PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT

This Private Attorneys General Act Agreement ("PAGA Agreement") is made and entered into between EDWARD HOTCHKISS (acting in his individual capacity and in a representative capacity as a private attorney general on behalf of all PAGA Members (defined below) and the State of California) ("Plaintiff" or "Hotchkiss") and AMARIK PROPERTIES, INC, a corporation doing business in California ("Defendant" or "Amarik Properties, Inc."). Plaintiff and Defendant are collectively referred to herein as the "Parties."

I. DEFINITIONS

The following terms, when used in this Agreement, shall have the following meanings:

1. "PAGA Action" means the matter entitled *EDWARD HOTCHKISS V. AMARIK PROPERTIES INC.*, Orange County Superior Court, Case No. 30-2023-01359910, and as set forth in Plaintiff's correspondence to the California Labor and Workforce Development Agency ("LWDA Letter") dated August 16, 2023.

2. "PAGA Members" means all individuals classified as nonexempt employees who performed work for Defendant in the State of California between October 26, 2022 and the date that the Court approves this Agreement. The number of PAGA Members, including Plaintiff, from August 16, 2022 to the time of settlement is estimated to be Sixty-Seven (67) and the number of pay periods from August 16, 2022 to the time of settlement is estimated to be two thousand seven hundred (2,700).

3. "PAGA Complaint" means the Representative Action Complaint *EDWARD HOTCHKISS V. AMARIK PROPERTIES INC.*, Orange Superior Court, Case No. 30-2023-01359910, filed on October 26, 2023.

4. "Agreement" means the Settlement Agreement of the PAGA Action as memorialized in this Agreement.

5. "Court" means the Superior Court of California for the County of Orange.

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

7. "Effective Date" means the date of entry of an Order by the Court approving the Agreement and after the Parties have fully executed this Agreement.

8. "Judgment" means the final approval Order and judgment entered by the Superior Court of California, County of Orange in this Action.

9. "Individual PAGA Payment" means the amount to be paid to each Aggrieved Employee based on the formula described herein.

10. "Maximum Settlement Amount" is the non-reversionary sum of Fifty Thousand Dollars and Zero cents ($50,000.00), which represents the total amount payable under this Agreement by Defendant, including, without limitation, payments to all PAGA Members, payment

to the LWDA, payment to the Settlement Administrator, and payment of Plaintiff's attorneys' fees and costs.

11. "Net Settlement Amount" is the amount remaining to distribute to the LWDA and PAGA Members after the following amounts are subtracted from the Maximum Settlement Amount: (a) Plaintiff's approved attorneys' fees; (b) Plaintiff's approved litigation costs; (c) Plaintiff's approved enhancement award, and (d) the approved costs of a Settlement Administrator.

12. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code § 2698, *et seq.*

13. "PAGA Period" means the time period from August 16, 2022 until the date of entry of the order approving this PAGA settlement.

14. "Parties" means Plaintiff Edward Hotchkiss and Defendant Amarik Properties Inc.

15. "Plaintiff" means Edward Hotchkiss.

16. "Plaintiff's Counsel" means Justin Lo Esq. of Work Lawyers PC.

17. "Defendant" means Amarik Properties, Inc.,

18. "Defendant's counsel" means William R. Mosher, Esq. of Lewis Brisbois Bisgaard & Smith LLP.

II. <u>RECITALS</u>

1. On August 16, 2023, Plaintiff provided written notice to the LWDA and Defendant asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of the California Labor Code described in the PAGA Action.

2. On October 26, 2023, Plaintiff and his counsel filed the PAGA Complaint. In his PAGA Complaint, Plaintiff alleges a single cause of action for Violation of PAGA based on Defendant's alleged: (1) failure to provide meal and rest periods; (2) failure to provide complete and accurate wage statements in violation of Labor Code Section 226; (3) failure to pay overtime; (4) failure to pay minimum wages; (5) failure to pay wages during employment; (6) failure to pay all wages due to discharged and quitting employees in violation of Labor Code 201, 202 and 203, and (7) failure to reimburse business expenses in violation of Labor Code Section 2802. Plaintiff did not allege any other claims or causes of action arising out of his employment with Defendant.

