PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff, Diana Sermeno ("Plaintiff") and Defendant, Cafe Rio, Inc. ("Cafe Rio" or "Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means Plaintiff's PAGA lawsuit alleging Labor Code violations against Defendant captioned *Diana Sermeno v. Cafe Rio, Inc.*, Orange County Superior Court Case No. 30-2023-01304494-CU-OE-CXC, initiated on January 27, 2023.

1.2. "Administrator" means Phoenix Settlement Administrators, the neutral entity the Parties have jointly agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4. "Aggrieved Employee" means all non-exempt, hourly-paid persons who Defendant employed in any of the Covered Positions at its California locations at any time from during the PAGA Period and who received pay for at least two (2) regular hours of work during a PAGA Pay Period.

1.5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession including the Aggrieved Employees' names, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.7. "Approval Date" means the date the Court enters the Approval Order.

1.8. "Approval Order" means the Court's order approving this Agreement.

1.9. "Court" means the Superior Court of California, County of Orange.

1.10. "Covered Positions" means hourly, non-exempt positions in California during the PAGA Period, including Assistant Manager, Cashier, Curbside, Delivery Driver, Dishwasher, Drive-thru Cashier, Drive-thru Kitchen, Drive-thru Order, Drive-thru Specialist, Expo, Floor, General Manager, Grill, Line Cook, Prep, Runner, Sauce Cook, Shift Manager, To-Go Cashier, To-Go-Kitchen, and Tortilla.

1.11. "Defense Counsel" means Morgan, Lewis & Bockius LLP.

1.12. "Defendant" means Defendant, Cafe Rio, Inc.

1.13. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement; and (b) the Judgment is final. The Judgment is final as of the day the Judgment is no longer subject to appeal, judicial review, or other challenge.

1.14. "Gross Settlement Amount" means Two Hundred Forty Thousand U.S. Dollars ($240,000.00) which is the total amount Defendant agree to pay under the Settlement to resolve the Action. The Gross PAGA Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, the Named Plaintiff's Release Payment, and the Administrator's Expenses Payment.

1.15. "Individual PAGA Amount" means the Net PAGA Settlement Amount less the LWDA PAGA Payment.

1.16. "Individual PAGA Payment" means an Aggrieved Employee's pro rata share of the Individual PAGA Amount calculated by: (a) dividing the number of PAGA Pay Periods the Aggrieved Employee worked by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and then; (b) multiplying the resulting percentage by the Individual PAGA Amount.

1.17. "Judgment" means the judgment entered by the Court.

1.18. "LWDA" means the California Labor and Workforce Development Agency.

1.19. "LWDA PAGA Payment" means 75% of the Net PAGA Settlement Amount.

1.20. "Named Plaintiff" or "Plaintiff" means Diana Sermeno.

1.21. "Named Plaintiff's Release Payment" means a $10,000 payment to the Named Plaintiff to be paid out of the Gross Settlement Amount for agreeing to a general release of all claims that she may have against Defendant arising out of her employment with Defendant.

1.22. "Net PAGA Settlement Amount" means the Gross PAGA Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, the Named Plaintiff's Release Payment, and the Administration Expenses Payment.

1.23. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq*.).

1.24. "PAGA Counsel" means Crosner Legal, P.C., the attorneys representing the Plaintiff in the Action.

1.25. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees, not to exceed $80,000 (representing approximately one-third of the Gross Settlement Amount), and expenses, not to exceed $15,000, respectively, incurred to prosecute the Action.

1.26. "PAGA Notice" means Plaintiff's November 22, 2022 letter to Cafe Rio and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.27. "PAGA Pay Period" means any pay period during which an Aggrieved Employee received pay for at least 2 regular hours of work during the PAGA Period.

1.28. "PAGA Period" means the period from November 22, 2021, through September 4, 2024.

1.29. "Released PAGA Claims" means any and all claims for PAGA civil penalties that were alleged or could reasonably have been alleged in the operative complaint based on the alleged facts and violations as set forth in Plaintiff's Complaint filed January 27, 2023, or corresponding PAGA Notice (including but not limited to claims based on violations related to unpaid wages, overtime, meal periods, rest periods, wage statements, reporting time pay, reimbursement of business expenses, uniform maintenance, and failure to timely pay wages) which arose during the PAGA Period.

