

SUMARIA, ET AL. V. SANTE HEALTH PARTNERS, ET AL. – PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Mark Sumaria and Zaydee Mercado (“Plaintiffs”) and defendant Sante Health Partners LLC (“Sante Health”). The Agreement refers to Plaintiffs and Sante Health collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the Plaintiffs’ PAGA lawsuit alleging wage and hour violations against Sante Health captioned *Sumaria, et al. v. Sante Health Partners, LLC, et al.*, initiated on October 27, 2023, and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2 “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Aggrieved Employee” means a person employed by Sante Health in California during the PAGA Period, including employees misclassified as independent contractors.
- 1.4 “Aggrieved Employee Data” means Aggrieved Employee identifying information in Sante Health’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number and number of PAGA Pay Periods.
- 1.5 “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.
- 1.6 “Court” means the Superior Court of California, County of Los Angeles.
- 1.7 “Defense Counsel” means Allyson K. Thompson, Tara H. Hattendorf, Kaufman Dolowich LLP, 21515 Hawthorne Blvd., Suite 450, Torrance, CA 90503.
- 1.8 “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 latest of the following occurrences: (a) the day the Court enters Judgment.
- 1.9 “Gross Settlement Amount” means \$55,000.00, which is the total amount Sante Health agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Representative Enhancement Award, PAGA Counsel Fees Payment, and PAGA Counsel Litigation Expenses Payment.
- 1.10 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

- 1.11 “Judgment” means the judgment entered by the Court based upon Approval of the PAGA Settlement.
- 1.12 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).
- 1.13 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.14 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and PAGA Representative Enhancement Award. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.15 “PAGA Counsel” means Rob Hennig, Shoshee Hui, Hennig Kramer LLP, 3600 Wilshire Blvd., Suite 1908, Los Angeles, CA 90010; Allison M. Schulman, Law Offices of Allison M. Schulman, APC, 1055 W. Seventh Street, Suite 1920, Los Angeles, CA 90017, the attorneys representing the Plaintiffs in the Action.
- 1.16 “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.17 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Sante Health for at least one day during the PAGA Period.
- 1.18 “PAGA Period” means the period from July 26, 2022, to the present.
- 1.19 “PAGA Representative Enhancement Award” means the amount that the Court authorizes to be paid to Plaintiffs, in addition to their Individual PAGA Payments, in recognition of their effort and risk in assisting with the prosecution of the Action.
- 1.20 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698. et seq.).
- 1.21 “PAGA Notice” means Plaintiffs’ separate July 26, 2023, letters to Sante Health and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.22 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$6,290.23) and the 75% to LWDA (\$18,870.71) in settlement of PAGA claims.
- 1.23 “Plaintiffs” means Mark Sumaria and Zaydee Mercado, the named Plaintiffs in the Action.
- 1.24 “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.25 “Released PAGA Claims” means the claims being released by the Plaintiffs and PAGA Counsel and as described in Paragraph 5 below.
- 1.26 “Released Parties” means Sante Health and Catherine Llavanés.

1.27 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.28 “Sante Health” means named Defendant Sante Health Partners LLC.

2. RECITALS.

2.1 On October 27, 2023, Plaintiffs commenced this Action by filing a Complaint alleging causes of action against Sante Health for remedies under the Private Attorneys General Act. On November 9, 2023, Plaintiffs filed a First Amended Complaint. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Sante Health denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiffs gave timely written notice to Sante Health and the LWDA by sending the PAGA Notice.

2.3 On August 5, 2024, the Parties participated in an all-day mediation presided over by Abe Melamed, Esq., which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiffs obtained, through informal discovery, relevant data on aggrieved employees, including the number of aggrieved employees, total workweeks, number of separated employees and their final rates of pay, in addition to provision of a sampling of wage statements and timecards.

2.5 The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Sante Health promises to pay \$55,000.00 and no more as the Gross Settlement Amount. Sante Health has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 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. None of the Gross Settlement Amount will revert to Sante Health.