3. The Parties have conducted a thorough investigation into the facts of the PAGA Action. This included exchanging extensive data and information as well as documents relating to the underlying alleged violations.

4. On November 20, 2024, the Parties participated in mediation with mediator Todd Smith, Esq. and a resolution was reached. With the aid of the mediator, the Parties agreed to fully and finally resolve the PAGA Action as to Plaintiff and PAGA Members.

III. OPERATIVE TERMS OF THE SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission**. Nothing in this Agreement shall be construed to be an admission by Plaintiff that his claims do not have merit or by Released Parties of any liability or wrongdoing as to Plaintiff, PAGA Members or any other person, and Released Parties specifically disclaim and deny any such liability or wrongdoing. The Parties have entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Agreement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Funding of Maximum Settlement Amount**. In consideration for the releases described herein and subject to court approval of this Agreement, Defendant shall pay the non-reversionary Maximum Settlement Amount ("MSA") of Fifty Thousand Dollars and Zero Cents ($50,000.00) upon the terms and conditions set forth herein. Defendant shall not pay more than the MSA.

3. **Escalator Clause**. The Parties have agreed to the terms set forth herein based on their estimate that the PAGA Members have worked 2,700 pay periods during the PAGA Period. However, should the Administrator determine that actual number of pay periods worked by the PAGA Members is more than 10% larger than this estimate (i.e. more than 2,970 pay periods), then Defendant shall have the option of either: (a) increasing the MSA pro rata for every additional pay period worked by the PAGA Members above that 10% threshold (i.e. if the actual number of pay periods worked by the PAGA Members is 11% larger than this estimate, the MSA shall be increased by 1%) or (b) ending the PAGA Period on the date that the number of pay periods worked by the PAGA Members equals 2,970, in which case no adjustment to the MSA shall be made.

4. **Plaintiff's Attorneys' Fees and Costs**. The Parties agree that Defendant will not oppose Plaintiff's request for attorneys' fees in the amount of one third (1/3) of the MSA (i.e. $16,667.00). The Parties further agree that Defendant will not oppose Plaintiff's request for the reimbursement of all costs actually incurred in prosecuting this PAGA Action in an amount up to Seventeen Thousand Dollars and Zero Cents ($17,000.00). These amounts shall come from, and shall not be in addition to, the MSA. In the event the Court approves a payment of less than these amounts, the difference will be added to the Net Settlement Amount. Any approved payments hereunder shall be made on an IRS Form 1099 basis.

5. **Request for Enhancement Award**. The Parties agree that Defendant will not oppose Plaintiff's request for an Enhancement Award of One Thousand Dollars and Zero Cents ($1,000.00) in recognition of his service on behalf of the PAGA Members. This amount shall come from, and shall not be in addition to, the MSA. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Any approved payment hereunder shall be made on an IRS Form 1099 basis.

6. **Settlement Administration Costs**. The Parties agree that up to Five Thousand Dollars and Zero Cents ($5,000.00) of the MSA shall be used to pay the settlement administration fees of a third-party administrator. This amount shall come from, and shall not be in addition to, the MSA. Any approved payment hereunder shall be made on an IRS Form 1099 basis.

7. **Allocation of Net Settlement Amount**. The Net Settlement Amount shall be designated as "2699 Civil Penalties" and shall be distributed 75% to the LWDA and 25% to the PAGA Members, pursuant to Lab. Code § 2699(i). The 25% portion to be paid to PAGA Members shall be paid to all PAGA Members pro rata based on the number of pay periods worked by each PAGA Member during the PAGA Period. Any approved payments hereunder shall be made on an IRS Form 1099 basis.

