

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“Memorandum”) memorializes the material terms of the settlement agreement between Plaintiff Lisimba Yazid (“Plaintiff”), on the one hand, and Defendant Kyte Rentals, LLC (“Kyte”), on the other hand, and is intended to be binding on Plaintiffs and Defendants (collectively, the “Parties”) and to resolve in their entirety all claims asserted in Alameda County Superior Court Case No. 23CV0287417 (the “PAGA Action”) and Case 23CV049046 (the “Individual Action”).

1. **Aggrieved Employee Definition:** Aggrieved Employees is defined as independent contractors holding the position called “Surfer” who worked for Kyte in the State of California from February 27, 2022 to the date that the Court enters an order approving the settlement (the “PAGA Period”).

2. **Further Written Agreements:** The Parties acknowledge and agree that this Memorandum is intended to summarize the material provisions of the Parties’ settlement of Plaintiff’s PAGA claims. The Parties will jointly draft a long form settlement agreement that will be used, among other things, to seek judicial approval of the PAGA settlement in the action entitled *Yazid v. Kyte Rentals, LLC* (Alameda County Sup. Ct. Case No. 23CV0287417)(“PAGA Settlement”).

3. **Effective Date:** The Effective Date shall be the date the following have occurred: (i) the Court has entered an order approving the PAGA Settlement and (ii) the time to appeal or seek permission to appeal or seek other judicial review of the entry of a Final Judgment approving the PAGA Settlement has expired with no appeal or other judicial review having been taken or sought. If the Court does not approve the proposed settlement then it shall be null and void and the Parties shall return to their relative position in the above-identified actions as though no Settlement were reached.

4. **Enforceability:** The parties intend this Memorandum to be admissible and binding under Code of Civil Procedure Section 664.6. To the extent this Memorandum is submitted to the Court for approval and/or enforcement and there are any settlement-related issues that are unresolved by virtue of this Memorandum and cannot be agreed upon by the Parties, such issues shall be submitted to the Court for resolution. In the event either Party brings an action to enforce the terms of this Memorandum, the prevailing party in such action shall be entitled to recover reasonable attorneys’ fees and costs incurred, including expert costs (if any).

5. **Gross PAGA Settlement Amount:** Defendants shall pay out the total and maximum sum of Two Hundred and Fifty Thousand Dollars and No Cents (\$250,000.00) to resolve the PAGA Action. That amount shall be paid to resolve the PAGA Action and for the PAGA Release set forth herein and for payment of all Settlement Administration Expenses, Attorneys’ Fees and Attorneys’ Expenses to the Plaintiffs, with 75% of the remainder (referred to as the “Net Settlement Amount”) distributed to the LWDA and 25% paid to the aggrieved employees on a proportional basis based on each Aggrieved Employees’ number of pay periods worked during the PAGA

Period. These are the maximum amounts that Defendants will pay pursuant to this Settlement. The Gross Settlement Amount shall be “all-in” with no reversion to Defendants.

6. The Parties have also reached an individual settlement in the amount of \$50,000 in exchange for a Civil Code 1542 general release. That settlement will be addressed in a separate agreement and will be contingent on the Court approving the PAGA settlement.

7. Date of Payment: The Gross Settlement Amount shall become funded in forty-eight (48) equal monthly installment payments with the first installment due within ten (10) days of the Effective Date and each subsequent installment due on the same day of the subsequent month. If an installment payment is more than 60 days late then the entire Gross Settlement Amount shall become due and payable immediately.

8. Attorneys’ Fees: Defendants agree not to oppose an Attorneys’ Fees request up to 1/3 of the Gross Settlement Amount.

9. Attorneys’ Expenses: Defendants agree not to oppose Attorneys’ Expenses in an amount up to \$30,000, to be paid from the Gross Settlement Amount.

10. Released Parties: Released Parties shall be defined as Defendants Kyte Rentals, LLC, Kyte Systems, Inc., and any of their past, present, and/or future directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, agents, independent contractors, and employees (including, but not limited to, Ludwig Schoenack, Nikolaus Volk, Francesco Wiedmann, Chandra Morando, and Brennan Oakes).

11. Individual Release: Plaintiff will separately enter into a general release with Defendant that extinguishes any and all known and unknown individual claims, with a Civil Code section 1542 waiver, and which shall include provisions for non-disparagement, confidentiality and neutral job references. This Individual Release and any Payments provided for thereby will be conditioned on the Court approving the PAGA Settlement.

12. Administration: The Parties will mutually agree upon a settlement administrator to be agreed upon in the long form settlement agreement. All costs of settlement administration shall be paid from the Gross Settlement Amount.