1.30. "Released Party" means: Defendant Cafe Rio, Inc. and its parent companies, subsidiaries, affiliates, related companies, owners, successors and assigns, in their individual and representative capacities, all persons acting by, through, and under, or in concert with any of them and all companies or entities that could be jointly liable with Defendant.

1.31. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. SETTLEMENT OF DISPUTED CLAIMS.

2.1. This Agreement and all associated exhibit(s) or attachment(s) are made for the purpose of settling the Released PAGA Claims in the Action. Because the Action is being settled under PAGA, the Court "shall review and approve any settlement of any civil action filed pursuant to [Labor Code §§ 2698 *et seq*.]." Cal. Lab. Code § 2699(*l*)(2). Accordingly, the Parties enter into this Agreement and associated settlement on a conditional basis. If the Court does not enter the Approval Order and Judgment and/or the Approval Date does not occur, this Agreement shall be deemed null and void *ab initio*, it shall be of no force or effect whatsoever, it shall not be referred to or utilized for any purpose whatsoever, and the negotiation of the Agreement shall remain subject to the provisions of California Evidence Code section 1152 and any other analogous rules of evidence that are applicable. In the event this Agreement is deemed null and void or the Effective Date does not occur, Defendant does not waive, but rather expressly reserves, all rights to challenge Plaintiff's Released PAGA Claims and Plaintiff's allegations in the Action and PAGA Notice upon all procedural, merit, and factual grounds, including, without limitation, the ability to challenge representative treatment on any grounds and assert any and all other privileges and potential defenses.

2.2. Because this is not a settlement of a class action but rather a PAGA settlement on behalf of the State of California, no person can (a) object to the settlement after the Court's Approval Order is made, or (b) opt out at any time from being bound by the Released PAGA Claims if the Approval Order is made.

3. RECITALS.

3.1. On January 27, 2023, Plaintiff Diana Sermeno commenced this Action by filing her Complaint alleging causes of action against Defendant Cafe Rio, Inc. for penalties pursuant to Labor Code §§ 2699, *et seq.* for violations of Labor Code sections 223, 226, 226.7, 227.3, 245-248.6, 351, 353, 432.5, 432.7, 1024.5, 1174, 1198, 1198.5, 1199, 2802, and 2810.5; California

Code of Regulations, Title 8, Sections 11050(3), 11050(4), 11050(5), 11050(7), 11050(9)(B), 11050(11)(A) and (C), 11050(7), 11050(12)(B), 11050(14)(A) and (B); California Civil Code Section 1786; and 15 U.S.C. § 1681. Defendant denies the allegations in the Complaint, denies any failure to comply with the laws identified in the Complaint, and denies any and all liability for the causes of action alleged.

3.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave written notice to Cafe Rio and the LWDA by sending the PAGA Notice on November 22, 2022.

3.3. The Parties, PAGA Counsel, and Defense Counsel represent and warrant that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by this Settlement. Further, Plaintiff and PAGA Counsel represent and warrant that they have not filed and are not aware of any other actions against Defendant relating to any of the claims being released in this action.

3.4. Nothing in this Agreement, or any communications, papers, or orders related to this Agreement, shall be construed to be or deemed an admission by the Released Parties of any liability, culpability, or wrongdoing. Defendant specifically disclaims any liability, culpability, or wrongdoing. The Parties have entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. This Agreement and any communications, papers, or orders related to the Agreement may not be cited or otherwise admitted as evidence of liability or that class certification is appropriate or that a representative action could ever be manageably tried before a court.

4. MONETARY TERMS.

4.1. Gross Settlement Amount. Defendant promises to cause to be paid no more than the Gross Settlement Amount to the Administrator to fully and forever settle and resolve the Action. Defendant has no obligation to cause to be paid the Gross Settlement Amount prior to the deadline stated in Paragraph 5.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. Aggrieved Employees have no right or opportunity to opt out of this settlement, and every Aggrieved Employee releases any and all PAGA claims that they may have pursuant to the release provisions of this Settlement. None of the Gross Settlement Amount will revert to Defendant.