8. **PAGA Release**. As a condition of this settlement, Plaintiff and the PAGA Members hereby release and forever discharge Defendant Amarik Properties, Inc. and its former, current, and future parent companies, subsidiaries, affiliates, shareholders, members, agents (including, without limitation, any investment bankers, accountants, insurers, reinsurers, and any past, present, or future officers, directors and employed) predecessors, successors, and assigns (collectively, the "Released Parties") from all claims under PAGA that were alleged or which could have been alleged in the PAGA Action based on the PAGA Notice including, but not limited to, claims under PAGA arising from any alleged failure to pay wages, failure to pay minimum wages, failure to pay overtime wages, failure to pay hourly wages, failure to pay piece-rate wages, failure to pay on-call wages, failure to pay meal period wages, failure to pay rest period wages, failure to provide rest breaks, failure to provide meal periods, failure to provide accurate wage statements, failure to pay wages upon separation, failure to pay reporting time pay, waiting time penalties, failure to pay vacation wages, conversion, failure to keep payroll records, successor liability, violations of the California Industrial Welfare Commission's ("IWC's") Wage Orders, violations of California Labor Code §§201, 202, 203, 204, 206, 210, 218.6, 226, 226.7, 246, et seq., 351, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1198, 2800, and 2802, and all claims for costs, attorney's fees, and civil penalties related thereto (the "PAGA Released Claims"). The PAGA Members shall not have the right to opt-out of this release. The PAGA Release shall extend through the date the Court approves the PAGA Settlement in this matter unless that period is shortened at Defendant's election on order to avoid triggering the escalator clause. This release shall not extend to any claims outside of the PAGA Period.

9. **PAGA Counsel**. The Parties agree to the designation of Work Lawyers PC as PAGA Counsel for purposes of this settlement only. If the Court does not approve this settlement, Defendant shall not be deemed to have agreed to the designation of Work Lawyers PC as PAGA Counsel.

10. **PAGA Representative**. The Parties agree to the designation of Edward P. Hotchkiss as the PAGA Representative for purposes of this settlement only. If the Court does not approve this settlement, Defendant shall not be deemed to have agreed to the designation of Edward P. Hotchkiss as the PAGA Representative.

IV. MOTION FOR APPROVAL OF SETTLEMENT.

1. **Timing of Motion**. Plaintiff and Plaintiff's counsel shall file a motion seeking approval of this Agreement promptly after this Agreement is fully executed by the Parties. Defendant agrees to cooperate with Plaintiff in these efforts so that the motion seeking approval is filed in a timely manner.

2. **Content of Motion**. At least seven (7) calendar days before filing any motion seeking approval with the Court, 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; operate procedures for protecting the security of PAGA Member Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with PAGA Members or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel, or Defense Counsel; and (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. (i)(2)).

V. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator**. The Parties agree that Phoenix Settlement Administrators will manage the administration of this Settlement (the “Settlement Administrator”). In addition to the responsibilities set forth below, the Settlement Administrator shall open a QSF account into which the MSA can be deposited.

2. **Information Needed to Deposit MSA**. Within seven (7) calendar days after the Court grants Approval of this Agreement, the Settlement Administrator shall provide Defendant with written notice of the total monies Defendant must deposit into the QSF settlement account and all information needed for Defendant to effectuate a deposit of those monies into the QSF settlement account.

3. **Provision of Information to the Settlement Administrator**. Within fourteen (14) calendar days after the Court grants Approval of this Agreement, Defendant will provide the Settlement Administrator with a list of PAGA Members that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and that includes each PAGA Member’s full name, last known mailing address, last known telephone number, start date(s) of employment, end date(s) of employment. This list and any other data provided by Defendant to the Settlement Administrator shall be treated as confidential, and shall not be subject to disclosure by the Settlement Administrator, except that: (a) relevant information may be provided to Plaintiff’s Counsel to the extent necessary to address a disputed claim or to respond to a specific inquiry from either a PAGA Member or a third-party; (b) to allow Defendant’s counsel and Plaintiff’s counsel to confirm that the calculation of a PAGA Class Member’s estimated share of the settlement is accurate; and (c) as is otherwise necessary for the Administrator to perform its obligations described in this Agreement. Furthermore, the Settlement Administrator (and Plaintiff’s counsel, if appropriate) shall use commercially reasonable efforts to secure the data provided by Defendant at all times so as to avoid inadvertent or unauthorized disclosure or use of such data other than as permitted by this Agreement, and shall destroy the data and all copies of it in a complete and secure manner when it is no longer required for purposes of this Agreement. The Parties agree the PAGA Members’ contact information and social security numbers will be used only by the Settlement Administrator for the sole purpose of effectuating the Agreement.

