California (LOMY, WLF, and BG) shall be paid and receive an amount not to exceed one-third (33⅓%) of the Maximum Settlement Amount (Nine Hundred Fifty Thousand Dollars and Zero Cents ($950,000.00)) as reasonable attorneys' fees under PAGA (unless the Maximum Settlement Amount increases pursuant to the escalator clause). Plaintiffs and their respective counsel agree to the division of attorneys' fees as follows: 57.50% to the LOMY, 23.75% to WLF, and 18.75% to BG (any amount not awarded to Counsel for Plaintiffs for attorneys' fees shall be included in the Net Settlement Amount);

2. Subject to the Court's approval, Counsel for Plaintiffs and the

State of California (LOMY, WLF, and BG) shall be paid and receive as reasonable reimbursable costs under PAGA an amount not to exceed Sixty Thousand Dollars and Zero Cents ($60,000.00) (any amount not awarded to Counsel for Plaintiffs for costs shall be included in the Net Settlement Amount);

3. The Settlement Administrator (not Defendant) shall issue an Internal Revenue Service Form 1099 to Plaintiffs' Counsel for any Attorneys' Fees and Costs award payments. Plaintiffs' Counsel shall be solely and legally responsible for paying all applicable taxes on the Attorneys' Fees and Costs payments;

4. Upon delivery of the Maximum Settlement Amount to the Settlement Administrator, Defendant will have fully met Defendant's obligations under this Agreement as to Attorneys' Fees and Costs and will not be liable in any manner for the distribution, division, or payment of any portion of the Maximum Settlement Amount to or between any counsel of Plaintiffs;

ii. ***Settlement Administration Costs.*** Subject to the Court's approval ,the actual costs of administration, up to a maximum payment of Thirteen Thousand Dollars and Zero Cents ($13,000.00), shall be paid to the Settlement Administrator. The Settlement Administration Costs approved by the Court will be paid from the Maximum Settlement Amount. Any amount of Settlement Administration Costs requested by Plaintiffs' Counsel but unapproved by the Court or not incurred by the Settlement Administrator shall be redistributed to the Net Settlement Amount. Upon completion of administration of the settlement set forth in this Agreement, the Settlement Administrator shall provide written certification of such completion to Plaintiffs' Counsel and Defendant's Counsel;

iii. ***General Release Payments.*** Subject to the Court's approval, Plaintiffs Jill Gardner, Bertha Dominguez, and Nadene Nevarez shall each receive not more than Ten Thousand Dollars and Zero Cents ($10,000.00) (or a combined amount of Thirty Thousand Dollars and Zero Cents ($30,000.00)) from the Maximum Settlement Amount, as General Release Payments (any amount not awarded to Plaintiffs shall be included in the Net Settlement Amount). Plaintiffs are responsible for all tax payments for the General Release Payments and will indemnify, defend and hold harmless the Released Parties from any tax claim (including without limitation fines, penalties, interest, attorneys' fees and costs) made by any governmental entity relating to the General Release Payments;

1. The Settlement Administrator shall issue an Internal Revenue

Service Form 1099 to Plaintiffs for the General Release Payments. Plaintiffs shall be solely and legally responsible for paying all applicable taxes on Plaintiffs' General Release Payments; and

iv. ***Net Settlement Amount.*** The remainder of the Maximum Settlement Amount, once the amounts above have been deducted, approximately One Million Seven Hundred Ninety-Seven Thousand Dollars and Zero Cents ($1,797,000.00) will be distributed as required by Labor Code section 2699(i), and in accordance with the terms of this Settlement Agreement, subject to the Court's approval, as follows:

1. ***LWDA Payment.*** Seventy-five percent (75%) of the Net Settlement Amount, approximately One Million Three Hundred Forty-Seven Thousand Seven Hundred Fifty Dollars and Zero Cents ($1,347,750.00), will be paid to and received by the LWDA, to settle the claims for PAGA penalties based on the alleged violations of the Labor Code as asserted in the Action; and

2. ***PAGA Distribution Fund.*** Twenty-five percent (25%) of the Net Settlement Amount, approximately Four Hundred Forty-Nine Thousand Two Hundred Fifty Dollars and Zero Cents ($449,250.00) will be paid to and received by the PAGA Members on a pro rata basis according to each PAGA Member's individual number of Pay Periods;

v. ***Individual Settlement Payments.*** Each PAGA Member will be eligible to receive a portion of the PAGA Distribution Fund based on the following formula:

1. The Individual Settlement Payment to a PAGA Member will be calculated by dividing the PAGA Distribution Fund by the total number of Pay Periods for the PAGA Members during the PAGA Period resulting in the PAGA Pay Period Value. The PAGA Pay Period Value will then be multiplied by the number of Pay Periods worked by each PAGA Member.

