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PAGA SETTLEMENT AGREEMENT

Subject to approval by the Court, this PAGA Settlement Agreement is made between Plaintiff Jorge Contreras ("Plaintiff"), on behalf of himself and the putative aggrieved parties as alleged in the operative complaint and in any subsequent amended pleadings, and Defendant CHM Hotels, Inc. ("Defendant") (collectively referred to as the "Parties").

I. DEFINITIONS

In addition to the other terms defined in this Agreement, the terms below have the following meaning:

A. **Action**: Plaintiff's lawsuit alleging wage and hour violations against Defendant entitled *Jorge Contreras v. CHM Hotels, Inc.*, San Diego County Superior Court Case No. 25CU020737C.

B. **Administration Costs**: Defendant will not oppose Plaintiff's request for Administration Costs in an amount not to exceed $3,950.00. The Administration Costs shall be paid from the GSA. If the Court approves less than the amount requested, any amount not approved will become part of the PAGA Amount. Any rejection and/or reduction by the Court of any such request will not affect the enforceability of the Settlement.

C. **PAGA Members**: For purposes of the Settlement, the PAGA Members shall be defined as "all persons who worked for Defendant as an hourly, non-exempt employee in California at any time during the PAGA Period." The Parties stipulate to the existence of a PAGA collective for purposes of settlement only. If the Court does not grant Approval of the Settlement, the Parties will not stipulate to the existence of a PAGA collective.

D. **Agreement or Settlement**: The settlement agreement reflected in this document, titled "PAGA Settlement Agreement."

E. **Attorneys' Fees**: Defendant will not oppose Plaintiff's request for Attorneys' Fees in an amount not to exceed 1/3 of the GSA (currently $53,530). The Attorneys' Fees shall be paid from the GSA. If the Court approves less than the amount requested, any amount not approved will become part of the PAGA Amount. Any rejection and/or reduction by the Court of any such request will not affect the enforceability of the Settlement.

F. **Attorneys' Costs**: Defendant will not oppose Plaintiff's request for Attorneys' Fees in an amount not to exceed $18,500. The Attorneys' Costs shall be paid from the GSA. If the Court approves less than the amount requested, any amount not approved will become part of the PAGA Amount. Any rejection and/or reduction by the Court of any such request will not affect the enforceability of the Settlement.

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G. **Defense Counsel:** Kyle Maland and Brian M. Jun of the law firm of Lewis Brisbois Bisgaard & Smith LLP.

H. **Defendant**: Defendant CHM Hotels, Inc.

I. **Effective Date:** The date "upon which all of the following have occurred: (i) the Court has approved the Settlement; (ii) the Court has issued the Final Order and entered Judgment in accordance with the terms described herein; (iii) if there is an appeal of the Court's Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the California Supreme Court, and (iv) if there is an intervenor and no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Judgment. Defendant will have no obligation to pay the GSA until after the Court grants Approval of the Settlement.

J. **Settlement Payment Deadline:** Defendant shall deposit the GSA into a QSF account established by the Settlement Administrator within 30 days after the Effective Date.

K. **Final Judgment**: The final order entered by the Court approving this settlement.

L. **Gross Settlement Amount or GSA:** The total sum of $160,590, which is the maximum amount Defendant can be required to pay under this Settlement, subject to the Escalator Provision set forth in Section III.A.1. The GSA includes: (1) the PAGA Amount, from which the LWDA Payment and Net Settlement Amount will be disbursed; (2) the Attorneys Fees and Attorneys' Costs to PAGA Counsel, as approved by the Court; (3) the Service Award paid to the PAGA Representative, as approved by the Court; and (4) the Administration Costs paid to the Settlement Administrator, as approved by the Court. No portion of the GSA will revert to Defendant for any reason.

