PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiffs Moises Flores and Jose Valdivia ("Plaintiffs") and defendant Beachcomber at Crystal Cove, LLC ("BCC"). The Agreement refers to Plaintiffs and BCC collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Action" means Plaintiffs' PAGA lawsuit alleging wage and hour violations against BCC captioned *Flores et al. v. Beachcomber at Crystal Cove, LLC* filed on October 16, 2023, and pending in the Superior Court of the State of California, County of Orange, Case Number 30-2023-01356375-CU-OE-CXC.

1.2 "Administrator" means ILYM Group, 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 Employee" means all persons employed by BCC in California as non-exempt employees during the PAGA Period.

1.5 "Aggrieved Employee Data" means Aggrieved Employee identifying information in BCC's 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 "Defense Counsel" means Beth A. Schroeder and Matthew Pate of Raines Feldman Littrell LLP located at 1900 Avenue of the Stars, 19th Floor, Los Angeles, California 90067.

1.9 "Effective Date" means the date by when the Court enters a Judgment on its Order Approving the PAGA Settlement.

1.10 "Gross Settlement Amount" means $287,500 which is the total amount BCC agrees to pay under the Settlement except as provided in Paragraph 8 below (prior to any escalator clause). 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, the PAGA Representative Service Payment, and the Administrator's Expenses Payment.

1.11 "Individual PAGA Payment" means an Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods (with partial pay periods rounded up to the next whole number) the Aggrieved Employee worked during the PAGA Period.

1.12 "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.13 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to penalties, under Labor Code section 2699, subdivision (i), as the statute read prior to amendment on July 1, 2024.

1.14 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i), as the statute read prior to amendment on July 1, 2024.

1.15 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, the PAGA Representative Service Payment and the Administration Expenses Payment. The remainder is to be paid as follows: 75% to the LWDA as the LWDA Payment and 25% to Aggrieved Employees as Individual PAGA Payments, as provided for in this Settlement.

1.16 "PAGA Counsel" means Ian M. Silvers, Esq. from Bisnar Chase LLP located at 1301 Dove Street, Suite 120, Newport Beach, CA 92660 and Farid Masoud from Culver Law Firm located at 440 Barranca Ave. #7217, Covina, CA 91723, the attorneys representing Plaintiffs in the Action.

1.17 "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.

1.18 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for BCC for at least one day during the PAGA Period.

1.19 "PAGA Period" means the period from September 13, 2022, to the date the Court grants approval of the Settlement, except as provided in Paragraph 8.

1.20 "PAGA" means the Private Attorneys General Act (Cal. Lab. Code, § 2698, et seq.), as it read prior to amendment on July 1, 2024.

1.21 "PAGA Notice" means Plaintiffs' September 13, 2023 letter to BCC and the LWDA providing notice pursuant to California 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, calculated according to the items in this Agreement, which is allocated 25% to the Aggrieved Employees and 75% to LWDA in settlement of PAGA claims.

1.23 "PAGA Representative Service Payment" means the payments to Plaintiffs for initiating the Action and providing services in support of the Action.

1.24 "Plaintiffs" means Moises Flores and Jose Valdivia, the named plaintiffs in the Action.

1.25 "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement (including PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, PAGA Penalties, the PAGA Representative Service Payment and the Administration Expenses Payment).

1.26 "Released PAGA Claims" means the claims being released by Plaintiffs, as proxies and agents of the LWDA on behalf of the State of California and all other Aggrieved Employees, and PAGA Counsel and as described in Paragraph 5.2 below.

1.27 "Released Parties" means BCC and each of its former and present directors, officers, shareholders, owners, insurers, predecessors, successors, managers, employees, agents and assignees.

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

1.29 "BCC" means named Defendant Beachcomber at Crystal Cove, LLC.

2. **RECITALS**.