2. Defendant's time and payroll records regarding the number of Pay Periods worked for each PAGA Member shall be used for purposes of calculating Individual Settlement Payments. Defendant's records shall be determinative for purposes of calculating the number of pay periods and any Individual Settlement Payments made to PAGA Members and will be presumed correct;

3. Any settlement checks distributing Individual Settlement

Payments returned to the Settlement Administrator as undeliverable with a forwarding address provided on the returned envelope shall be sent within five calendar days via First Class U.S. Mail to the forwarding address. If no forwarding address is provided, the Settlement Administrator shall attempt to determine the correct address using a robust computer skip-trace search, and it shall then perform a re-mailing within ten calendar days;

4. All Individual Settlement Payments shall be deemed to be paid to PAGA Members solely in the year in which such payments actually are received by the PAGA Members.

b. **Settlement Administration Process:**

i. ***Appointment of Settlement Administrator.*** Subject to the Court's approval, Plaintiffs have selected, and Defendant approves, Atticus Administration, LLC, as the Settlement Administrator. Settlement Administration Costs will be paid out of the Maximum Settlement Amount prior to distribution to the PAGA Members. The Parties will cooperate in the administration of the settlement and make reasonable efforts to control and minimize the costs and to serve as expenses incurred in the administration of the Settlement.

ii. ***Delivery of PAGA Member Data.*** Within twenty-one (21) calendar days of Court approval of Settlement, Defendant shall deliver to the Settlement Administrator the PAGA Member Data. This information will remain confidential, and will not be shared with Plaintiffs or Plaintiffs' counsel except as set forth in Paragraph 44.b.iii. This provision will not preclude the Settlement Administrator from sharing information relating to specific PAGA Members if the need arises with respect to any disputes or similar issues by specific PAGA Members, or an PAGA Member requests to speak with Plaintiffs' Counsel during the settlement approval process; provided, however, that Plaintiffs' Counsel will not have access to the last known contact information or Social Security numbers for any PAGA Members unless agreed to in writing by Defendant's counsel, or such PAGA Members voluntarily agree to provide such information to Plaintiffs' Counsel.

iii. ***Delivery of Information to Plaintiffs' Counsel re Escalator.*** Within seven days of receipt of the PAGA Member Data by the Settlement Administrator, the Settlement Administrator will provide to Plaintiffs' Counsel (without revealing any confidential information such as names, Social Security numbers, contact information, etc.) the number of unique PAGA Members along with the number of Pay Periods worked by each PAGA Member during the PAGA Period. To the extent it has not already done so, the Settlement Administrator will also concurrently provide a mock-up of the Notice for review by Plaintiffs' Counsel and counsel for Defendant.

iv. ***Funding of Maximum Settlement Amount.*** Defendant shall make a one-time deposit of the Maximum Settlement Amount of Two Million Eight Hundred Fifty Thousand Dollars and Zero Cents ($2,850,000.00) (subject to the escalator clause) into an account set up by the Settlement Administrator on or before the Settlement Funding Date (i.e., within twenty-one (21) calendar days of the Effective Date).

v. ***Notice to PAGA Members.*** PAGA Members will receive the Notice attached as Exhibit A along with their settlement checks. PAGA Members may not object or opt out of either (1) the release of the PAGA claims; or (2) payments for the release of the PAGA claims. PAGA Members also do not have the right to seek intervention in the Actions in light of *Turrieta v. Lyft, Inc.* (2024) 16 Cal. 5th 664. Settlement checks mailed out to PAGA Members shall be valid for 180 days from the date of issuance. The Settlement Administrator will prepare the Notice for each PAGA Member and deliver it by First Class U.S. Mail to each PAGA Member within seven (7) calendar days of the receipt of the Maximum Settlement Amount. Prior to mailing, within fourteen (14) calendar days of receiving the PAGA Member Data, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notices returned to the Settlement Administrator as undeliverable will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed and the Settlement Administrator will indicate the date of such re-mailing on the Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address, and/or Social Security number of the PAGA Member involved, and will then perform a single re-mailing. Ninety days after the checks are mailed, the Settlement Administrator will mail reminder postcards to PAGA Members whose checks remain uncashed. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining uncashed for more than 180 days after issuance shall be voided and then will be tendered to equally to two agreed-upon cy pres recipients pursuant to Code of Civil Procedure section 384. The Parties will designate the following cy pres recipients: Legal Aid at Work and CASA of Los Angeles.