M. **Individual Settlement Share(s)**: The amount payable to each PAGA Member under the terms of this Agreement.

N. **LWDA**: California Labor and Workforce Development Agency.

O. **LWDA Payment**: Sixty-five percent (65%) of the PAGA Amount that shall be paid to the LWDA.

P. **Net Settlement Amount or NSA**: Thirty-five percent (35%) of the PAGA Amount that shall be paid to the PAGA Members.

Q. **PAGA**: The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code sections 2698 *et seq.*).

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R. **PAGA Amount**: The PAGA Amount is the GSA less the Attorneys Fee, Attorneys' Costs, Administration Costs, and PAGA Representative Payment.

S. **PAGA Member Address Search**: The Settlement Administrator's investigation and search for PAGA Member mailing addresses using the National Change of Address database and skip traces.

T. **PAGA Notice**: Plaintiff's letter to the LWDA dated April 19, 2025 advising of his intent to assert claims against Defendant under PAGA.

U. **PAGA Period**: April 19, 2024 to May 26, 2026.

V. **PAGA Representative or Plaintiff:** Plaintiff Jorge Contreras.

W. **PAGA Representative Payment**: Defendant will not oppose Plaintiff's request for a PAGA Representative Payment in an amount not to exceed $7,500. This payment shall be paid from the GSA and is being offered in consideration for Plaintiff's efforts in litigating the Action, the risks of incurring financial obligations to Defendant in the event Plaintiff was not successful in the Action, and Plaintiff's agreement to provide a general release and waiver of Civil Code section 1542 rights. If the Court approves less than the amount requested, any amount not approved will become part of the PAGA Amount. Any rejection and/or reduction by the Court of any such request will not affect the enforceability of the Settlement.

X. **PAGA Counsel**: Kane Moon, Allen Feghali, and Chancellor D. Nobles of Moon Law Group, PC. The Parties stipulate to the appointment of Kane Moon, Allen Feghali, and Chancellor D. Nobles of Moon Law Group, PC as PAGA Counsel for purposes of settlement only. If the Court does not grant Approval of the Settlement, the Parties will not stipulate to the appointment of Kane Moon, Allen Feghali, and Chancellor D. Nobles of Moon Law Group, PC as PAGA Counsel.

Y. **Settlement Notice.** The Notice of PAGA Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval, which will accompany each Individual Settlement Share check.

Z. **Qualified Settlement Fund or QSF**: The Parties agree that the Gross Settlement Amount is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations section 1.4168B-1, 26 C.F.R. section 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. section 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

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AA. **Released Parties**: Defendant and its former, current, and future parent companies, subsidiaries, affiliates, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns..

BB. **Settlement Administrator**: Phoenix Class Action Administration Solutions ("Phoenix"), the third-party administrator agreed upon by the Parties to administer this Settlement.

II. RECITALS

A. **Notice to the LWDA**. Plaintiff sent his Notice of Labor Code Violations pursuant to Labor Code section 2699.3 on April 19, 2025. In the letter, Plaintiff apprised the LWDA of his intent to assert claims against Defendant under PAGA.

B. **The Action.** On April 21, 2025, Plaintiff filed a Class Action Complaint against Defendant in the Action containing claims for failure to pay all minimum wages, failure to pay all overtime wages, failure to provide lawful meal periods, failure to authorize and permit rest breaks, failure to indemnify necessary business expenses, failure to timely pay final wages at termination, and failure to provide accurate itemized wage statements, and unfair business practices. Thereafter, on July 27, 2025, Plaintiff filed a First Amended Class Action and Representative Action Complaint against Defendant containing additional claims for Violation of PAGA. Also thereafter, however, on August 6, 2025, Plaintiff's class action claims against Defendant were dismissed pursuant to the stipulation of the Parties.

C. **Discovery and Mediation.** The Parties attended mediation with wage and hour mediator Eve Wagner on May 26, 2026. Prior to mediation, Plaintiff obtained, through informal discovery, documents relating to Defendant's policies, practices, and procedures regarding paying non-exempt employees for all hours worked, overtime, meal and rest period policies, payroll and operations policies, and more. The mediation concluded with an agreement by the Parties to settle the Action.