4. **Deposit of Settlement Payment**. Within thirty (30) calendar days after the Court grants Approval of this Agreement, Defendant shall deposit the MSA into the QSF account established by the Settlement Administrator. For purposes of counting the deadline established by this section, court approval may be by way of minute order, order from the bench, or by signed final approval order, whichever is earlier.

5. **Settlement Administrator's Calculation of Individual PAGA Payments**. Within seven (7) calendar days after Defendant deposits the MSA, the Settlement Administrator will provide the Parties with a spreadsheet showing the Settlement Administrator's calculations for the anticipated payments to Plaintiff's counsel, the anticipated payments to Plaintiff, the anticipated payments to the LWDA, the anticipated payments to PAGA Members, and the proposed allocation of pay periods to the PAGA Members. In doing so, the Settlement Administrator shall redact all identifying information for the PAGA Members.

6. **Notice of Settlement and Disbursement of Settlement Payments**. Within fourteen (14) calendar days after the proposed distribution calculations are distributed by the Settlement Administrator, only upon approval by the Parties of the final distribution amounts and only performing an NCOA check to determine the PAGA Members' current addresses using the information provided by Defendant, the Settlement Administrator will send all required payments to Plaintiff's counsel, Plaintiff, the LWDA, and the PAGA Members via First-Class U.S. Mail. The payments to the PAGA Members shall be accompanied by a notice of settlement in a form substantially similar to that attached here as Exhibit A, in English and Spanish, informing them of the basic terms of the settlement. The PAGA Members shall have one hundred and eighty (180) days to cash their respective settlement checks under this Agreement. Any checks not negotiated within the one hundred and twenty (120) days will be voided and will not be reissued. Also within fourteen (14) calendar days after the Settlement Administrator distributes final calculations and obtains the Parties' approval thereof, the Settlement Administrator shall distribute the awarded attorneys' fees and costs, the representative enhancement award, the final distribution amounts to PAGA Members, the payment to the LWDA, and the payment for the costs of Administration.

7. **Undeliverable Notices**.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace or other search using the name, address or Social Security number of the PAGA Member involved and will perform a single re-mailing.

Defendant fully discharge its obligations to those PAGA Members to whom it will pay Individual PAGA Payments through the mailing of a check, regardless of whether such checks are actually received and/or negotiated by PAGA Members. Any checks not negotiated within the one hundred and eighty (180) day deadline will be voided and will not be reissued. All unclaimed funds, including funds associated with checks returned as undeliverable after a re-mailing and funds associated with checks remaining uncashed for more than 180 days after issuance will be tendered to the California Department of Industrial Relations – Unclaimed Wage Fund in the names of the PAGA Members to whom the checks were issued. No funds shall revert to Defendant for any reason.

8. **Accounting**. Within five (5) business days after distributing any unclaimed funds in accordance with Paragraph IV.7. above, the Settlement Administrator will provide the Parties with a declaration outlining the settlement administration process and the completion of payments to all required parties.

V. MISCELLANEOUS PROVISIONS

1. **Drafting**. The Parties agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Plaintiff nor Defendants shall be considered the "drafter" of this Agreement for purposes of having terms construed against that Party.

2. **Successors**. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators and successors.

3. **Costs and Fees**. The Parties shall each bear their own costs, attorneys' fees, mediator fees and other fees incurred in connection with this Agreement and the PAGA Action, except as specifically set forth in Section V.15.

4. **Governing Law**. This Agreement shall be construed under and governed by the laws of the State of California. All questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Agreement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Agreement, it shall be brought in the State of California.