vi. ***Issuance of Payments.*** Attorneys' Fees and Costs, the Labor and Workforce Development Agency Payment, the General Release Payments, will be made payable upon the Settlement Funding Date. Individual Settlement Payments will be paid within seven calendar days after the Settlement Funding Date (i.e., the deposit) of the Maximum Settlement Amount.

vii. The Settlement Administrator shall also be responsible for taking care of all required tax reporting and issuing IRS Form 1099s with the settlement payments. Upon completion of its calculation of payments, the Settlement Administrator shall provide Defendant's counsel with a report listing the amount of all payments made to each PAGA Member. Upon completion of its calculation of payments, the Settlement Administrator shall provide Plaintiffs' Counsel with a report listing only each PAGA Member's (i) employee identification number or last four digits of the PAGA Member's Social Security number and (ii) Individual Settlement Payment. Plaintiffs' Counsel shall not receive any personal identifying information, including but not limited to names, addresses, and Social Security numbers, for any of the PAGA Members, except for Plaintiffs.

c. **Tax Treatment of the PAGA Member Payments:** The entirety of the PAGA Distribution Fund paid to individual PAGA Members shall be considered miscellaneous income and shall not be subject to withholdings. The Settlement Administrator will be responsible for timely issuing an appropriate IRS Form 1099 to each PAGA Member.

45. **Costs of Settlement Administrator:** The Settlement Administrator has agreed to perform all necessary administration duties for no more than Thirteen Thousand Dollars ($13,000.00). These administration duties will include, without limitation, the translation of the Notice to Spanish, Simplified Chinese, Tagalog, and Vietnamese, the calculation, processing, and mailing of all settlement checks, tax forms, and notices to all PAGA Members, the LWDA, Plaintiffs, Plaintiffs' Counsel and any tax authorities, performing address updates and verifications as necessary prior to the mailing, providing regular updates, and performing an address follow up on any returned mail. The Settlement Administrator will also be responsible for establishing a qualified settlement fund ("QSF"). All administration costs approved by the Court shall be paid out of the Maximum Settlement Amount. If the

actual costs of administration are less than Thirteen Thousand Dollars ($13,000.00), the difference shall be reallocated by the Settlement Administrator to the Net Settlement Amount.

46. **Notice to the LWDA.**

i. Within ten calendar days after either (1) the Settlement is approved or (2) entry of order denying the Settlement if the Court does not approve the Settlement, Plaintiffs' Counsel will provide a copy of the superior court's judgment, order, or both (if there is both an order and judgment) to the LWDA pursuant to Labor Code section 2699(*l*)(2).[1] In addition, concurrently with the filing for approval of the Settlement Agreement, Plaintiffs' Counsel will take all necessary steps to inform the LWDA of the Settlement Agreement.

47. **No Additional Benefits.** Individual Settlement Payments will not entitle any PAGA Member to additional compensation or benefits under any company bonus, contest, or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle any PAGA Member to any increased retirement, 401(k) benefits or matching benefits, or deferred compensation benefits. It is the intent of this Settlement that the Individual Settlement Payments provided for in this Settlement are the sole payments to be made by Defendant to the PAGA Members, and that the PAGA Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

48. **Non-Approval of the Settlement Agreement.** If the Court should, for any reason, not approve of any material portion of the settlement as set forth in this Settlement Agreement, then this Settlement Agreement shall be considered null and void, and neither this Settlement Agreement, nor any of the related negotiations or proceedings shall be of any force or effect and shall be admissible for any purpose in any proceeding, and all Parties to this Settlement Agreement shall stand in the same position, without prejudice, as if the Settlement Agreement had been neither entered into nor filed with the Court, unless the Parties jointly agree to seek reconsideration of the ruling or Court approval of a renegotiated

[1] All references to Labor Code sections 2699, et seq. are to the PAGA statute in effect at the time the original Actions were filed in 2022.

settlement. If not approved, Defendant retains the right to contest whether any aspect of the Action should be maintained as a representative action, or to contest the merits of the claims being asserted in the Action. If not approved, Defendant maintains the right to proceed in an arbitration forum for the Gardner and Dominquez actions, where Defendant already compelled the matters to arbitration. If not approved, Defendant preserves the right to compel arbitration or otherwise enforce Defendant's arbitration agreement on the Nevarez action. Invalidation of any material portion of this Settlement Agreement shall invalidate this Settlement Agreement in its entirety, unless the Parties subsequently agree in writing that the remaining provisions of the Settlement Agreement are to remain in full force and effect.