G. **Defendant's Denial of Wrongdoing.** Notwithstanding its agreement to settle the Action on the terms set forth herein, Defendant expressly denies all of Plaintiff's claims and allegations in the PAGA Notice and the Action; denies that it has any legal or equitable responsibility for any damages, wages, or penalties claimed by Plaintiff; and denies any other wrongful or unlawful conduct, claims, damages, or liability of any kind with regard to Plaintiff, or at all. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed

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as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the claims asserted by Plaintiff against Defendant.

H. **Plaintiff's Claims.** Plaintiff asserts that Defendant' defenses are without merit. Neither this Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiff, PAGA Members, or Plaintiff's Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the Action. However, in the event that this Settlement is finally approved by the Court, the Plaintiff, PAGA Members, and Plaintiff's Counsel will not oppose Defendant's efforts to use this Agreement to prove that Plaintiff and PAGA Members have resolved and are forever barred from re-litigating the Released Claims.

III. SETTLEMENT TERMS AND CONDITIONS

A. **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the Gross Settlement Amount that Defendant is obligated to pay under this Agreement is $160,590.

1. **Escalator Provision**: Defendant represents that there are no more than 5,353 Pay Periods during the PAGA Period. In the event that the final number of Pay Periods worked during the PAGA Period increases by more than 10%, or more than an additional 535 Pay Periods, then Defendant shall have the option of either: (a) increasing the Gross Settlement Amount pro rata by the percentage that the actual number of Pay Periods exceeds 5,888 multiplied by the Gross Settlement Amount. I.e. if the final number of Pay Periods worked during the PAGA Period increased to 11% above the represented Pay Periods, or to 5,941 Pay Periods, the Gross Settlement Amount would increase by 1% to $162,195.90, or b) ending the PAGA Period on the date that the number of pay periods worked by the PAGA Members equals 5,353, in which case no adjustment to the Gross Settlement Amount shall be made. Defendant shall inform Plaintiff of its election within 7 days of being provided with the Administrator's final pay periods calculation for the PAGA Members.

B. **Individual Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Settlement Share from the NSA to each PAGA Member.

1. **Calculation**. Each PAGA Member will receive a proportionate share of the Net Settlement Amount that is equal to: (i) the number of pay periods he or she worked for Defendant in California during the PAGA Period, as calculated by the Settlement Administrator based on the Database

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provided by Defendant, divided by (ii) the total number of pay periods worked by all PAGA Members during the PAGA Period, as calculated by the Settlement Administrator based on the same Database, which fraction is then (iii) multiplied by the NSA. Where a PAGA Member works at least one day in a given pay period, they will be credited with a full pay period for purposes of this calculation.

C. **Recipients of GSA Disbursement.** Subject to the terms and conditions of this Agreement, the Settlement Administrator shall disburse the GSA as directed later on herein to the following:

1. **To PAGA Counsel.** The Settlement Administrator will pay any court-approved Attorneys' Fees and Attorneys' Costs to PAGA Counsel out of the GSA without any withholdings or deductions.. The Settlement Administrator will issue IRS Form 1099s to Plaintiff's Counsel with respect to any Attorneys Fee payments or Attorneys' Cost payments. In the event the Court does not approve all Attorneys' Fees and/or Attorneys' Costs requested by PAGA Counsel, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendant nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded..

2. **To the Plaintiff:** In addition to Plaintiff's Individual Settlement Share, the Settlement Administrator will pay any court-approved PAGA Representative Payment to Plaintiff out of the GSA without any withholdings or deductions. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff with respect to Plaintiff's Individual Settlement Share and the PAGA Representative Payment.

3. **To the Settlement Administrator.** The Settlement Administrator will pay any court-approved Administration Costs to itself out of the GSA.

4. **To the LWDA.** The Settlement Administrator will pay any court-approved LWDA Payment out of the GSA to the LWDA.