2.1 On October 16, 2023, after submitting a PAGA Notice, Plaintiffs commenced this Action by filing a Complaint alleging causes of action against BCC for: (1) failure to pay all wages (including overtime and minimum wage); (2) failure to provide compliant meal periods; (3) failure to provide compliant rest breaks;(4) failure to provide accurate itemized wage statements; (5) failure to timely pay all wages due upon termination; and (6) violation of California's Unfair Competition Law (Business and Professions Code section 17200 *et seq.*). The Complaint was amended on November 17, 2023, to add a PAGA cause of action based on the foregoing and Plaintiffs' PAGA Notice. The Court later granted Defendant's Motion To Compel Arbitration, and as a result dismissed the class action allegations, sending Plaintiffs' individual labor code claims and individual PAGA matters to arbitration and staying the representative PAGA matter. This resulted in the operative complaint in the Action (the "Operative Complaint"). The Parties then agreed to resolve the Action as to PAGA and Plaintiffs' individual claims, which represents the entirety of the Action as to the Operative Complaint and arbitrable claims.

2.2 Pursuant to California Labor Code section 2699.3, subdivision (a), as the statute read prior to amendment on July 1, 2024, Plaintiffs filed their PAGA Notice with the LWDA setting forth the basis for the Action as to PAGA.

2.3 On January 27, 2025, the Parties participated in an all-day mediation presided over by Hon. Amy Hogue (Ret.) that resulted in a mediator's proposal, which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiffs obtained, through informal discovery, documents and datapoints including time and pay records, a redacted list of all Aggrieved Employees, Defendant's Employee Handbook, and information related to the number of current and former employees.

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 8 below BCC promises to pay $287,500 and no more as the Gross Settlement Amount (except as provided in Paragraph 8, if applicable) for the claims in the Action. BCC has no obligation to pay the Gross Settlement Amount unless the terms and conditions of this Agreement are satisfied nor is it required to pay prior to the deadline stated in 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 BCC.

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 Plaintiffs: A PAGA Representative Service Payment to the Plaintiffs of not more than $5,000 each (in addition to any Individual PAGA Payment Plaintiffs are entitled to receive as Aggrieved Employees). BCC will not oppose Plaintiffs' request for a PAGA Representative Service Payment that does not exceed this amount. As part of seeking approval of the Settlement, Plaintiffs will seek Court approval for the PAGA Representative Service Payment. If the Court approves a PAGA Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the PAGA Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the PAGA Representative Service Payment and will indemnify Defendant from any and all such penalties, fees, and other assessments issued by any taxing authority as a result of Defendant's payment of the PAGA Representative Service Payment.

3.2.2 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 1/3 (33.3333%) of the Gross Settlement Amount, which is currently estimated to be

$95,833.33, prior to any escalator clause, and PAGA Counsel Litigation Expenses Payment of not more than $25,000. BCC 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. 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 BCC harmless, and indemnifies BCC, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed $5,000 except after 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 $5,000, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To the LWDA and Aggrieved Employees: The Net Settlement Amount to be paid as PAGA Penalties, with 75% of the Net Settlement Amount allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Aggrieved Employee's Individual PAGA Payment by (a) dividing the portion of the Net Settlement Amount allocated to Individual PAGA Payments by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the applicable Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. Individual PAGA Payments for each Aggrieved Employee will be reported on IRS Forms 1099 by the Administrator and attributed entirely to penalties without any allocation to wages.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records as of mediation on January 27, 2025, BCC estimates there are 264 Aggrieved Employees who worked a total of 7,133 PAGA Pay Periods.

4.2 Aggrieved Employee Data. Within 10 days of the Effective Date, BCC will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet, or within three calendar days of the Administrator providing instructions to Defendant's counsel on how to provide the Aggrieved Employee Data, whichever is later. 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 effectuate and perform under this Agreement. BCC has a continuing duty to immediately notify the Administrator 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 BCC 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. BCC shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 15 days after the Effective Date or within seven days of the Administrator providing instructions to Defendant's counsel on how to make payment of the Gross Settlement Amount, whichever is later.

4.4 Payments from the Gross Settlement Amount. Within 10 days after BCC funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Representative Service Payment, the Administration Expenses Payment, the PAGA Counsel Fee Payment and the PAGA Counsel Expenses Payment. The mailing will also include the Notice to Employees attached as Exhibit A to this Agreement, which addresses the reason an Aggrieved Employee is receiving a check.