49. **Escalator Clause: Proportional Increase to Maximum Settlement Amount.** To the extent the Pay Period count in the Release Period exceeds 92,000 pay periods by more than 7%, then there will be a proportionate percentage increase in the Maximum Settlement Amount for all pay periods in excess of 98,440. If the PAGA Member Data provided by Defendant to the Settlement Administrator as in Paragraphs 44.b.ii-iii reflects more than a 7% increase in the number of Pay Periods from the data that has been reported, Defendant will increase the Maximum Settlement Amount by 1% for every 1% increase in Pay Periods over the 7% threshold.

50. **Taxes.** Plaintiffs, Defendant, and their respective counsel make no representations as to the tax consequences or characterization of the nature of any payment made pursuant to this Settlement Agreement.

51. **Circular 230 Disclaimer:** EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN

CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

52. **Attorneys' Fees and Costs.** Except as provided in Paragraph 44.a.i. above, Plaintiffs, on the one hand, and Defendant, on the other, each agree to bear their own costs and attorneys' fees and waive any statute, rule of court, provision or legal proposition which might otherwise be relied upon to obtain costs, fees or expenses in connection with Plaintiffs' allegations and causes of action released in this Settlement Agreement. Plaintiffs' Counsel acknowledge that if this settlement is approved, they will have no claim for or legal right to attorneys' fees or costs except as provided for in this Settlement Agreement.

53. **Release of Claims by the State and PAGA Members.** Upon the Settlement Funding Date, and except as to such rights or claims as may be created by this Settlement Agreement, the State of California and each and every PAGA Member (which includes any legal heirs and/or successors-in-interest of each and every PAGA Member), fully releases and discharges the Released Parties from the Released Claims during the Release Period (which is also the PAGA Period). PAGA Members, other than Plaintiffs, will not be deemed to have released any individual wage and hour claims based on alleged violations of the Labor Code or of a California Wage Order, for which they have a private right of action, by virtue of this Settlement Agreement during the Release Period.

54. **Complete And General Release of Claims by Named Plaintiffs Jill Gardner,**

<u>Bertha Dominguez, and Nadene Nevarez</u>. In consideration for receiving the General Release Payments described above, Plaintiffs bind themselves, and all of their respective heirs, beneficiaries, trustees, administrators, executors, assigns, agents and legal representatives, and release, waive and forever discharge Defendant and the Released Parties from, and acknowledge full accord and satisfaction of, any and all claims, demands, causes of action, rights, and liabilities of any kind whatsoever (upon any legal or equitable theory, whether contractual, common law or statutory, under federal, state or local law or otherwise) by reason of any act, omission, transaction, agreement or occurrence, that Plaintiffs have ever had, now have against Defendant and the Released Parties up to and including the date the Court approves this Settlement ("Named Plaintiffs' Released Claims") arising under federal, state or local laws, rules, or regulations, whether known or unknown, unforeseen, unanticipated, unsuspected or latent, that have been or could have been asserted by Plaintiffs, or their heirs, successors and/or assigns of Plaintiffs. Notwithstanding any other provision of this Settlement Agreement, this general release does not release any claims that cannot lawfully be released. This general release is not intended to limit Plaintiffs from filing a charge with, or participating in an investigation conducted by, the Equal Employment Opportunity Commission, or other federal, state or local government agency; provided, however, that Plaintiffs expressly waive and relinquish any rights Plaintiffs might have to recover damages, monetary or other relief, whether equitable or legal, in any such proceeding concerning events or actions that arose on or before the date that Plaintiffs sign this Settlement Agreement. Plaintiffs are not waiving any rights Plaintiffs may have to (i) Plaintiffs' own vested accrued employee benefits under any health, welfare, or retirement benefits plans as of the date of execution of this Settlement Agreement; (ii) any benefits or rights to seek benefits under applicable workers' compensation (except as to claims under Labor Code sections 132a and 4553) or unemployment insurance or indemnification statutes; (iii) pursue claims which by law cannot be waived by signing this Settlement Agreement; and (iv) enforce this Settlement Agreement.

55. **<u>Waiver of Unknown Claims by Plaintiffs</u>.** With respect to Named Plaintiffs' Released Claims, Plaintiffs acknowledge the language of Section 1542 of the California Civil Code, which provides:

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.

Plaintiffs expressly waive the protection of Section 1542. This release excludes any release of any claims not permitted to be released by law.

56. **No Admission of Liability.** By entering into this Settlement, Defendant in no way admits any violation of law or any liability whatsoever to PAGA Members, individually or collectively, and expressly denies all such liability.

57. **Certification of Completion.** Upon completion of administration of the Settlement, the Settlement Administrator shall provide a written declaration(s) under oath to certify such completion to the Court and counsel for all Parties.