5. **To the PAGA Members.** The Settlement Administrator will pay any court-approved Individual Settlement Shares to the PAGA Members out of the NSA.

D. **Appointment of Settlement Administrator.** Solely for the purposes of this Settlement, the Parties stipulate and agree to the appointment of the Settlement Administrator. Plaintiff has verified that, as a condition of appointment, the Settlement Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs. The Parties each represent that they do not have any financial

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interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

E. Duties of Settlement Administrator. The Settlement Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1. The Settlement Administrator shall also be responsible for performing skip traces and NCOA searches on PAGA Member addresses; preparing and mailing Notices and Individual Settlement Share checks to PAGA Members; calculating each PAGA Member's Individual Settlement Share; providing a declaration for submission to the Court prior to the Settlement Approval hearing; calculating and mailing the LWDA Payment to the LWDA; distributing the Attorneys' Fees and Attorneys' Costs to PAGA Counsel; distributing the PAGA Representative Payment; calculating and paying amounts owed, if any, to the appropriate tax authorities; printing and providing PAGA Members with 1099 forms as required under this Agreement and applicable law; providing a due diligence/post-disbursement declaration for submission to the Court upon the completion of the Settlement; providing any funds remaining in the QSF as a result of uncashed checks to the State of California Unclaimed Property Fund in the name of the PAGA Members to whom they were originally issued, in the amounts directed per this Settlement; and for such other tasks as the Parties mutually agree. The Settlement Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities. The Settlement Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

E. Procedure for Approving and Administering Settlement.

1. Motion for Settlement Approval.

a. **Preparation of Motion.** Plaintiff shall prepare and file a motion for an order granting approval of the Settlement (the "Motion"). At least 14 days before filing the Motion, Plaintiff shall deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of PAGA Member Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with PAGA Members or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed

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declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with PAGA Members and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. If the Parties disagree on any aspect of the proposed Motion and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to try and resolve the disagreement.

b. **Settlement Approval Hearing.** At the Settlement Approval hearing, the Plaintiff will appear and support the granting of the motion.

c. **Effect of Denial of Settlement Approval.** If the Court does not grant the Motion or conditions its approval on any material change to the Settlement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to try and satisfy the Court's concerns. However, should the Parties be unable to do so or should the Court otherwise decline to approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it. Notwithstanding such terms, any rejection and/or reduction by the Court of Plaintiff's request for Attorneys' Fees, Attorneys' Costs, Administration Costs, or PAGA Representative Payment shall not affect the enforceability of the Settlement.

d. **Judgment.** After entry of Judgment, the Court shall have continuing jurisdiction over the Action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters; and (3) addressing such post-Judgment matters as may be appropriate under Court rules and applicable law.

2. **Notice and Disbursement to PAGA Members.** After the Court enters its Approval Order, every PAGA Member will be provided with a Settlement

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Notice accompanying his or her Individual Settlement Share check in accordance with the following procedure:

a. **Database.** Within 14 days after the Effective Date, Defendant shall provide the Settlement Administrator with a confidential list of PAGA Members containing their names, social security numbers, dates of employment at any facility operated by Defendant, last-known addresses, and phone numbers (the "Database"). The Database and any other data provided by Defendant to the Settlement Administrator shall be treated as confidential, and shall not be subject to disclosure by the Administrator, except that: (a) relevant information may be provided to PAGA Counsel to the extent necessary to address a disputed claim or to respond to a specific inquiry from either a PAGA Member or a third-party; (b) to allow Defendant's counsel and PAGA Counsel to confirm that the calculation of a particular PAGA Member's estimated share of the settlement is accurate; and (c) as is otherwise necessary for the Administrator to perform its obligations described in this Agreement. Furthermore, the Administrator (and PAGA Counsel, if appropriate) shall use commercially reasonable efforts to secure the data provided by Defendant at all times so as to avoid inadvertent or unauthorized disclosure or use of such data other than as permitted by this Agreement, and shall destroy the data and all copies of it in a complete and secure manner when it is no longer required for purposes of this Agreement. The Administrator shall ensure that the Notice and any other communications to the PAGA Members shall not include any person's social security number, except for the last four digits.