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 retuned 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, if 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 check(s) to the California State Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

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

5.1 Plaintiffs' Release. Plaintiffs and each of 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 as of the date Plaintiffs sign the Agreement related to Plaintiffs' employment with BCC, including, but not limited to: all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint filed in the Action, and the PAGA Notice ("Plaintiffs' Release"). Plaintiffs' Release extends to all claims, damages, penalties, interest, costs, liabilities, and losses, of any kind or nature, arising from any manner of claim, including contract, tort, or statute, including any and all claims under the California Labor Code, California Fair Employment and Housing Act, California Business and Professions Code, as well as all local and federal laws and regulations including all applicable civil rights and employment laws. Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for that cannot be released by private agreement including, if applicable, vested benefits, unemployment benefits, disability benefits, social security benefits, and workers' compensation benefits or any other claims that cannot be released as a matter of law. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, 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' Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly acknowledge the contents of and waive and relinquish the provisions, rights, and benefits, if any, of California Civil Code section 1542, 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 (through the LWDA on whose behalf Plaintiffs are acting as a proxy and agent as a result of the PAGA Notice), 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 arising during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint or the PAGA Notice.

5.3 Release by PAGA Counsel:

PAGA Counsel releases on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for attorneys' fees and costs incurred in connection with the Action, the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, except for the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payments provided for under this Agreement.

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 California Labor Code section 2699, subdivision (f)(2)), as the statute read prior to amendment on July 1, 2024, 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 (Cal. Lab. Code section 2699.3, subd. (a) as the statute read prior to amendment on July 1, 2024), Operative Complaint (Cal. Lab. Code, §2699, subd. (l)(1) as the statute read prior to amendment on July 1, 2024), this Agreement (Lab. Code, § 2699, subd. (l)(2) as the statute read prior to amendment on July 1, 2024); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, 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 is responsible for providing Defense Counsel with a fully prepared draft of all documents and filings necessary to obtain the Court's approval, including the motion or application for approval. 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. The Parties agree to direct their respective counsel to undertake all acts required of counsel under this Agreement. 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. Provided, however, that Defendant is not required to accept any change that would increase the Gross Settlement Amount.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected ILYM Group to serve as the Administrator and verified that, as a condition of appointment, ILYM Group 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 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to 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 AND ESCALATOR CLAUSE

8.1 Based on its records, BCC estimates that, as of the date of mediation, there are 264 Aggrieved Employees who worked 7,133 PAGA Pay Periods during the PAGA Period. If the number of PAGA Pay Periods increases by more than 7% (*i.e.*, 7,633 PAGA Pay Periods) as of the end of the PAGA Period, BCC shall have the choice to either (a) proportionally increase the Gross Settlement Amount by the percentage increase in the total PAGA Pay Periods in excess of 7% (*e.g.*, a 13% increase in the total PAGA Pay Periods would result in an increase of 6% to the Gross Settlement Amount) or (b) move back the last date of the PAGA Period to the date on which the total PAGA Pay Periods reached 7,633 PAGA Pay Periods and the Gross Settlement Amount shall not be increased. Upon review of the data provided by BCC and determination of the total PAGA Pay Periods, the Administrator shall advise Defense Counsel and PAGA Counsel of whether this Paragraph 8 was triggered and BCC shall make its election as to an increase in the Gross Settlement Amount or reduction of the PAGA Period, as provided above, within five days of the Settlement Administrator's advisement. If such period passes without an election by BCC, the Settlement Administrator shall assume that BCC has elected to limit the PAGA Period as described in (b) above and proceed accordingly.

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, PAGA Counsel Litigation Expenses Payment and the PAGA Representative Service 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, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If the Judgment is appealed, 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 BCC that any of the allegations in the Action or PAGA Notice have merit or that BCC has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that BCC'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, BCC reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest BCC'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 together with its attached exhibits 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 BCC, 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, BCC, 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 California Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by BCC 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, laws, regulations or rule of court.