4.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court:

4.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than $80,000 (representing approximately one-third of the Gross Settlement Amount), and PAGA Counsel Litigation Expenses Payment of not more than $15,000. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net PAGA Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's counsel arising from any claim to any portion of any PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.

4.2.2. To the Administrator: An Administration Expenses Payment not to exceed $12,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $12,000, the Administrator will retain the remainder in the Net PAGA Settlement Amount.

4.2.3. To the LWDA: The Administrator will pay the LWDA PAGA Payment to the LWDA.

4.2.4. To the Aggrieved Employees: The Administrator will calculate each Individual PAGA Payment and pay the Individual PAGA Payments pursuant to Section 5. Each Aggrieved Employee will receive a notice with the Individual PAGA Payment in the form of Exhibit A. No Aggrieved Employee will have the right to object to the

Settlement or Opt-Out of the Settlement. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. Aggrieved Employees will be fully responsible for tax issues arising out of or relating to the Individual PAGA Payments.

4.2.5. To the Named Plaintiff: The Administrator will pay the Named Plaintiff the Named Plaintiff Release Payment and the Named Plaintiff's Individual PAGA Payment. If the Court does not approve the amount requested, any approved amount will be paid to the Named Plaintiff. The Administrator will allocate the remainder to the Net PAGA Settlement Amount. Named Plaintiff will be fully responsible for taxes relating to such payments which are allocated to penalties for the purposes of this Agreement.

5. SETTLEMENT FUNDING AND PAYMENTS.

5.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 2,185 Aggrieved Employees who worked a total of 37,968 PAGA Pay Periods.

5.2. Aggrieved Employee Data. Within 30 calendar days after the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator only in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to the Administrator's employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. The Administrator will not provide Aggrieved Employee Data to Plaintiffs or PAGA Counsel, but may provide summary data; e.g., total number of Aggrieved Employees and Pay Periods, but not contact information or other individual identifying information

5.3. Funding of Gross PAGA Settlement Amount. Defendant shall transfer the Gross PAGA Settlement Amount to the Administrator by fifteen (15) business days after the date the Administrator notifies Defendant that it has established the Qualified Settlement Fund ("QSF") and provides wiring instructions to Defendant. Transfer of the Gross Settlement Amount to the Administrator fully and forever satisfies Defendant's obligations under this Agreement. The Agreement and its releases shall remain valid and enforceable regardless of the Administrator's performance or failure to perform its obligations under this Agreement.

5.4. Payments from the Gross PAGA Settlement Amount. Within 14 business days after Defendant funds the Gross PAGA Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, Named Plaintiff's Release Payment, the Administration Expenses Payment, the PAGA Counsel Litigation Expenses Payment, and the PAGA Counsel Fees Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment and PAGA Counsel Fees Payment shall not precede disbursement of Individual PAGA Payments.

5.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 120 days after the date of mailing) when the check will be voided. The Administrator will send an explanation letter in the form of Exhibit A along with the Individual PAGA Payment. The explanation letter shall contain a statement explaining that the Individual PAGA payment is in consideration of the release and waiver of all of the PAGA claims related to those alleged in this Action, as described in Paragraph 1.31 and 6.3 of this Agreement, and that such release shall be effective whether or not the Aggrieved Employee deposits or cashes the check that has been mailed to him or her. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address database.

5.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without a USPS forwarding address. Within 7 days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

5.4.3. Settlement checks not cashed within 180 days will be void. Subject to Paragraph 5.4.5 below, the Administrator will then tender any voided amounts to the State Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

5.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5.4.5. If an Aggrieved Employee fails to receive a check or disputes the PAGA Pay Periods worked and timely notifies the Administrator of such an issue, the Administrator shall notify Defendant of the issue or dispute. In the event that Defendant approves a requested payment in writing, the Administrator may make payment to the Aggrieved Employee from any funds remaining from uncashed settlement checks that are voided under Paragraph 5.4.3 above. The remainder of any uncashed checks shall then be distributed to the State Controller's Unclaimed Property Fund in the name of the Aggrieved Employee as set forth in Paragraph 5.4.3.

6. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, on her own behalf, on behalf of all Aggrieved Employees, and on behalf of the State of California, releases all Released Parties as follows:

6.1. Named Plaintiff's Release. Plaintiff for herself, her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from any and all claims, liabilities and causes of action, of every nature, kind and description, in law, equity or otherwise, which have arisen, occurred or existed at any time prior to the signing of this Agreement. The released claims include, but are not limited to all claims, liabilities and causes of action arising out of or relating to Plaintiff's employment with Defendant or the cessation of that employment, claims for wrongful discharge, breach of contract, breach of the covenant of good faith and fair dealing, fraud, violation of public policy, defamation, discrimination, physical injury, emotional distress, claims under Title VII of the Civil Rights Act of 1964, as amended, the Americans With

Disabilities Act, the Federal Rehabilitation Act, the Family and Medical Leave Act, the California Fair Employment and Housing Act, the Equal Pay Act of 1963, the California Family Rights Act, the provisions of the California Labor Code (including all claims for wages, hours, conditions of work, pay, and benefits), and any other federal, state or local laws and regulations relating to employment, conditions of employment (including wage and hour laws) and/or employment discrimination. Notwithstanding the foregoing general releases, Plaintiff acknowledges that she has not made any claims or allegations related to discrimination, retaliation, or harassment, including sexual harassment, or sexual abuse, and none of the payments set forth as consideration in this Agreement are related to such discrimination, retaliation, or harassment, including sexual harassment, or sexual abuse. 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, workers' compensation benefits. Plaintiff acknowledges that she 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.

6.2. Named 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.**

6.3. Release by Aggrieved Employees. For and in consideration of the mutual promises and consideration set forth in this Agreement, Plaintiff and the Aggrieved Employees, on behalf of themselves, and their heirs, successors, assigns, attorneys, and agents, hereby release and forever discharge the Released Parties from any and all Released PAGA Claims.

6.4. Release by Plaintiff on Behalf of the LWDA (and State of California). In her capacity as a private attorney general "aggrieved employee" acting on behalf of herself and as a proxy or agent of the LWDA and State of California, Plaintiff agrees to release Defendant and the Released

Parties, from any and all Released PAGA Claims against the Released Parties during the PAGA Period. Upon approval of this Agreement, Plaintiff, the LWDA, the State of California, and any other individual or entity acting on behalf of or purporting to act on behalf of the LWDA and/or the State shall be barred from asserting any of the Released PAGA Claims in any future litigation, arbitration, or other legal forum. Any party to this Agreement may use the Agreement to assert that this Agreement and the Judgment to be entered by the Court following approval of this Agreement bars or limits any pending or later-filed action asserting any of the Released PAGA Claims against any of the Released Parties. The provisions of this paragraph apply regardless of whether Plaintiff and/or the Aggrieved Employees cash their Individual PAGA Payment checks.

7. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

7.1. Responsibilities of PAGA Counsel. PAGA Counsel is responsible for notifying the LWDA of the Settlement and preparing a motion for approval of the Settlement with Defendant's input. PAGA Counsel will submit the proposed settlement to the LWDA at the same time it submits it to the Court in accordance with Labor Code section 2699(l)(2). PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

7.2. Plaintiff's Responsibilities. PAGA Counsel will prepare and deliver to Defense Counsel a draft of the motion for approval of the Settlement and a draft proposed Approval Order granting approval of the Settlement not later than 10 court days prior to the filing deadline. If the Parties disagree on any aspect of the proposed motion for approval of this Settlement and/or the proposed Approval Order, 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 resolve the disagreement.

7.3. Duty to Cooperate. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

8.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators ("Phoenix") to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

8.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating withholdings (if any) and providing reports to state and federal tax authorities.

8.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a QSF under US Treasury Regulation section 468B-1.