SETTLEMENT APPROVAL PROCEDURE

58. **Settlement Approval.** Plaintiffs shall submit to the Court a Motion for Approval of Settlement. This motion shall seek an order to approve the proposed Settlement. This motion shall include the basis for the Maximum Settlement Amount and why the amount is reasonable in light of the facts and controlling authorities pertaining to the claims alleged. Defendant agrees to cooperate with Plaintiffs' Counsel and provide any reasonable and necessary information to support the motion. Plaintiffs' Counsel will draft the motion for settlement approval, and all supporting papers, giving Defendant at least five business days to review.

59. **Filing of First Amended Complaint**: The Parties agree that Plaintiff Nevarez will file a First Amended Complaint ("FAC"). The FAC will include all PAGA claims alleged in Plaintiff Gardner's PAGA letters and Complaint, as well as those claims alleged in *Nevarez* and *Dominguez*. Plaintiffs will take any and all reasonable steps necessary to validly and effectively file the FAC and will also amend the complaint to add the PAGA Representatives to a single case. The Parties will stipulate to the filing of the FAC solely for purposes of settlement and Defendant waives any right to remove the action to federal court. If a motion for leave to file the FAC is required, Defendant will not oppose this motion. In the event the Settlement is not approved, the FAC will be null and void (but without prejudice to Plaintiffs seeking leave to amend their respective complaints) and the Actions will be restored to their

status quo ante as of the date of the Parties' Memorandum of Understanding, and the Parties will cooperate to the fullest extent possible to restore the Actions to their status quo ante. By stipulating to the filing of an amended complaint for the purpose of Settlement, Defendant is no way agreeing an amendment would be appropriate outside the context of this Settlement. Plaintiffs do not agree the matter is or would be removable to federal court or federal jurisdiction is proper. Notwithstanding the amendment, Defendant agrees the FAC does not confer jurisdiction to any federal court, and therefore agrees not to remove to federal court; if, however, the Settlement is not approved for any reason and the action is restored to its status quo ante, Defendant's right to remove to federal court shall remain fully intact, and Plaintiffs agree that they will not oppose such removal on the basis that Defendant waived any right through this Settlement Agreement. The stipulation to file an FAC will be prepared by Plaintiffs and subject to approval by Defendant. The filing of the FAC will not waive Defendant's right to compel arbitration or enforce Defendant's Arbitration Agreement in any way.

60. **Entry of Judgment.** Upon issuance of the Approval Order, the Parties shall request the Court enter Judgment in the case.

61. **Confirmatory Discovery.** Defendant provided Plaintiffs' Counsel with anonymized data that Defendant's counsel reviewed in preparation for mediation in order for Plaintiffs' Counsel to conduct appropriate confirmatory discovery ("Mediation Data"). Information provided to Plaintiffs' Counsel pursuant to California Evidence Code section 1152 or Rule 408 of the Federal Rules of Evidence, and all copies and summaries of the Mediation Data and PAGA Member Data (collectively, the "Data") provided to Plaintiffs' Counsel by Defendant in connection with the mediation, other settlement negotiations or in connection with the Settlement, may be used only with respect to this Settlement and to seek approval of the Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges the Settlement Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of PAGA Data received from Defendant unless, prior to the Court's discharge of the Settlement Administrator's obligation, Defendant makes a written request to Plaintiffs' Counsel for the return, rather than the destruction, of PAGA Data.

62. **Publicity.** The PAGA Representatives and Plaintiffs' Counsel will not make any public disclosures of any kind regarding the Settlement, including but not limited to postings on Plaintiffs' Counsel's website and postings on any social media sites/outlets. Plaintiffs' Counsel will take all steps necessary to ensure the PAGA Representatives are aware of, and will encourage them to adhere to, the restriction against any public disclosures regarding the Settlement. Plaintiffs' Counsel will not include or use the Settlement for any marketing or promotional purposes, or for attempting to influence Defendant's business relationships, either before or after the motion for Settlement approval is filed. Following approval of the Settlement, the PAGA Representatives and Plaintiffs' Counsel will not initiate any communications with the media or third parties. If contacted by the media or third parties (except for PAGA Members), the PAGA Representatives and Plaintiffs' Counsel will only discuss information publicly available. Plaintiffs' Counsel will take all steps necessary to ensure the PAGA Representatives are aware of, and will encourage them to adhere to, the restriction against initiating any media comment. Plaintiffs' Counsel further agrees not to use the Settlement or any of its terms for any marketing or promotional purposes. Nothing in this provision will restrict Plaintiffs' Counsel from describing publicly available information in court filings in unrelated matters.