3.2 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 in its Approval Order:

3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33%, which is currently estimated to be \$18,150.00, and PAGA Counsel Litigation Expenses Payment of not more than \$1,689.50. Sante Health will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs 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

Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel 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 Sante Health harmless, and indemnifies Sante Health, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 To Plaintiffs: Subject to Court approval, in exchange for the release of Released PAGA Claims, a general release under Section 1542 of the California Civil Code, and for their time and effort in bringing and prosecuting this matter, Plaintiffs shall each be paid up to Five Thousand Dollars (\$5,000.00), subject to Court approval. Any portion of the requested PAGA Representative Enhancement Award that is not awarded to a PAGA Representative shall be part of the Net Settlement Amount and shall be distributed to Aggrieved Employees as provided in this Agreement. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiffs for their PAGA Representative Enhancement Award. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their PAGA Representative Enhancement Award and shall hold Sante Health harmless from any claim or liability for taxes, penalties, or interest arising as a result of the PAGA Representative Enhancement Award. The PAGA Representative Enhancement Award shall be in addition to the Plaintiffs' Individual PAGA Payment as an Aggrieved Employee.

3.2.3 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$25,160.95 to be paid from the Gross Settlement Amount, with 75% (\$18,870.71) allocated to the LWDA PAGA Payment and 25% (\$6,290.23) allocated to the Individual PAGA Payments.

3.2.3.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$6,290.23) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, Sante Health estimates there are 36 Aggrieved Employees who worked a total 1150 of PAGA Pay Periods.

4.2 Aggrieved Employee Data. Within 15 days, Sante Health will simultaneously deliver the Aggrieved Employee Data to the Administrator 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 Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Sante Health has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Sante Health must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Sante Health shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator in two equal installments of \$27,500.00, with the first payment due by the later of 30 days after the Effective Date or April 1, 2025, and the second payment due by the later of 45 days after the first payment or May 15, 2025.

4.3.1 In the event of a default of Sante Health's payment obligations under Section 4.3, Catherine Llavanés, as a member and officer of Sante Health Partners LLC, agrees to personally guarantee the payment of any unpaid portion of the Settlement Funds.

4.3.2 Further, in the event of a default of Sante Health's payment obligations under Section 4.3, Sante Health and Catherine Llavanés agree that Plaintiffs may request and the Court shall enter judgment for Plaintiffs and against Sante Health Partners LLC and Catherine Llavanés, jointly and severally, in the amount of any unpaid portion of the Gross Settlement Amount, plus 10% interest on the unpaid funds beginning the date of the default, as well as reasonable attorneys' fees and costs in having the judgment entered. The Parties agree that Plaintiff shall be entitled to seek this relief by *ex parte* application.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Sante Health funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Expenses Payment, and the PAGA Representative Enhancement Award. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1 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 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without 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.

4.4.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4 The payment of Individual PAGA Payments shall not obligate Sante Health 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. RELEASES OF CLAIMS. Effective on the date when Sante Health fully funds the entire Gross Settlement Amount, Plaintiffs and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. With the sole exception of the Excluded Claims, discussed below in section 5.1.1, Plaintiffs and their respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions or occurrences that occurred during the PAGA Period, including, but not limited to: all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiffs' Release"). Plaintiffs' 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 that arose at any time or based on occurrences outside the PAGA Period. Plaintiffs acknowledges that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1 Plaintiffs' Excluded Claims. The claims released by Plaintiffs in this Agreement expressly and only exclude: 1) the claims pending in Plaintiff Mark Sumaria's separate action for alleged violations of the Fair Employment and Housing Act, filed in the Los Angeles County Superior Court, Case No. 23STCV26284, and 2) Plaintiffs' individual claims in this Action, in the first through fifth causes of action (the "Excluded Claims").

5.1.2 Plaintiffs' Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish 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.

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (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 Aggrieved Employee 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 Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiffs, PAGA Counsel or Defense Counsel; (iii) a signed 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 (Lab. Code, §2699, subd. (l)(1)), this Agreement (Lab. Code, § 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 Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiffs 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.