b. **Final Pay Period Calculations.** Within 7 days after receiving the Database, the Settlement Administrator shall provide Defendant with a spreadsheet showing its final pay period calculations for each PAGA Member. Also within 7 days after receiving the Database, if the Settlement Administrator determines that the Escalator Clause has been triggered, the Settlement Administrator shall provide Defendant with: (a) the adjusted Gross Settlement Amount that Defendant will need to pay if it chooses not to shorten the PAGA Period and (b) the adjusted date on which the PAGA Period will end if Defendant chooses to shorten the PAGA Period instead of increasing the Gross Settlement Amount.

b. **Funding the Settlement:** Defendant shall despite the Gross Settlement Amount into the QSF Account established by the Settlement Administrator by the Settlement Payment Deadline (i.e. within 30 days of the Effective Date).

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c. **Settlement Administrator's Disbursement Duties.** Subject to the Court approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Approval Order and Judgment. The Settlement Administrator shall keep Defendant' Counsel and Plaintiff's Counsel apprised of all distributions from the GSA. The Settlement Administrator shall respond to questions from Defendant' Counsel and Plaintiff's Counsel.

d. **Disbursement**: Within 15 days after the Settlement Payment Deadline, the Settlement Administrator will conduct a PAGA Member Address Search for all PAGA Members, shall determine each PAGA Member's share of the PAGA Payment, prepare copies of the Settlement Notices, and send the PAGA Members both the Settlement Notices and checks for their Individual Settlement Shares via first-class, United States mail. The Settlement Notices, which shall be in a form mutually agreed to by the Parties and approved by the Court, shall inform the PAGA Members that all claims they might possess against Defendant for Violation of PAGA based on events occurring during the PAGA Period have been released by virtue of the Settlement. The Settlement Notices shall also inform the PAGA Members that they assume full responsibility and liability for the payment of any taxes due on such payments. Also within 15 days after the Settlement Payment Deadline, the Settlement Administrator shall disburse: (1) the Attorneys' Fees and Attorneys' Costs Award to PAGA Counsel, as approved by the Court; (2) the PAGA Representative Payment to Plaintiff, as approved by the Court; (3) the Administration Costs, as approved by the Court; and (4) the LWDA Payment to the LWDA.

e. **Returned Notices and Checks.** If a Notice and Individual Settlement Check are returned because of an incorrect address, within five (5) days from receipt of the returned Notice, the Settlement Administrator will conduct a search for a more current address for the PAGA Member and re-mail the Notice and Individual Settlement Share check to the PAGA Member. The Settlement Administrator will use the NCOA and skip traces to attempt to find the current address. If the PAGA Notice is re-mailed, the Settlement Administrator will note for its own records the date and address of each re-mailing. The Settlement Administrator need not take further steps to deliver checks to PAGA Members whose re-mailed checks are returned as undelivered. The Settlement Administrator shall promptly send a replacement check to any PAGA Member whose original check

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was lost or misplaced, requested by the PAGA Member prior to the void date.

3. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms and conditions of this Agreement, then the Parties and their respective counsel waive any and all rights to appeal from the Judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the Judgment will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.

4. **Vacating, Reversing, or Modifying Judgment on Appeal.** If, after a notice of appeal, the reviewing court vacates, reverses, or modifies the Judgment such that there is a material modification to the Settlement, and that court's decision is not completely reversed and the Judgment is not fully affirmed on review by a higher court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any alteration of the GSA, an alteration in the calculation of the PAGA Amount or NSA, and any change to the calculation of the Individual Settlement Shares.

5. **Final Report by Settlement Administrator.** Within ten (10) days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds.

