PAGA SETTLEMENT AGREEMENT

Subject to court approval, Plaintiffs Noel Payan ("Payan") and Axel Olea Velarde ("Velarde"), collectively "Plaintiffs", on behalf of themselves and other alleged aggrieved employees and as private attorney generals on behalf of the State of California, on the one hand, and Defendant Evolve Growth Initiatives, LLC ("Defendant"), on the other hand (collectively, the "Parties"), hereby agree to the following settlement ("Settlement," "Settlement Agreement," or "Agreement") of claims under the Private Attorneys General Act of 2004 ("PAGA").

RECITALS

WHEREAS, on April 29, 2024, Payan sent notice to the Labor and Workforce Development Agency ("LWDA") and Defendant of his intent to pursue a representative action pursuant to PAGA, on behalf of himself and the State of California, as well as on behalf of a group of alleged aggrieved employees, based on Defendant's alleged violations of various California Labor Code sections including but not limited to sections 201, 201.5, 202, 203, 204, 205.5, 206, 210, 226, 226.7, 510, 512, 1174, 1194, 1198, and 2802, as well as applicable Industrial Welfare Commission Wage Orders;

WHEREAS, on April 29, 2024, Payan filed a representative PAGA lawsuit entitled *Noel Payan v. Evolve Growth Initiatives, LLC*, *et al*., on behalf of himself and other hourly, non-exempt employees of Defendant in California, which is currently pending in Santa Barbara County Superior Court, Case No. 24CV04586;

WHEREAS, on September 6, 2024, Velarde sent notice to the LWDA and Defendant of his intent to pursue a representative action pursuant to PAGA, on behalf of himself and the State of California, as well as on behalf of a group of alleged aggrieved employees, based on Defendant's alleged violations of various California Labor Code sections including but not limited to sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 432.5, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, as well as applicable Industrial Welfare Commission Wage Orders ("PAGA Notice");

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WHEREAS, on November 15, 2024, Velarde filed a representative PAGA lawsuit entitled *Axel Olea Velarde v. Evolve Growth Initiatives, LLC*, *et al*., on behalf of himself and other hourly, non-exempt employees of Defendant in California, which is currently pending in San Diego County Superior Court, Case No. 24CU023118C ("Action");

WHEREAS, Velarde then filed an amended complaint adding Payan as a named Plaintiff;

WHEREAS, Defendant at all relevant times denied, and currently denies, all claims asserted by Plaintiffs;

WHEREAS, on February 7, 2025, counsel for Payan and Defendant participated in an all-day mediation with experienced wage-and-hour mediator Scott Radovich, Esq.;

WHEREAS, in October of 2025, counsel for Payan, Velarde, and Defendant engaged in additional settlement discussions through Mr. Radovich;

WHEREAS, in January of 2026, after additional discussions through counsel, the Parties agreed to resolve the Action (and ultimately reached the Settlement, which was negotiated in light of all known facts and circumstances, including, *inter alia*, the potential defenses asserted by Defendant, the uncertainty associated with litigation, the risks of significant delay, and numerous potential appellate issues).

PERSONS COVERED BY THE SETTLEMENT

1. **Aggrieved Employees**: This Settlement covers all current and former hourly, non-exempt employees of Defendant who were employed at Defendant's inpatient treatment centers in the State of California at any time during the PAGA Period ("Aggrieved Employees").

2. **PAGA Period**: The Settlement covers the period from November 15, 2023 (one year prior to the date of the filing of the Action) through the Effective Date ("PAGA Period"). However, if Defendant elects to end the PAGA Period on an earlier date pursuant to paragraph 5, the PAGA Period shall cover the period from November 15, 2023 until that earlier date.

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3. **Effective Date**: "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement; and (b) the Judgment is final. The Judgment is final on the day the Court enters Judgment. At no time will Defendant have any obligation to fund the Settlement, in whole or in part, until after the occurrence of this Effective Date.

SETTLEMENT CONSIDERATION

4. **Maximum Settlement Amount**: Subject to the terms and conditions of this Agreement, Defendant will pay the gross maximum amount of $279,500 ("Maximum Settlement Amount") to settle the claims in the Action and any other claims released pursuant to this Agreement. In no event shall Defendant be responsible for paying more than the Maximum Settlement Amount (unless increased pursuant to paragraph 5 of this Agreement). The Maximum Settlement Amount includes Attorneys' Fees, Litigation Costs, Settlement Administrator Costs, Service Enhancement Awards, and payment for the releases of claims described below (including payment to the LWDA and payments to the Aggrieved Employees).

5. Based on its records Defendant currently estimates that there were no more than 10,500 pay periods worked by Aggrieved Employees during the PAGA Period. If the number of pay periods during the PAGA Period increases by more than ten percent (10%), or 1,050 Pay periods, then Defendant shall have the option to either: (a) end the PAGA Period as of the first date that the pay periods exceed 10,450 Pay Periods; or (b) increase the Maximum Settlement Amount in proportion to the increase in pay periods in excess of 11,550 pay periods (e.g., if the number of pay periods is 5% greater than 11,500 Pay Periods, Defendant shall have the option to increase the Maximum Settlement Amount by 5%.)