6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement 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 resolve the disagreement. 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 by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement. 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.
- 7.2 Employer Identification Number. The 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.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 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. AGGRIEVED EMPLOYEE SIZE ESTIMATES. Based on its records, Sante Health estimates that, as of the date of this Settlement Agreement, there are 36 Aggrieved Employees who worked 1150 Pay Periods during the PAGA Period.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, 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.

- 9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

- 10.1 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 Sante Health that any of the allegations in the Operative Complaint have merit or that Sante Health has any liability for any claims asserted; nor should it be intended or construed as an admission

by Plaintiffs that Sante Health's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, Sante Health reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest Sante Health's defenses. The Settlement, this Agreement and 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).

10.2 Integrated Agreement. Upon execution by all 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.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Sante Health, 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.

10.4 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 Settlement 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.

10.5 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 and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.

10.6 No Tax Advice. Neither Plaintiffs, PAGA Counsel, Sante Health 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.

10.7 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.

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

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

- 10.10 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.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Sante Health in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule.
- 10.13 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.
- 10.14 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.15 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 email or messenger, addressed as follows:

To Plaintiffs:

Rob Hennig
Shoshee Hui
Hennig Kramer LLP
3600 Wilshire Blvd., Suite 1908
Los Angeles, CA 90010

Allison M. Schulman
Law Offices of Allison M. Schulman, APC
1055 W. Seventh Street, Suite 1920
Los Angeles, CA 90017

To Sante Health:

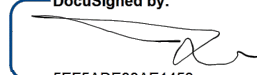
Allyson K. Thompson
Tara H. Hattendorf
Kaufman Dolowich LLP
21515 Hawthorne Blvd., Suite 450
Torrance, CA 90503

10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email 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 will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

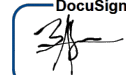
10.17 Severability. If the Court holds any provision of this Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

10.18 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.

Dated: 9/11/2024, 2024

DocuSigned by:

5EF5ADE88AE1453...
Mark Sumaria, Plaintiff

Dated: 9/12/2024, 2024

DocuSigned by:

1CCDFC5DAC7C433...
Zaydee Mercado, Plaintiff

Dated: _____, 2024

Sante Health Partners LLC, Defendant
By:
Its:

Dated: _____, 2024

Catherine Llavanés, Defendant

SUMARIA, ET AL. V. SANTE HEALTH PARTNERS, ET AL. – PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Mark Sumaria and Zaydee Mercado (“Plaintiffs”) and defendant Sante Health Partners LLC (“Sante Health”). The Agreement refers to Plaintiffs and Sante Health collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the Plaintiffs’ PAGA lawsuit alleging wage and hour violations against Sante Health captioned *Sumaria, et al. v. Sante Health Partners, LLC, et al.*, initiated on October 27, 2023, and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2 “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Aggrieved Employee” means a person employed by Sante Health in California during the PAGA Period, including employees misclassified as independent contractors.
- 1.4 “Aggrieved Employee Data” means Aggrieved Employee identifying information in Sante Health’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number and number of PAGA Pay Periods.
- 1.5 “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.
- 1.6 “Court” means the Superior Court of California, County of Los Angeles.
- 1.7 “Defense Counsel” means Allyson K. Thompson, Tara H. Hattendorf, Kaufman Dolowich LLP, 21515 Hawthorne Blvd., Suite 450, Torrance, CA 90503.
- 1.8 “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 latest of the following occurrences: (a) the day the Court enters Judgment.
- 1.9 “Gross Settlement Amount” means \$55,000.00, which is the total amount Sante Health agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Representative Enhancement Award, PAGA Counsel Fees Payment, and PAGA Counsel Litigation Expenses Payment.
- 1.10 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