6. **Uncashed Checks.** PAGA Members must cash or deposit their Individual Settlement Share checks within one hundred and twenty (120) calendar days after the checks are mailed to them (the "Void Date").

    a. **Uncashed Checks.** Any checks not negotiated by the Void Date shall be cancelled and shall not be reissued. Thereafter, within 30 days following the Void Date, the Settlement Administrator shall transmit all funds associated with all uncashed checks to the State Controller Unclaimed Property Fund in the name of the PAGA Member who failed to cash their check. No portion of the Gross Settlement Amount will revert to Defendant for any reason.

7. **Compliance Declaration.** Within ten (10) calendar days after the Settlement Administrator provides the settlement unclaimed funds to the State Controller Unclaimed Property Fund, it shall provide the Parties with a declaration outlining the completion of the settlement administration process and confirming the disbursement of all settlement funds.

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F. Release of Claims.

1. **Plaintiff's Release.** Upon the Effective Date, Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, demands, debts, duties, obligations, promises, liabilities, damages, accounts, payments, liens, acts, costs, expenses, sums of money, suits, dues, actions, or causes of action, both in law and equity, whether known or unknown, matured or unmatured, suspected or unsuspected, which he ever had, now has, or may have in the future with regard to any facts, transactions, events, or occurrences that occurred prior to the Effective Date, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged in the Action based on the facts contained in the Complaint and/or the First Amended Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged in the Action based on facts contained in the Complaint, the First Amended Complaint, and/or PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or any claims that cannot be released as a matter of law. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

2. **Plaintiff's Waiver of Rights Under California Civil Code Section 1542.** For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

   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

3. **PAGA Members' Release.** Upon the Effective Date, the PAGA Members shall release and forever discharge the Released Parties from all claims for civil penalties under PAGA arising from the same facts and/or claims alleged in the Action and/or PAGA Notice and arising during the PAGA Period including, but not limited to, claims under California Labor Code sections 201, 202, 203, 204, 210, 226, 226.7, 227.3, 510, 512, 558, 1174,

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1174.5, 1194, 1197, 1197.1, 1198, 2699, 2699.3, 2802, as well as IWC Wage Orders, including, but not limited to, Wage Orders 1 and 16, or claims that were pled or that could have been pled based on the facts alleged in Action and/or PAGA Notice ("PAGA Members' Release"). The PAGA Members' Release shall not extend to any claims outside of the PAGA Period and or any claims for failure to pay wages. The res judicata effect of the judgment will be the same as that of the release. The PAGA Members shall not have the right to opt-out of this release.

G. Miscellaneous Terms

1. **No Admission of Liability.** Defendants make no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendant reserves the right to contest liability if the Settlement is not approved. Defendant denies that they have engaged in any unlawful activity, have failed to comply with the law in any respect, or have any liability to anyone under the claims asserted in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant of liability or wrongdoing. This Settlement and Plaintiff's and Defendant's willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this Settlement).

2. **No Effect on Employee Benefits.** The Individual Settlement Shares paid to Plaintiff and PAGA Members shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (*e.g.*, vacation, holiday pay, retirement plans, etc.) of Plaintiff or the PAGA Members. The Parties agree that any Individual Settlement Share paid to Plaintiff or the PAGA Members under the terms of this Agreement do not represent any modification of Plaintiff's or PAGA Members' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendant.

3. **Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.

4. **Attorneys' Fees and Costs.** Except as otherwise set forth in this Agreement, the Parties agree that each shall bear their own respective attorneys' fees and costs incurred in this Action, with the exception of any,

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dispute regarding the payment of the Gross Settlement Amount. In the case of a dispute regarding the payment of the Gross Settlement Amount, the prevailing party shall be entitled to recover their attorneys' fees and costs.