5. **Complete Agreement**. The Parties each acknowledge and represent that no promise or representation relating to the subject of this Agreement not contained in this Agreement has been made to them and acknowledge and represent that this Agreement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and Agreement of the PAGA Released Claims.

6. **Nullification of Agreement**. In the event that: (i) the Court does not approve the Agreement as provided herein; or (ii) the Agreement does not become final for any other reason, then this Agreement and any documents generated to bring it into effect will be null and void, shall be of no force or effect whatsoever, shall not be referred to or utilized for any purpose whatsoever, shall remain subject to the provisions of California Evidence Code Sections 1119 and 1152, Federal Rule of Evidence 408, and any other analogous rules of evidence that may be applicable, and the Parties will be returned to their original respective positions.

7. **Judgment and Continued Jurisdiction**. After approval of this Agreement, the Court will have continuing jurisdiction under CCP 664.6 solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Agreement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Agreement. This Agreement shall be admissible in any proceeding for its enforcement in accordance with sections 1118 and 1123 of the California Evidence Code.

8. **Amendment or Modification**. This Agreement may be amended or modified only by a written instrument, signed by all the Parties.

9. **Cooperation**. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the Court to resolve such disagreement.

10. **Execution and Counterparts**. This Agreement is subject to the execution of all Parties. However, the Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

11. **Acknowledgement that the Settlement is Fair and Reasonable**. The Parties believe this Agreement is a fair, adequate and reasonable settlement of the Action, and have arrived at this Agreement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Agreement.

12. **Invalidity of Any Provision**. Before declaring any provision of this Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable.

13. **Severability**. If any term or provision of this Agreement is held to be invalid or unenforceable, the remaining portions of this Agreement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

14. **Waiver**. No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

15. **Enforcement Action**. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Agreement or to declare rights and/or obligations under this Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

16. **Mutual Preparation**. The Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

17. **Representation by Counsel**. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and this Agreement has been executed with the consent and advice of counsel and reviewed in full.

18. **Binding Agreement**. The Parties warrant that they understand and have full authority to enter into this Agreement, and further intend that this Agreement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

19. **No Assignment**. Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Agreement.

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

To permit judicial review and approval of the PAGA Payment, as required by Labor Code § 2698, *et seq.*, Plaintiff's Counsel will file the Agreement with the Court and submit the Agreement to the LWDA as part of the Parties' request for Court approval of the Agreement, per Lab. Code § 2699(l)(2).

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

24. **No Additional Recovery**. It is the intent of this Agreement that Plaintiff and the PAGA Members shall not recover, directly or indirectly, any sums from the Released Parties related to the Released Claims other than the funds received pursuant to this Agreement and set forth in Paragraph 2. Accordingly, should Plaintiff or any PAGA Member pursue any individual or entity who is not a Released Party for any sums related to the Released Claims, and should it be determined that any Released Party is liable to such individual or entity for contribution or indemnity in connection therewith, this Agreement shall act as a release of that individual or entity for any claims that would require such contribution or indemnity.

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

[SIGNATURES ON NEXT PAGE]

IN WITNESS THEREOF, the Parties each acknowledge that they have read the foregoing Agreement, accept and agree to the provisions contained in this Agreement and hereby execute it voluntarily and with full understanding of its consequences.

Dated: April 1st, 2025

EDWARD P. HOTCHKISS (Plaintiff)

DocuSigned by:

Edward P. Hotchkiss

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EDWARD P. HOTCHKISS

Dated: ________________, 2025

AMARIK PROPERTIES, INC. (Defendant)

____

By:

Its:

IN WITNESS THEREOF, the Parties each acknowledge that they have read the foregoing Agreement, accept and agree to the provisions contained in this Agreement and hereby execute it voluntarily and with full understanding of its consequences.