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:

Ian M. Silvers, Esq
Bisnar Chase LLP
1301 Dove Street, Suite 120
Newport Beach, CA 92660

Farid Masoud, Esq.
Culver Law Firm
440 N. Barranca Ave. #7217
Covina, CA 91723

To BCC:

Raines Feldman Littrell LLP
Beth A. Schroeder
Matthew Pate
1900 Avenue of the Stars, 19th Floor
Los Angeles, California 90067
E-mail: bschroeder@raineslaw.com; mpate@raineslaw.com

10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (*e.g.*, 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.

Date: 03/14/2025

____
Plaintiff, Moises Flores

Date: 3/27/25

____
by Tad Belshe
For Defendant Beachcomber at Crystal Cove, LLC

Date: _______

____
Plaintiff, Jose Valdivia

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.

Date: _______

____
Plaintiff, Moises Flores

Date: 3/27/25

____
by Tad Belshe
For Defendant Beachcomber at Crystal Cove, LLC

Date: 3/17/2025

____
Plaintiff, Jose Valdivia

EXHIBIT A

NOTICE OF SETTLEMENT OF PRIVATE ATTORNEYS GENERAL ACT CLAIMS (CAL. LABOR CODE §§ 2698, *ET SEQ.*)

You have been identified as an hourly, non-exempt employee who worked for Beachcomber at Crystal Cove, LLC ("Beachcomber") ("Defendant") in California between September 13, 2022 and [last day of PAGA Period], inclusive ("Covered Employee").

On September 13, 2022, Moises Flores and Jose Valdivia ("Plaintiffs") filed a complaint in Orange County Superior Court (the "Court") to recover civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004, codified at Labor Code §§ 2698, *et seq.* ("PAGA"). The lawsuit alleges that Covered Employees were, among other things, not paid for all work and were not provided proper meal periods or rest breaks.

Beachcomber denies all of Plaintiffs' allegations, disputes all of Plaintiffs' claims, and alleges it did not violate California law or underpay Covered Employees.

Plaintiffs and Defendant reached a settlement of the claims for PAGA civil penalties alleged in the lawsuit. The settlement releases and discharges all PAGA claims for civil penalties alleged in the lawsuit, and all PAGA claims that could have been alleged in the lawsuit based upon the claims or facts alleged, including PAGA claims based on alleged violations of California Labor Code sections 201-203, 204, 210, 218, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1197,1197.1 and 1198, and applicable Industrial Welfare Commission Wage Orders with respect to Covered Employees between September 13, 2022 and [last day of PAGA Period]. The claims released do not include any claim by any individual for an alleged violation of the California Labor Code that does not arise under PAGA.

The Court has not issued any decisions as to whether the claims have any merit. Rather, a settlement agreement was reached by the parties for reasons that include avoiding the expense and uncertainty of litigation. A third-party settlement administrator, ILYM Group, has been directed to send you the enclosed payment as part of the settlement agreement.

Pursuant to the settlement agreement, the amount to be distributed to the Covered Employees shall be divided by the total number of full pay periods, with partial pay periods rounded up to the next whole number, as determined by Defendant's records, worked by all Covered Employees between September 13, 2022 and [last day of PAGA Period], inclusive. This amount shall be known as the "Pay Period Value." Each Covered Employee shall be paid an amount equal to the number of individual pay periods he or she worked for Defendant between September 13, 2022 and [last day of PAGA Period], inclusive, multiplied by the Pay Period Value. Your Individual Settlement Payment of $_______________ is provided with this Notice.

Please Note: The payment under this settlement 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 of your individual 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). Enclosed are tax forms pertaining to your payment.

You do not need to take any action and cannot opt-out of this settlement of PAGA claims or its release of claims under PAGA. The enclosed payment concludes your involvement in the settlement agreement. However, if you have any questions or would like a copy of the settlement agreement approved by the Court, please contact the Settlement Administrator at ____________. Please do not contact the Court, Plaintiffs' counsel or Defendant's counsel.