ADDITIONAL PROVISIONS

63. **Interim Stay of Proceedings**. The Actions as well as arbitration related deadlines for the PAGA Representatives are stayed until all payments have been made and administration of the Settlement has been completed, at which point in time the Parties agree to file a stipulation to dismiss the Actions with prejudice except as to the Action in which the Final Order and Judgment is entered. The Parties will work cooperatively to achieve these purposes. Prior to the hearing on the Motion for Approval of PAGA Settlement, the Parties will refrain from further litigation not in furtherance of this Settlement Agreement, e.g., such proceedings necessary to implement and to obtain an Approval Order of the terms of the Settlement. If the Settlement is not approved, the Parties will revert to their positions in the lawsuit prior to the time the Settlement was reached, and no agreements set forth in this Settlement or any documents generated or orders issued related to the Settlement will be admissible in any future proceeding in this or any other action.

64. **Construction**. The terms and conditions of this Settlement Agreement are the result of

lengthy, intensive arm's-length negotiations between the Parties, and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or any Party's counsel participated in the drafting of this Settlement Agreement.

65. **Choice of Law**. This Settlement Agreement shall in all respects be interpreted, enforced, and governed by and under the laws of the State of California.

66. **Captions and Interpretations**. Paragraph titles or captions contained in this Settlement Agreement are inserted as a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision in this Settlement Agreement. Each term of this Settlement Agreement is contractual and not merely a recital.

67. **Modification**. This Settlement Agreement may not be changed, altered, or modified, except in a writing signed by counsel for all Parties. Any material changes, alternations, or modifications to the provisions of this Settlement Agreement must be approved by the Court. No rights under this Settlement may be waived except in writing.

68. **Integration Clause**. This Settlement Agreement contains the entire agreement among the Parties relating to the settlement and transaction contemplated, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or that Party's legal counsel, are merged into this Settlement Agreement.

69. **Counterparts**. This Settlement Agreement may be executed in counterparts with the same force and effect as if all signatures were obtained in one document. This Settlement Agreement is subject only to the execution of all Parties. All executed counterparts and each of them, including electronic, facsimile, DocuSign, and scanned copies of the signature page(s), will be deemed to be one and the same instrument and shall have the same force and effect as execution of an original, and shall be deemed an original and valid signature.

70. **Parties' Authority**. The signatories to the Settlement Agreement represent that they are fully authorized to enter into this Settlement and are fully authorized to bind the Parties to all terms stated in this Settlement Agreement.

71. **Materiality of Terms.** Except as otherwise stated in this Settlement Agreement, all terms and conditions of this Settlement in the exact form set forth in this Settlement are material to this

Settlement and have been relied upon by the Parties in entering into this Settlement.

72. **Invalidity of Any Provision**. Before declaring any provision of this Settlement Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to render all provisions of this Settlement Agreement valid and enforceable. In the event that any one or more of the provisions contained in this Settlement Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way affect any other provision if Defendant's Counsel and Plaintiffs' Counsel, on behalf of the Parties, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Settlement Agreement. Neither Party shall unreasonably withhold such election.

73. **Further Acts and Cooperation Between the Parties.** The Parties shall cooperate fully with each other and shall use their best efforts to obtain the Court's approval of this Settlement Agreement and all of its terms. Each of the Parties, upon the request of another, agrees to perform such further acts and to execute and to deliver such other documents as are reasonably necessary to carry out the provisions of this Settlement Agreement.

74. **Waiver of Certain Appeals**. The Parties waive appeals except, however, that Plaintiffs or Plaintiffs' Counsel may appeal any reduction in the Attorneys' Fees and Costs below the amount they request from the Court.

75. **Continuing Jurisdiction**. The Court shall retain jurisdiction over the implementation of this Settlement as well as any and all matters arising out of, or related to, the implementation of this Settlement. The Court shall not have jurisdiction to modify the terms of the Settlement without the consent of all of the Parties. Should any party be required to enforce the terms of this Settlement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

76. **Enforcement of Settlement Agreement**. Pursuant to Labor Code section 2699, this Settlement Agreement must be approved by the Court and will be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. Even after the entry of judgment, the Parties jointly request and reserve the Court's continuing jurisdiction under section 664.6.

77. **Effect of Signatures**. By their signatures, the Parties acknowledge and warrant that their

respective counsel will abide by and adhere to the specific obligations and actions required of them in this Settlement Agreement.

