

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Jennifer Andrade (“Plaintiff”), on behalf of similarly situated aggrieved PAGA members, and Defendants Sombrero Cor, Inc., Sombrero Corona, Inc., Correa Management, Inc., and Sombrero Mexican Food, Inc., (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the matter entitled *Jennifer Andrade v. Sombrero Cor, Inc., et al.*, San Diego County Superior Court Case No. 37-2023-00043518-CU-OE-CTL, filed on or about October 6, 2023.
- 1.2 “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have 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 Employees” consists of all current and former non-exempt employees that worked for Sombrero Cor, Inc., Sombrero Corona, Inc., Correa Management, Inc., and Sombrero Mexican Food, Inc. during the PAGA Period (defined below).
- 1.5 “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendants’ possession including the Aggrieved Employee’s name, 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 “Court” means the Superior Court of California, County of San Diego.
- 1.8 “Defendants” means Sombrero Cor, Inc., Sombrero Corona, Inc., Correa Management Inc., and Sombrero Mexican Food, Inc.
- 1.9 “Defense Counsel” means Aaron F. Olsen, Danielle H. Moore, and Jasmine M. Samuels of Fisher & Phillips LLP.

- 1.10 “Effective Date” means the date by when the Court enters a Judgment on its Order Approving the PAGA Settlement.
- 1.11 “Gross Settlement Amount” means \$150,000.00 which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment and the Administrator’s Expenses Payment.
- 1.12 “Individual PAGA Payments” mean the Aggrieved Employees’ pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employees each worked during the PAGA Period.
- 1.13 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.14 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).
- 1.15 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.16 “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, PAGA Representative Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.17 “PAGA Counsel” means Lauren N. Vega and Nicholas J. Ferraro of the Ferraro Vega Employment Lawyers, Inc., the attorneys representing the Plaintiff in the Action.
- 1.18 “PAGA Counsel Fees Payment” means the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees incurred to prosecute the Action.
- 1.19 “PAGA Counsel Litigation Expenses Payment” means the amounts allocated to PAGA Counsel for reimbursement of reasonable expenses, incurred to prosecute the Action.
- 1.20 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.21 “PAGA Period” means the period from August 2, 2022 through the Effective Date.
- 1.22 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698. et seq.).
- 1.23 “PAGA Notice” means Plaintiff’s July 24, 2023 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

- 1.24 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$16, 250.00) and the 75% to LWDA (\$48, 750.00) in settlement of PAGA claims.
- 1.25 “PAGA Representative Payment” means a service paid to Plaintiff not to exceed \$10,000.00 in exchange for a general release and waiver of claims pursuant to California Civil Code section 1542.
- 1.26 “Plaintiff” means Jennifer Andrade, the named plaintiff in the Action.
- 1.27 “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.28 “Released PAGA Claims” means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.
- 1.29 “Released Parties” means Defendants Sombrero Cor, Inc., Sombrero Corona, Inc., Correa Management, Inc., and Sombrero Mexican Food, Inc., and each of Defendants’ former and present directors, officers, shareholders, owners, employees, attorneys, insurers, predecessors, successors, assigns, parents, subsidiaries, and affiliates.
- 1.30 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

- 2.1 On July 24, 2023, pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave written notice to Defendants and the LWDA by submitting the PAGA Notice.
- 2.2 On October 6, 2023, Plaintiff commenced this Action by filing a Complaint alleging a claim for Civil Penalties for Violations of the Labor Code (Cal. Lab. Code, § 2698, et seq.) (the “Operative Complaint”). Specifically, Plaintiff’s Complaint identified “violations of the Labor Code, including, but not limited to Labor Code §§201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 246.5, 247, 247.5, 248.6, 248.7, 256, 432, 510, 512, 516, 1174, 1194, 1197, 1198, 1198.5, 2802, 2804, 2699, and all applicable Industrial Welfare Commission (“IWC”) Orders.” (Operative Complaint at ¶ 46). Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint, and deny any and all liability for the causes of action alleged.
- 2.3 On January 16, 2024, the Parties stipulated to stay all discovery in order to facilitate direct settlement negotiations between the Parties through mediation, with a final responsive deadline of May 20, 2024, should the case not resolve at mediation.