Dated: _____________, 2025

EDWARD P. HOTCHKISS (Plaintiff)

____

EDWARD P. HOTCHKISS

Dated: 4/7/ ________, 2025

AMARIK PROPERTIES, INC. (Defendant)

____

By: Brent Wallin

Its: CFO

EXHIBIT A

NOTICE OF PAGA ACTION SETTLEMENT

Edward P. Hotchkiss v. Amarik Properties, Inc.
Orange County Superior Court Case No. 30-2023-01359910-CU-OE-CXC

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

IF YOU ARE OR WERE EMPLOYED AS A NON-EXEMPT EMPLOYEE BY DEFENDANT AMARIK PROPERTIES, INC. ("DEFENDANT") IN THE STATE OF CALIFORNIA DURING THE PAGA PERIOD (AUGUST 16, 2022 THROUGH ______ [THE DATE THE COURT APPROVES THE SETTLEMENT]), THIS PAGA SETTLEMENT AFFECTS YOUR RIGHTS.

A settlement (the "Settlement") has been reached in a lawsuit entitled *Edward P. Hotchkiss v. Amarik Properties, Inc., Orange County Superior Court Case No. 30-2023-01359910-CU-OE-CXC* (the "Action"), asserting claims under the Private Attorney General Act of 2004, Labor Code § 2698, *et seq*. ("PAGA"). The Settlement resolves the Action. The purpose of this Notice is to explain to you why you are receiving a portion of the Settlement proceeds.

Who is affected by this proposed Settlement?

The Court has designated for settlement purposes the following persons as "PAGA Members," who are entitled to a portion of the Settlement proceeds:

"All individuals classified as nonexempt employees who performed work for Defendant in the State of California between October 26, 2022 and [the date the Court approves this Settlement]."

The "PAGA Period" means the period from October 26, 2022 through [the date the settlement is approved]. According to Defendant's records, you are one of the PAGA Members.

What is this case about?

In the Action, Plaintiff Edward P. Hotchkiss ("Plaintiff") alleged that Defendant violated the California Private Attorneys General Act of 2004 ("PAGA") [Lab. Code § 2699, *et seq*.]. Defendant denied all liability and was confident it had strong legal and factual defenses to Plaintiff's claims.

The Court has not ruled on the merits of Plaintiff's claims or Defendant's defenses. Instead, in order to avoid the expensive and time-consuming process of litigation, Plaintiff and Defendant (the "Parties") decided to voluntarily end the Action. This Settlement is a compromise of highly disputed claims reached after good faith, arm's-length negotiations between the Parties, through their respective attorneys, and is not an admission of liability by Defendant, who continues to deny any wrongdoing and maintains that it fully complied with California law. The Court approved the Settlement.

What are the Settlement terms?

Defendant will pay **$50,000.00** (the "Maximum Settlement Amount"), which shall be allocated as follows: (a) payment of **$---------** to the Labor and Workforce Development Agency ("LWDA") as its 75% share of the net amount (after deducting PAGA Counsel's Fees, PAGA Counsel's Costs, and the Administration Expenses Payment from the Maximum Settlement Amount); (b) payment of **$----------** to the PAGA Members as their 25% share of the net amount, (c) payment of PAGA Counsel's Fees in the amount of $16,667 and PAGA Counsel's Costs of **$--------**[not to exceed **$17,000.00**]; (d) payment of Plaintiff's Enhancement of $**2,000.00**; and (e) payment of Administration Expenses of **$---------**[not to exceed **$5,000.00**] to the Administrator.

By virtue of the Settlement, all PAGA Members (including Plaintiff) will be deemed to have released, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims, rights, demands, liabilities and causes of action that arose during the PAGA Period for civil penalties under the Labor Code, based on acts or omissions alleged or that could have been alleged in the Action based on the facts therein, including the facts, legal theories, and allegations contained in Plaintiff's PAGA Complaint and Plaintiff's PAGA Notice to the LWDA.

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

The Individual PAGA Payment to you will be classified as other miscellaneous income and will be reported on IRS Form 1099-MISC, if required.[1] Your share was calculated based on the number of pay periods you worked for Defendant during the PAGA Period.

All checks will remain valid and negotiable for one hundred eighty (180) days from the date of the check's issuance and will automatically be void if not cashed within that time. Uncashed checks will be sent to the California State Controller in the name of the PAGA Member who did not cash the check, from which the PAGA Member may claim the funds.

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

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