5. **Confidentiality**. Except to the extent necessary to effectuate the Agreement or as required by court or legal process, Plaintiff and PAGA Counsel will keep the terms of this Agreement confidential. Neither Plaintiff nor PAGA Counsel shall issue a press release, hold a press conference, publish information about the Agreement on any website or through any social media or otherwise publicize the Agreement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, PAGA Counsel may reference the Action by name and case number in a declaration establishing adequacy as class or representative counsel.

6. **Good Faith Cooperation**. The Parties pledge their good faith and fair dealing in supporting the approval of this Settlement by the Court, and shall not encourage or solicit any PAGA Members to file any new claims against any Released Parties.

7. **Attorney Liens**. Plaintiff represents and warrants that all legal expenses, bills, costs or contingency fee agreements resulting from or arising out of the representation of Plaintiff in relation to the Action are Plaintiff's responsibility to pay, and that any liens based on any legal expenses, bills, costs or contingency fee agreements incurred as a result of the Action will be satisfied by the incurring party. Plaintiff will indemnify, defend, and hold Released Parties harmless from any such claims.

8. **No Pending Matters**. The Parties represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

5. Exhibits and Headings. The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

6. Interim Stay of Proceedings. The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the Settlement, pending the Settlement Approval hearing to be conducted by the Court.

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7. **Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed all Parties to this Agreement.

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

9. **No Prior Assignment.** Plaintiff hereby represents, covenants, and warrants that he has not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.

10. **Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.

11. **Fair, Adequate, and Reasonable Settlement.** The Parties believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, current and potential.

12. **No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that PAGA Members will assume any such tax obligations or consequences that may arise from this Agreement, and that PAGA Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any PAGA Member, such PAGA Member assumes all responsibility for the payment of such taxes.

13. **Jurisdiction of the Court.** This Agreement is made and is enforceable in accordance with the provisions of California Code of Civil Procedure §664.6 and the Parties agree that the Court shall retain jurisdiction for that purpose to effectuate the terms of this Agreement and after entry of judgment in this Action. This Agreement shall be admissible in any proceeding for its enforcement in accordance with §1118 and §1123 of the California Evidence Code.

14. **Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the Court first attempt to

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construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

15. **Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

16. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

17. **Conditional Nature**. This Agreement and all associated exhibits or attachments are made for the sole purpose of settling the PAGA Notice and the Action. This Agreement and the settlement it evidences are made in compromise of disputed claims. Because the Action is a PAGA action, this Agreement must receive approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis. If the Court does not enter an order granting approval of the Agreement, resulting in the dismissal of the entire Action, this Agreement shall be deemed null and void; it shall be of no force or effect whatsoever; it shall not be referred to or utilized for any purpose whatsoever, and the negotiation, terms, and entry of the Agreement shall remain subject to the provisions of California Evidence Code §§1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

Dated: 9/2/2026

JORGE CONTRERAS

Jorge Cont

9261E934D93F4CD...

Plaintiff

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Dated: 9/9/2026

CHM HOTELS, INC.

Signed by:
Eric Yahyayan
DB8052D0F3604E4...

Name Eric Yahyayan

Title President, Operations

APPROVED AS TO FORM ONLY:

Dated: _____

MOON LAW GROUP, PC

_____

Kane Moon, Esq.
Allen Feghali, Esq.
Chancellor D. Nobles, Esq.
Attorneys for Plaintiff

Dated: _____

LEWIS BRISBOIS BISGAARD & SMITH LLP

_____

Kyle Maland, Esq.
Brian M. Jun, Esq.

Attorneys for Defendant CHM Hotels, Inc.

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Dated: _____ CHM HOTELS, INC.

_____
Name_____
Title_____

APPROVED AS TO FORM ONLY:

Dated: 9/3/2026 MOON LAW GROUP, PC

_____
Kane Moon, Esq.
Allen Feghali, Esq.
Chancellor D. Nobles, Esq.
Attorneys for Plaintiff

Dated: 9/9/2026 LEWIS BRISBOIS BISGAARD & SMITH LLP

_____
Kyle Maland, Esq.
Brian M. Jun, Esq.

Attorneys for Defendant CHM Hotels, Inc.