- 2.4 On January 23, 2024, the Parties stipulated to continue the Case Management Conference set for March 22, 2024 until a date no earlier than May 17, 2024. On January 25, 2024, the Court entered an Order continuing the Case Management Conference until May 24, 2024. The Case Management Conference was further continued to September 26, 2024.
- 2.5 On April 18, 2024, the Parties engaged in a mediation with mediator, Jeffrey P. Fuchsman. That same day, Mr. Fuchsman presented the Parties with a Mediator's Proposal for consideration. On April 22, 2024, the Parties accepted a Mediator's Proposal and agreed to resolve this matter for a negotiated sum.
- 2.6 In exchange for the PAGA Representative Payment, Plaintiff provides and general release and expressly waives and relinquishes, among other things, the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code.
- 2.7 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 8 below, Defendants promise to pay \$150,000.00 and no more as the Gross Settlement Amount. Defendants have 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 Defendants.
- 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 the Final Approval:
- 3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than thirty-three and one-third percent (33 1/3%), which is currently estimated to be \$50,000, and PAGA Counsel Litigation Expenses Payment not to exceed \$15,000.00. Defendants 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 Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's 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 Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 PAGA Representative Payment to Plaintiff: A PAGA Representative Payment not to exceed \$10,000.00 in exchange for a general release pursuant to California Civil Code section 1542.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$10,000.00 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 \$10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$65,000.00 to be paid from the Gross Settlement Amount, with 75% (\$48,750.00) allocated to the LWDA PAGA Payment and 25% (\$16,250.00) allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$16,250.00) 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.

3.2.4.2 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, Defendants estimate that there are 6,400 pay periods worked by Aggrieved Employees between August 2, 2022 and April 18, 2024.

4.2 Aggrieved Employee Data. Within 21 days of the Effective Date, Defendants will 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. Defendants have 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 Defendants 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. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. 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 Aggrieved Employees who have cashed their checks, on a pro rata basis.

4.4.4 The payment of Individual PAGA Payments shall not obligate Defendants 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 Defendants fully funds the entire Gross Settlement Amount, Plaintiff, the Aggrieved Employees and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Release by Aggrieved Employees:

All Aggrieved Employees will be bound by a release of all claims for civil penalties that were alleged or could have been alleged in the Operative Complaint under the Labor Code and PAGA (including but not limited to meal period violations and failure to pay premiums; rest period violations and failure to pay premiums; failing to properly maintain and submit accurate itemized wage statements; failure to maintain accurate records; failure to timely pay wages during employment; failure to pay minimum, regular, and overtime wages; failure to reimburse; and failure to timely pay final wages and waiting time penalties associated therewith;) and that arose during the PAGA Period.

5.2 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.

5.3 Release by Plaintiff

Plaintiff, on behalf of herself, her agents, attorneys, successors in interest, subrogees, subrogors, heirs, executors, administrators, and assigns hereby releases and forever discharges the Released Parties from any and all claims, demands, obligations, actions, causes of action, liabilities, debts, promises, agreements, demands, attorneys' fees, losses and expenses, known or unknown, suspected or unsuspected, filed or unfiled, that Plaintiff may have up to the date of execution of this Agreement. Without limiting the generality of the foregoing, this general release includes a complete release of all claims Plaintiff has or has had arising out of Plaintiff's employment with any of the Defendants, the cessation thereof, or any other interaction or relations among Releasees, and a release of all claims that were alleged or could be alleged in the Action.