13. PAGA Release: Upon the approval of the Settlement by the Court, Plaintiff Lisimba Yazid, in his capacity as a private attorney general on behalf of the State of California and the LWDA, shall completely release and discharge the Released Parties of any claim for civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004, Labor Code section 2698 *et seq.* that arose during the PAGA Period, as asserted in the Action, or as identified in Plaintiff’s PAGA letter to the LWDA dated December 15, 2021 or the amended PAGA letter to the LWDA on June 9, 2024. This specifically includes claims for: Labor Code §§ 201-203, 204, 210, 226, 226.2, 226.8, 510, 558, 1182.11-1182.13, 1194, 1194(a), 1194.2, 1197, 1191.1, 1198, 2775, 2800, 2802, and the applicable sections of Industrial Wage Order No. 9 (“Released Claims”).

14. Confidential: Plaintiff and Plaintiff's Counsel agree that this Memorandum, including all of its contents, is confidential (except for purposes of enforcement) prior to approval by the Court, and that they will not issue any press release or public representation or reference on the website regarding anything pertaining to the settlement other than as necessary to obtain Court approval and effectuate the terms of the settlement.

15. Drafting Settlement Documents: Plaintiff's Counsel will draft all settlement approval documents. Plaintiff's Counsel will provide such drafts to Kyte's Counsel for review at least five business days before filing them. The Parties will cooperate in drafting and agreeing upon a final settlement agreement that is consistent with this Memorandum. To the extent a long form settlement is not executed within 21 days of the MOU being executed then the Parties agree that this MOU shall be submitted to the Court for approval.

16. Uncashed Checks: All checks to Aggrieved Employees not cashed within 180 days of payment shall be paid to the California Unclaimed Property Fund in the name of the Aggrieved Employee.

17. Policy Changes: Subject to the PAGA Agreement being approved by the Court, Kyte agrees to make all reasonable efforts to implement the following policy changes.

A. **Clarify when start/end time is for purposes of engaged time.** Kyte agrees to tell Surfers that "start time", for purposes calculating engaged time, means the time when a surfer hits the button to "check out a vehicle" for delivery and "Reporting Vehicle Condition" on returns. This is when the Surfer scans a QR code at the lot to check out a car and is before taking photos of it; and when a Surfer arrives at a pickup and initiates the process for reporting the vehicle condition/taking photos before driving away.

Kyte agrees to tell Surfers that "end time", for purposes of calculating engaged time, means the time, for deliveries, when a customer has signed the rental agreement and the Surfer has handed the customer the keys; and for returns, when a Surfer has returned the vehicle to the lot.

These definitions will be set forth in the independent contractor agreements moving forward.

To the extent that Kyte requires Surfers to confirm or cancel their intention to perform a trip ahead of time, the Kyte Surfer will not be subject to being deplatformed solely on this basis unless they have two (2) or more failures to confirm or cancel, two (2) or more late cancellations, or any combination thereof, within a thirty day period.

B. **Improved access to records:** Kyte will provide a report of start/end timestamps to Surfers upon request. Surfers will be able to access per trip pay data—in other words, the amount the Surfer was paid for each trip—through the Kyte app and/or applicable payment platform (currently Stripe). Surfers' ability to request a report of start/end timestamps, including how to submit such a request and to whom; and their ability to access per trip

pay data through the Kyte app and/or the applicable payment platform (currently Stripe), will be set forth in the independent contractor agreements moving forward.

- C. **Clarify definition of pay period:** Kyte will define the default pay periods as bimonthly on the 15th and the last day of the month, but Kyte will continue to pay its surfers in real time or on same day as they perform the work. Surfers will be able to access all past earnings for all pay issued since May 2023 by day so they can calculate their per pay-period pay data—in other words, the amount the Surfer was paid for all trips worked within a given pay period—through the Kyte app and/or applicable payment platform (currently Stripe). Surfers’ ability to access pay data will be set forth in the independent contractor agreements moving forward. Kyte reserves the right to prospectively modify the pay period definition but will include any modified definition in agreements thereafter.

18. Continuing Jurisdiction: The Court shall retain continuing jurisdiction over the Action to ensure the continuing the implementation of the provisions of the settlement agreement.

19. No Admission of Liability: Kyte enters into this Memorandum with no admission of liability whatsoever and solely for the purposes of compromising and settling the Action.

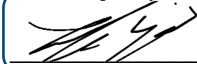
20. Execution in Counterparts: This Memorandum may be executed in one or more counterparts by facsimile, electronic signature, or email which for purposes of this Memorandum shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Memorandum.

By signing below, I attest that I have read and understand the terms of this Memorandum, have had ample opportunity to discuss it with my lawyers, and that I hereby wish to consent and agree and be bound to this Memorandum and the release(s) included herein.

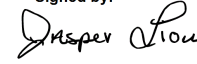
Lisimba Yazid.

Dated: 4/23/2025

By

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Plaintiff

Dated: April 28, 2025 | 1:26 PM PDT

Signed by:

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By: Kyte Rentals, LLC.
Name: Jasper Liou
Its: General Counsel