8.4. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8.5. Tax Allocation of Payments. All payments made pursuant to this Agreement are penalties. Consequently, (a) one hundred percent (100%) of each Individual PAGA Payment shall be treated as penalties and allocated to ordinary income payable on a Form 1099; (b) each Aggrieved Employee shall be individually responsible for their share of taxes attributable to receipt of their Individual PAGA Payment; and (c) the Named Plaintiff's Release Payment will be treated as one-third (33.33%) wages and two-thirds (66.66%) penalties and interest, and the Named Plaintiff will receive a Form W-2 and a Form 1099 for such payments.

9. AGGRIEVED EMPLOYEE SIZE. Based on Defendant's records, as of the date of this Agreement, there are 2,185 Aggrieved Employees who worked a total 37,968 PAGA Pay Periods during the PAGA Period.

10. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, and pursuant to California Code of Civil Procedure section 664.6, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of: (i) enforcing this Agreement and/or Judgment; (ii) addressing settlement administration matters; and (iii) addressing such post-Judgment matters as are permitted by law.

11. ADDITIONAL PROVISIONS.

11.1. Right to Withdraw from Settlement. Either party may withdraw from the Settlement if: (i) the Settlement is construed in such a fashion that Cafe Rio is required to pay a Gross Settlement Amount that exceeds or is less than the amount the Parties agreed upon in this Agreement; (ii) the Court does not order the release of claims of the Aggrieved Employees agreed to by the Parties, or otherwise makes an order inconsistent with any of the material terms of the this Agreement; (iii) either Party or their counsel breaches the terms of this Agreement; or (iv) the LWDA or any other state or government agency seeks to intervene in the Action and/or commences an enforcement action. If one party exercises its right to withdraw from the settlement, then it will be solely responsible for any settlement administration costs incurred to date.

11.2. Reservation of Rights. If the Court does not approve the Settlement or if either Party withdraws from the Settlement, this Agreement is null and void except that the provisions on Confidentiality and on No Admission of Liability or Representative Manageability for Other Purposes will remain valid.

11.3. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in Plaintiff's Complaint have merit, that Defendant has any liability for any claims asserted, that Plaintiff is an appropriate representative of the Aggrieved Employees, that the Action is appropriate for class certification, or that a representative action could be manageably tried before a court. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

11.4. Confidentiality. Plaintiff and PAGA Counsel agree not to disclose the terms of this Agreement or Settlement except in Court papers or if required by legal process. Plaintiff and PAGA Counsel shall not issue a press release, hold a press or media conference, publish information on any website or post on any social media or other electronic form, about the

Settlement, or otherwise publicize the Settlement, this Agreement, any negotiations leading to the Settlement, or any terms or conditions of the Settlement or this Agreement. Plaintiff and PAGA Counsel agree not to respond to any press inquiries except to refer reporters to the papers filed with the Court.

11.5. Integrated Agreement. Upon execution by the Parties and their counsel, this Agreement shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

11.6. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

11.7. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

11.8. No Prior Assignments. The Parties separately represent and warrant that they have 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 right released and discharged by the Party in this Settlement.

11.9. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

11.10. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

11.11. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

11.12. Applicable Law. All terms and conditions of this Agreement will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

11.13. 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.

11.14. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

11.15. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by e-mail or messenger, addressed as follows:

To Plaintiff:

CROSNER LEGAL, PC
Zachary M. Crosner, Esq. (SBN 272295)
zach@crosnerlegal.com
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Tel: (310) 496-5818
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To Defendant:

MORGAN, LEWIS & BOCKIUS LLP
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Nancy Nguyen, Bar No. 301677
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nancy.nguyen@morganlewis.com
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11.16. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or e-mail which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

DIANA SERMENO

Date: 06 / 09 / 2025, 2025 By: Diana Sermeno
Diana Sermeno

CAFE RIO, INC.

Date: 06/05, 2025 By: Signed by: 3455D35AA67742A...

Its: CPO

Approved as to form only:

CROSNER LEGAL, PC

Date: June 9, 2025

By: ______________________

Brandon Brouillette, Esq.
Attorneys for Plaintiff Diana Sermeno

MORGAN, LEWIS & BOCKIUS LLP

Date: June 5, 2025

By: ______________________

Daryl S. Landy, Esq.
Attorneys for Defendant Cafe Rio, Inc.