This release includes, without limiting the generality of the foregoing: any and all claims, demands, causes of actions, obligations, charges, liabilities, attorneys' fees, costs, actual, compensatory and punitive damages, and all claims for any other type of relief relating to, arising out of, or based upon Plaintiff's employment; all claims of harassment, discrimination, and/or retaliation in violation of State or Federal law; all claims for failure to accommodate and/or failure to engage in the interactive process; violations,

interference with and/or retaliation for requesting and taking a leave of absence under state or Federal law; all claims of violation of public policy, including a claim for wrongful and/or constructive termination of employment; all claims for fraud or misrepresentation; all claims based on tort and/or breach of contract, whether written or oral, express or implied, and any covenant of good faith and fair dealing; all claims for unpaid wages, commissions, or other benefits, including minimum wage, regular, overtime, double time, vacation, bonuses, associated penalties and/or premiums, and expense reimbursement; all claims for rest or meal periods and associated penalties and/or premiums; all claims for stock options; all claims for inaccurate wage statements; all claims for the alleged failure to pay all wages at separation; all claims for failure to timely provide documents for review and/or inspection; any claim for unlawful or unfair business practices; all claims for emotional distress; and any and all claims generally relating to Plaintiff's employment with any of the Defendants and the cessation thereof, including any alleged violation of any federal, state or other governmental statute, regulation, ordinance, or executive order, including without limitation: (1) the Civil Rights Act of 1964, as amended; (2) 42 U.S.C. § 1981; (3) Section 503 of the Rehabilitation Act of 1973; (4) the Fair Labor Standards Act (including the Equal Pay Act); (5) the Americans with Disabilities Act; (6) the Age Discrimination in Employment Act of 1967, as amended; (7) the Federal Family and Medical Leave Act; (8) the Immigration Reform and Control Act; (9) the Federal Worker Readjustment and Retraining Notification Act; (10) the Employee Retirement Income Security Act, as amended; (11) the National Labor Relations Act; (12) the Genetic Information Nondiscrimination Act of 2008; (13) the United States Constitution; (14) the California Workers' Compensation Act; (15) the California Constitution; (16) the California Labor Code, including the Private Attorney General Act of 2004 ("PAGA"); (17) the California Business and Professions Code; (18) the California Government Code; (19) the California Family Rights Act; (20) the California Pregnancy Discrimination Act; (21) the California Wage Orders; (22) the Families First Coronavirus Response Act; and/or (23) any other provision of federal, California state, or local statutory or common law or regulation (including whistleblower claims, claims for personal injury, invasion of privacy, negligent hiring, retention or supervision, defamation, intentional or negligent infliction of emotional distress and/or mental anguish, negligence, assault, battery, false imprisonment, retaliatory or wrongful discharge, and the like), which Plaintiff now has, owns or holds, or claims to have, own or hold, or which Plaintiff at any time heretofore had, owned or held, or claimed to have, own or hold against Defendant's up to and including, at the time of Plaintiff's execution of the Agreement, provided, however, that nothing in this Agreement shall release or impair any claims or rights Plaintiff may have that by law cannot be released in a private agreement including but not limited to her rights to (i) be defending and indemnified by the Company under any law, by-law, contract, or insurance policy from claims and liabilities asserted by third parties based on any act or omission by Plaintiff in the course of her employment; or (ii) her vested interest in any retirement, 401(k), or similar benefit plan of the Company.

Defendants believe in good faith all wages owed to Plaintiff have been paid and all expenses have been reimbursed. To the extent Plaintiff believes any additional wages are

owed, Plaintiff understands and agrees that this Agreement represents a settlement in good faith of a bona fide dispute regarding what wages, including commissions, overtime, penalties, or premiums if any, may be owed to Plaintiff, and that the promises and payments and consideration of this Agreement shall not be construed to be an admission of any liability of, or obligation owed by, Defendants to Plaintiff.