SIGNATURES

READ CAREFULLY BEFORE SIGNING

THE PARTIES HAVE READ THE SETTLEMENT AGREEMENT. THEY HAVE CONSULTED WITH LEGAL COUNSEL REGARDING THE SETTLEMENT AGREEMENT AND KNOW THE CONTENTS IN THE SETTLEMENT AGREEMENT AND SIGN THE SAME AS THEIR FREE, KNOWING, AND VOLUNTARY ACT AND DEED, BEING FULLY AWARE OF ITS CONSEQUENCES AND ITS FINAL AND BINDING EFFECT.

PLAINTIFF JILL GARDNER

Dated: 3/3/2025

DocuSigned by:

Plaintiff Jill Gardner

PLAINTIFF NADENE NEVAREZ

Dated: ____________________

Plaintiff Nadene Nevarez

PLAINTIFF BERTHA DOMINGUEZ

Dated: ____________________

Plaintiff Bertha Dominguez

DEFENDANT SONESTA INTERNATIONAL HOTELS CORPORATION

Dated: 4/3/2025

Bradford P. Maxwell

Please Print Name of Authorized Signatory respective counsel will abide by and adhere to the specific obligations and actions required of them in this Settlement Agreement.

SIGNATURES

READ CAREFULLY BEFORE SIGNING

THE PARTIES HAVE READ THE SETTLEMENT AGREEMENT. THEY HAVE CONSULTED WITH LEGAL COUNSEL REGARDING THE SETTLEMENT AGREEMENT AND KNOW THE CONTENTS IN THE SETTLEMENT AGREEMENT AND SIGN THE SAME AS THEIR FREE, KNOWING, AND VOLUNTARY ACT AND DEED, BEING FULLY AWARE OF ITS CONSEQUENCES AND ITS FINAL AND BINDING EFFECT.

PLAINTIFF JILL GARDNER

Dated: ____________________

____
Plaintiff Jill Gardner

PLAINTIFF NADENE NEVAREZ

Dated: 3/14/2025

DocuSigned by:
4D4413E1739E4E1...
____
Plaintiff Nadene Nevarez

PLAINTIFF BERTHA DOMINGUEZ

Dated: 3/3/2025

DocuSigned by:
4F8A26DECB64460...
____
Plaintiff Bertha Dominguez

DEFENDANT SONESTA INTERNATIONAL HOTELS CORPORATION

Dated: ____________________

____

____
Please Print Name of Authorized Signatory

EXHIBIT A

Nevarez v. Sonesta International Hotels Corporation, Case No.: 22STCV36156

Gardner, Nevarez, and Dominguez v. Sonesta International Hotels Corporation

This Notice relates to the settlement of three related lawsuits filed by Plaintiffs Jill Gardner, Bertha Dominguez, and Nadene Nevarez ("Plaintiffs"), former employees of Defendant Sonesta International Hotels Corporation ("Defendant") in (1) San Diego County Superior Court, entitled *Gardner v. Sonesta International Hotels Corporation*, Case No. 37-2022-00001666-CU-OE-CTL, (2) *Dominguez v. Sonesta International Hotels Corporation*, Northern District of California, Case No. 3:22-CV-03027-JCS, and (3) *Nevarez v. Sonesta International Hotels Corporation*, Los Angeles County Superior Court, Case No. 22STCV36156 (collectively the "Action"). Plaintiffs brought the Action as a representative action under California's Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq*.) ("PAGA") on behalf of the State of California and all persons who are or were employed by Defendant as hourly paid, non-exempt employees in the State of California at any time from November 9, 2020 to November 17, 2024. A PAGA action is a lawsuit for civil penalties in which the State of California (the LWDA) receives 75% of any net settlement, and 25% of the net settlement is distributed amongst the employees.

The Action alleges Defendant violated the California Labor Code and Wage Orders for failure to: (a) pay overtime compensation, (b) pay minimum wages, (c) provide meal periods or pay meal premiums, (d) provide rest periods or pay rest premiums, (e) provide accurate and complete wage statements, (f) maintain accurate payroll records, (g) maintain accurate time records, (h) timely pay all wages during employment, (i) timely pay wages upon termination, (j) provide employees with written notice of information material to their employment, (k) pay split shift premium wages, (l) pay reporting time, (m) rehire laid-off employees, (n) provide suitable resting facilities, (o) provide suitable seating, (p) reimburse necessary business expenses, (q) conduct lawful background checks and credit checks, (r) provide and maintain records of sick leave and supplemental COVID-19 sick leave from November 9, 2020 to November 17, 2024, (s) provide sick pay, and (t) failure to provide written notice of sick leave.

The lawsuit seeks PAGA civil penalties for the alleged violations. Defendant denies these allegations and further contends that Defendant has complied with all applicable wage and hour laws governing Plaintiffs and all other employees.