- 1.11 “Judgment” means the judgment entered by the Court based upon Approval of the PAGA Settlement.
- 1.12 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).
- 1.13 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.14 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and PAGA Representative Enhancement Award. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.15 “PAGA Counsel” means Rob Hennig, Shoshee Hui, Hennig Kramer LLP, 3600 Wilshire Blvd., Suite 1908, Los Angeles, CA 90010; Allison M. Schulman, Law Offices of Allison M. Schulman, APC, 1055 W. Seventh Street, Suite 1920, Los Angeles, CA 90017, the attorneys representing the Plaintiffs in the Action.
- 1.16 “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.17 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Sante Health for at least one day during the PAGA Period.
- 1.18 “PAGA Period” means the period from July 26, 2022, to the present.
- 1.19 “PAGA Representative Enhancement Award” means the amount that the Court authorizes to be paid to Plaintiffs, in addition to their Individual PAGA Payments, in recognition of their effort and risk in assisting with the prosecution of the Action.
- 1.20 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698. et seq.).
- 1.21 “PAGA Notice” means Plaintiffs’ separate July 26, 2023, letters to Sante Health and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.22 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$6,290.23) and the 75% to LWDA (\$18,870.71) in settlement of PAGA claims.
- 1.23 “Plaintiffs” means Mark Sumaria and Zaydee Mercado, the named Plaintiffs in the Action.
- 1.24 “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.25 “Released PAGA Claims” means the claims being released by the Plaintiffs and PAGA Counsel and as described in Paragraph 5 below.
- 1.26 “Released Parties” means Sante Health and Catherine Llavanés.

1.27 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.28 “Sante Health” means named Defendant Sante Health Partners LLC.

2. RECITALS.

2.1 On October 27, 2023, Plaintiffs commenced this Action by filing a Complaint alleging causes of action against Sante Health for remedies under the Private Attorneys General Act. On November 9, 2023, Plaintiffs filed a First Amended Complaint. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Sante Health denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged.

2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiffs gave timely written notice to Sante Health and the LWDA by sending the PAGA Notice.

2.3 On August 5, 2024, the Parties participated in an all-day mediation presided over by Abe Melamed, Esq., which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiffs obtained, through informal discovery, relevant data on aggrieved employees, including the number of aggrieved employees, total workweeks, number of separated employees and their final rates of pay, in addition to provision of a sampling of wage statements and timecards.

2.5 The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Sante Health promises to pay \$55,000.00 and no more as the Gross Settlement Amount. Sante Health has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 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. None of the Gross Settlement Amount will revert to Sante Health.

3.2 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 in its Approval Order:

3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33%, which is currently estimated to be \$18,150.00, and PAGA Counsel Litigation Expenses Payment of not more than \$1,689.50. Sante Health will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs 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

Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel 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 Sante Health harmless, and indemnifies Sante Health, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 To Plaintiffs: Subject to Court approval, in exchange for the release of Released PAGA Claims, a general release under Section 1542 of the California Civil Code, and for their time and effort in bringing and prosecuting this matter, Plaintiffs shall each be paid up to Five Thousand Dollars (\$5,000.00), subject to Court approval. Any portion of the requested PAGA Representative Enhancement Award that is not awarded to a PAGA Representative shall be part of the Net Settlement Amount and shall be distributed to Aggrieved Employees as provided in this Agreement. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiffs for their PAGA Representative Enhancement Award. Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their PAGA Representative Enhancement Award and shall hold Sante Health harmless from any claim or liability for taxes, penalties, or interest arising as a result of the PAGA Representative Enhancement Award. The PAGA Representative Enhancement Award shall be in addition to the Plaintiffs' Individual PAGA Payment as an Aggrieved Employee.

3.2.3 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$25,160.95 to be paid from the Gross Settlement Amount, with 75% (\$18,870.71) allocated to the LWDA PAGA Payment and 25% (\$6,290.23) allocated to the Individual PAGA Payments.

3.2.3.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$6,290.23) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, Sante Health estimates there are 36 Aggrieved Employees who worked a total 1150 of PAGA Pay Periods.

4.2 Aggrieved Employee Data. Within 15 days, Sante Health will simultaneously deliver the Aggrieved Employee Data to the Administrator 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 Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Sante Health has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Sante Health must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Sante Health shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator in two equal installments of \$27,500.00, with the first payment due by the later of 30 days after the Effective Date or April 1, 2025, and the second payment due by the later of 45 days after the first payment or May 15, 2025.

4.3.1 In the event of a default of Sante Health's payment obligations under Section 4.3, Catherine Llavanés, as a member and officer of Sante Health Partners LLC, agrees to personally guarantee the payment of any unpaid portion of the Settlement Funds.