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EXHIBIT A
NOTICE OF PAGA SETTLEMENT

Jorge Contreras v. CHM Hotels; CHM Hotels, Inc.,
San Diego County Superior Court Case No. 25CU020737C

This is not a solicitation by a lawyer. You are not being sued.

IF YOU WORKED AS AN HOURLY, NON-EXEMPT EMPLOYEE OF DEFENDANT CHM HOTELS, INC. ("DEFENDANT") IN THE STATE OF CALIFORNIA AT ANY TIME BETWEEN APRIL 19, 2024 AND [PAGA PERIOD END DATE], THIS PAGA SETTLEMENT AFFECTS YOUR RIGHTS.

A settlement (the "Settlement") has been reached in a lawsuit entitled *Jorge Contreras v. CHM Hotels, Inc*., San Diego Superior Court Case No. 25CU020737C (the "Case"). The Settlement resolves the Action. The purpose of this Notice is to explain to you why you are receiving a portion of the Settlement proceeds.

In the Case, Plaintiff Jorge Contreras alleged that Defendant CHM Hotels, Inc. violated the California Private Attorneys' General Act of 2004, as set forth in California Labor Code §2699, et seq. ("PAGA"). Defendant denied all liability and was confident it had strong legal and factual defenses to Plaintiff's claims.

The Case did not go to trial, and the Court has not found that Plaintiff's claims have any merit. Instead, in order to avoid the expensive and time-consuming process of litigation, Plaintiff and Defendant (the "Parties") decided to voluntarily end the Case.

This Settlement is a compromise of highly disputed claims reached after good faith, arm's-length negotiations between the Parties, through their respective attorneys, and is not an admission of liability by Defendant, who continues to deny any wrongdoing and maintains that it fully complied with California law. On [add date], the Agreement was approved by the San Diego County Superior Court.

The settlement resolves claims for civil penalties under PAGA during the period from April 19, 2024 to [PAGA PERIOD END DATE] (the "PAGA Period"). Pursuant to the Settlement, all persons who worked for Defendant as hourly, non-exempt employees in California at any time during the PAGA Period (the "PAGA Members") shall release and forever discharge Defendant and its former, current, and future parent companies, subsidiaries, affiliates, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees) predecessors, successors, and assigns from all claims for civil penalties under PAGA arising from the same facts and/or claims alleged in the Action and/or PAGA Notice and arising during the PAGA Period including, but not limited to, claims under California Labor Code sections 201, 202, 203, 204, 210, 226, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2699, 2699.3, 2802, as well as IWC Wage Orders, including, but not limited to, Wage Orders 1 and 16, or claims that were pled or that could have been pled based on the facts alleged in Action

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and/or PAGA Notice ("PAGA Members' Release"). The PAGA Members' Release shall not extend to any claims outside of the PAGA Period and or any claims for failure to pay wages. The res judicata effect of the judgment will be the same as that of the release. The PAGA Members shall not have the right to opt-out of this release.

Your payment is based on the total number of pay periods you worked for Defendant in California during the PAGA Period. You worked a total number of _____ pay periods during this time and your individual settlement payment is $_____. Your payment will be classified as other miscellaneous income and will be reported on IRS Form 1099-MISC.[1]

You are responsible for paying all taxes that may be due because of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

The enclosed check is valid for 120 days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 120-day timeframe, it will be canceled, and the funds associated with the cancelled check will be transmitted to the California Controller's Unclaimed Property Fund in your name.

If you have any questions regarding your settlement payment, changes of name, changes of address, etc., please contact [name of third-party administrator] at [address], or [phone number].

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

1 One hundred percent (100%) of your payment under this Settlement will be considered penalties, and may be subject to local, state, or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences, if any, of your payment. Neither Plaintiff nor Defendant has made any representations or warranties regarding the taxation of your payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).