The Court has made no determination on the merits of Plaintiffs' claims, but the Parties have decided to resolve the case through settlement, with the approval of the Court.

A Judgment has been entered by the Court. You have released Defendant, Sonesta Redondo Beach, LLC, Sonesta Clift, LLC and their present and former parent companies, subsidiaries, divisions, concepts, related or affiliated companies, and its shareholders, owners, partners, managers, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any other individual or entity related to Defendant that could be liable for any of the Released Claims during the PAGA Period. The Released Claims are defined as follows:

"Released Claims" or "Settled Claims" means any and all claims for civil penalties under the California Private Attorneys General Act of 2004, California Labor Code § 2698 et seq. ("PAGA") alleged in the operative Complaints in the Action and notices submitted to the LWDA or that could have been pleaded based on the facts alleged in the operative complaints in the Action and notices submitted to the LWDA in connection with the Action, including all interest, fees, and costs as against the Released Parties from November 9, 2020 to November 17, 2024. The Released Claims include claims for civil penalties under

PAGA for the following alleged violations of the California Labor Code and related regulations from November 9, 2020 to November 17, 2024: (1) Labor Code sections 510 and 1198 (failure to pay overtime and double-time wages); (2) Labor Code sections 223, 1182.12, 1194, 1197, 1197.1, and 1198 (failure to pay minimum wages); (3) Labor Code sections 226.7, 512(a), and 1198 (failure to provide meal periods); (4) Labor Code sections 226.7 and 1198 (failure to provide rest periods); (5) Labor Code sections 226(a), and 1198 (failure to provide accurate itemized wage statements); (6) Labor Code sections 1174(d) and 1198 (failure to maintain accurate and complete payroll records); (7) Labor Code sections 1174(d) and 1198 (failure to maintain accurate and complete timekeeping records); (8) Labor Code section 204 (failure to timely pay wages during employment); (9) Labor Code sections 201, 202 and 203 (failure to timely pay wages upon termination); (10) Labor Code section 2810.5 (failure to provide written notice of material information); (11) Labor Code sections 432.5 and 1024.5 (failure to conduct compliant background checks); (12) Labor Code section 2802 (unreimbursed business expenses); (13) Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(5)(A) (failure to provide reporting time pay); (14) Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(4)(C) (failure to pay split shift premium wages); (15) Labor Code section 2810.8 (failure to rehire laid-off employees); (16) Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(13)(B) (failure to provide resting facilities); (17) Labor Code section 1198 and California Code of Regulations, Title 8, section 11050(14) (failure to provide suitable seating); and (18) Labor Code sections 246, 247.5, 248.1, 248.2, 248.5, 248.6 (failure to provide and maintain records of sick leave and supplemental COVID-19 sick leave, failure to provide sick pay at the regular rate, and failure to provide written notice of sick leave).

The Released Claims do not include individual non-PAGA claims.

You will not be deemed to have released any private rights of action and individual wage and hour claims for any alleged violations of the Labor Code or California Wage Orders by virtue of this Settlement (only the named Plaintiffs have released private rights of action and individual wage and hour claims).

You have received this notice because Defendant's records indicate that you may be one of the employees affected by the allegations made by Plaintiffs and were a non-exempt (hourly) employee of Defendant at any time between November 9, 2020 to November 17, 2024.

The Court has authorized a third-party settlement administrator to send you this Notice, and they have agreed to keep your contact information confidential.

The enclosed check represents your portion of the settlement payment, which is a pro-rata distribution based on the number of pay periods you worked during the applicable time period noted above. You may deposit or cash the check without any further obligation on your part and there is no need for you to contact the settlement administrator, the Parties, or the Court. The entirety of PAGA civil penalties paid to you is considered miscellaneous income and not subject to withholdings. The settlement administrator will provide an appropriate IRS Form 1099 to you.

If you have questions about this notice, please contact the Settlement Administrator, [[____]] at [administrator phone number], or contact Plaintiffs' counsel below:

Law Offices of Mark Yablonovich Mark Yablonovich Monica Balderrama Tony Roberts 9465 Wilshire Blvd., Ste 300 Beverly Hills, CA 90212 Telephone: (310) 286-0246	Bradley/Grombacher, LLP Marcus Bradley Kiley Grombacher 31365 Oak Crest Dr., Ste 240 Westlake Village, CA 91361 Telephone: (805) 270-7100	The Wheeler Law Firm, APC Scott Ernest Wheeler Justin A. Wheeler 250 West First Street, Ste 216 Claremont, CA 91711 Telephone: (909) 621-4988

THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF THE CLAIMS OR DEFENSES BY EITHER SIDE IN THIS PROCEEDING.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS CASE.