4.3.2 Further, in the event of a default of Sante Health's payment obligations under Section 4.3, Sante Health and Catherine Llavanés agree that Plaintiffs may request and the Court shall enter judgment for Plaintiffs and against Sante Health Partners LLC and Catherine Llavanés, jointly and severally, in the amount of any unpaid portion of the Gross Settlement Amount, plus 10% interest on the unpaid funds beginning the date of the default, as well as reasonable attorneys' fees and costs in having the judgment entered. The Parties agree that Plaintiff shall be entitled to seek this relief by *ex parte* application.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Sante Health funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Expenses Payment, and the PAGA Representative Enhancement Award. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1 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 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without 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.

4.4.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4 The payment of Individual PAGA Payments shall not obligate Sante Health 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. RELEASES OF CLAIMS. Effective on the date when Sante Health fully funds the entire Gross Settlement Amount, Plaintiffs and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. With the sole exception of the Excluded Claims, discussed below in section 5.1.1, Plaintiffs and their respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions or occurrences that occurred during the PAGA Period, including, but not limited to: all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiffs' Release"). Plaintiffs' 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 that arose at any time or based on occurrences outside the PAGA Period. Plaintiffs acknowledges that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1 Plaintiffs' Excluded Claims. The claims released by Plaintiffs in this Agreement expressly and only exclude: 1) the claims pending in Plaintiff Mark Sumaria's separate action for alleged violations of the Fair Employment and Housing Act, filed in the Los Angeles County Superior Court, Case No. 23STCV26284, and 2) Plaintiffs' individual claims in this Action, in the first through fifth causes of action (the "Excluded Claims").

5.1.2 Plaintiffs' Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish 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.

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (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 Aggrieved Employee 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 Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiffs, PAGA Counsel or Defense Counsel; (iii) a signed 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 (Lab. Code, §2699, subd. (l)(1)), this Agreement (Lab. Code, § 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 Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiffs 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.

6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement 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 resolve the disagreement. 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 by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement. 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.
- 7.2 Employer Identification Number. The 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.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 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. AGGRIEVED EMPLOYEE SIZE ESTIMATES. Based on its records, Sante Health estimates that, as of the date of this Settlement Agreement, there are 36 Aggrieved Employees who worked 1150 Pay Periods during the PAGA Period.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, 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.

- 9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

- 10.1 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 Sante Health that any of the allegations in the Operative Complaint have merit or that Sante Health has any liability for any claims asserted; nor should it be intended or construed as an admission

by Plaintiffs that Sante Health's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, Sante Health reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest Sante Health's defenses. The Settlement, this Agreement and 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).

10.2 Integrated Agreement. Upon execution by all 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.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Sante Health, 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.

10.4 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 Settlement 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.

10.5 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 and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.

10.6 No Tax Advice. Neither Plaintiffs, PAGA Counsel, Sante Health 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.

10.7 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.

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

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

- 10.10 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.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Sante Health in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule.
- 10.13 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.
- 10.14 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.15 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 email or messenger, addressed as follows:

To Plaintiffs:

Rob Hennig
Shoshee Hui
Hennig Kramer LLP
3600 Wilshire Blvd., Suite 1908
Los Angeles, CA 90010

Allison M. Schulman
Law Offices of Allison M. Schulman, APC
1055 W. Seventh Street, Suite 1920
Los Angeles, CA 90017

To Sante Health:

Allyson K. Thompson
Tara H. Hattendorf
Kaufman Dolowich LLP
21515 Hawthorne Blvd., Suite 450
Torrance, CA 90503

10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email 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 will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.17 Severability. If the Court holds any provision of this Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

10.18 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.

Dated: _____, 2024

Mark Sumaria, Plaintiff

Dated: _____, 2024

Zaydee Mercado, Plaintiff

Dated: **September 11**, 2024

Catherine Llavanes

Sante Health Partners LLC, Defendant
By: **Catherine Llavanes**
Its: **C.E.O.**

Dated: **September 11**, 2024

Catherine Llavanes

Catherine Llavanes, Defendant