Notwithstanding this release or any other conflicting provision(s) of this Agreement, Plaintiff understands that: (a) nothing in this Agreement is intended to limit or shall limit Plaintiff's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("Government Agencies"); and (b) this Agreement is also not intended to and does not limit Plaintiff's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including by providing documents or other information, without notice to Defendants, and without waiving any right to receive an award for providing any such documents or information. However, to the fullest extent permitted by law, Plaintiff agrees that Plaintiff is waiving the right to monetary damages or other equitable or monetary relief as a result of any charge, complaint, investigation, or proceeding.

5.3.1 Waiver of 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. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

- 6.1 Plaintiff's Responsibilities. Plaintiff 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 Plaintiff, 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)), and this Agreement (Lab. Code, § 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator.

6.2 Responsibilities of PAGA Counsel. PAGA Counsel is 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 Order 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 in exchange for payment of Administration Expenses. 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 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.

7.3 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 AND ESCALATOR CLAUSE.

8.1 Based on its records, Defendants estimate that there are 322 Aggrieved Employees who worked approximately 6,400 Pay Periods between August 2, 2022 and April 18, 2024. If

the number of pay periods worked by Aggrieved Employees between August 2, 2022 and April 18, 2024 exceeds 7,040 (10 % more than the number of pay periods estimated by Defendants), then, at Defendants' option, the settlement will either increase by 1 % for every 1 % over the 10 % threshold, or the PAGA Period will end on the date that the number of pay periods equals 7,040.

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 and 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, and 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 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' 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, Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendants' 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 Plaintiff and Defendants, 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 Plaintiff, PAGA Counsel, Defendants, 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. Plaintiff and PAGA Counsel agree that they have not and will not publish the resolution of this case. PAGA Counsel shall not report the resolution of this case in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff, the claims of the Aggrieved Employees, or the resolution of this case on their website which identify Plaintiff or Defendants by name, and shall not contact any reporters or media regarding the resolution of this case. However, PAGA Counsel is authorized to make disclosure to the Court for the purpose of obtaining the approval of the settlement and may discuss the settlement with the Aggrieved Employees and the Administrator.

This disclosure is limited to court filings and neither Plaintiff, PAGA Counsel, nor their representatives are permitted to disseminate or publish, distribute, or discuss the information provided to the Court in those filings outside the filings themselves and any hearing held on those filings, unless ordered otherwise by the Court. Plaintiff may disclose the terms of the Settlement with his tax advisor, attorneys, and spouse.

- 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 Defendants 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. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants make a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.
- 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 Plaintiff:

Ferraro Vega Employment Lawyers, Inc.
Attn: Lauren Vega
3333 Camino Del Rio South, Suite 300
San Diego, California 92108

To Defendants:

Fisher & Phillips LLP
Attn: Aaron F. Olsen
4747 Executive Drive, Suite 1000
San Diego, CA 92121

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 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.

The Parties, with the benefit of representation and advice of counsel, have read this Agreement and fully understand each and every provision contained in it.

Jennifer Andrade

JENNIFER ANDRADE

May 16, 2024

(date)

[Signature]

FOR SOMBRERO COR, INC.

May 17, 2024

(date)

[Signature]

FOR SOMBRERO CORONA, INC.

May 17, 2024

(date)

[Signature]

FOR CORREA MANAGEMENT, INC.

May 17, 2024

(date)

[Signature]

FOR SOMBRERO MEXICAN FOOD, INC.

May 17, 2024

(date)

APPROVED AS TO FORM AND CONTENT:

Date: May 15, 2024

FISHER & PHILLIPS LLP



Danielle H. Moore

Aaron F. Olsen

Jasmine M. Samuels

Attorneys for Defendants Sombrero Cor, Inc.;
Sombrero Corona, Inc; Correa Management, Inc.;
Sombrero Mexican Food, Inc.

Date: May 16, 2024

FERRARO VEGA EMPLOYMENT LAWYERS



Nicholas J. Ferraro

Lauren N. Vega

Attorneys for Plaintiff Jennifer Andrade