6. **Attorneys' Fees**: In full satisfaction of all claims Plaintiffs and Aggrieved Employees may have for attorneys' fees arising out of the Action, counsel for Plaintiffs (King & Siegel LLP, Law Office of Xavier Villegas, APC, and Justice Law Corporation [collectively, "Class Counsel" or "Plaintiffs' Counsel"]) shall request, and be paid from, the Maximum Settlement Amount a maximum amount of one-third (1/3) of the Maximum Settlement Amount ($93,166.67), subject to Court approval. To the extent the Court approves attorneys' fees of less than this amount, the amount of the difference shall be added to the

PAGA Penalties Fund. Within twenty-one (21) calendar days of receipt of the final installment of the Maximum Settlement Amount by the Settlement Administrator from Defendant, the Settlement Administrator shall pay Plaintiffs' Counsel the amount described in this paragraph. For the avoidance of doubt, if the Escalator Clause is triggered and Defendant elects to increase the Maximum Settlement Amount, Class Counsel shall have the right to seek attorney's fees up to one-third (1/3) of the increased Maximum Settlement Amount.

7. **Litigation Costs**: In full satisfaction of all claims Plaintiffs and Aggrieved Employees may have for litigation costs arising out of the Action, Plaintiffs' Counsel shall request and be paid from the Maximum Settlement Amount a maximum amount of $25,000 in litigation costs, subject to Court approval. To the extent the Court approves litigation costs of less than this amount, the amount of the difference shall be added to the PAGA Penalties Fund. Within twenty-one (21) days of receipt of the final installment of the Maximum Settlement Amount by the Settlement Administrator from Defendant, the Settlement Administrator shall pay Plaintiffs' Counsel the amount described in this paragraph.

8. **Plaintiffs' Service Enhancement Award**: In recognition of Plaintiffs' effort and work in prosecuting the Action on behalf of other employees and/or the State of California, the Parties agree that, subject to Court approval, each Plaintiff will receive a payment of $2,500 (totaling $5,000) ("Plaintiffs' Service Enhancement Awards"). Plaintiffs' Service Enhancement Awards will be paid from the Maximum Settlement Amount. Plaintiffs' Service Enhancement Awards will be treated as one hundred percent (100%) miscellaneous income for which an IRS Form 1099 will be issued. To the extent the Court approves Plaintiffs' Service Enhancement Awards for less than this amount, the amount of the difference shall be added to the PAGA Penalties Fund. Within twenty-one (21) days of receipt of the deposit of the final installment of the Maximum Settlement Amount by the Settlement Administrator from Defendant, the Settlement Administrator shall pay Plaintiffs the amounts described in this paragraph.

9. **Settlement Administrator**: The Parties shall work with a third-party settlement administrator ("Settlement Administrator") for the purposes of administering this Settlement. The Parties will jointly select a Settlement Administrator and verify that, as a condition of appointment, the Settlement Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in

this Agreement in exchange for the Parties' request to the Court for the payment of the Settlement Administration Costs. The Parties, Plaintiffs' Counsel, and Defendant's counsel represent that they have no interest or relationship, financial or otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements. The Settlement Administrator shall establish a settlement fund that meets the requirements of a qualified settlement fund ("QSF") under U.S. Treasury Regulation section 468B-1.

10. **Settlement Administration Costs**: Subject to court approval, Settlement Administration Costs in an amount currently estimated not to exceed $15,000 will be paid to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per aggrieved employee, tax reporting, distributing the PAGA Penalties Fund and Service Enhancement Awards, providing necessary reports and declarations, and other duties and responsibilities as requested by the Parties. The Settlement Administration Costs will be paid from the Maximum Settlement Amount, including, if necessary, any such costs in excess of the amount initially represented by the Settlement Administrator as being the maximum necessary to administer the Settlement. To the extent the Court approves settlement administration costs of less than the amount requested by the Parties, the amount of the difference shall be added to the PAGA Penalties Fund. Within twenty-one (21) days of receipt of the final installment of the Maximum Settlement Amount by the Settlement Administrator from Defendant, the Settlement Administrator shall pay itself the amount described in this paragraph.

11. **PAGA Penalties Fund**: The Parties agree that Defendant, through the Settlement Administrator, will pay the LWDA and Aggrieved Employees in full satisfaction of all claims for PAGA civil penalties under the Labor Code in an amount equal to the remainder of the Maximum Settlement Amount following deduction of any court-approved attorneys' fees, litigation costs, service enhancement awards, and settlement-administration costs ("PAGA Penalties Fund"). Pursuant to PAGA, sixty-five percent (65%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining thirty-five percent (35%) will be paid to all Aggrieved Employees in proportion to the respective number of pay periods they were employed during the PAGA Period, as determined by Defendant based on its records.

12. **Court Approval of the Settlement and Distribution of the Settlement Payments**: Within thirty (30) days of the Parties executing this Settlement Agreement, Plaintiffs will file a stipulation or motion requesting that the Court issue an order approving and incorporating by reference the terms and conditions of the Settlement Agreement and entering judgment. Plaintiffs and Defendant will jointly prepare the proposed Approval Order and Judgment to be entered by the Court to enforce this Agreement. The proposed Approval Order and Judgment will be submitted concurrently with the documents asking the Court to approve the settlement. Plaintiffs shall promptly submit a copy of this Settlement Agreement to the LWDA at the same time the stipulation or motion for settlement approval is filed with the Court.

13. **Funding of the Settlement**: Defendant will pay the Maximum Settlement Amount to the Settlement Administrator in two (2) installments as follows: (a) fifty percent (50%) of the Maximum Settlement Amount to be paid within thirty (30) calendar days after the Effective Date; and (b) the remaining fifty percent (50%) of the Maximum Settlement Amount to be paid within one hundred eighty (180) calendar days after the payment of the first installment.

14. **Settlement Payments to the Aggrieved Employees**: No later than ten (10) calendar days after the Effective Date, Defendant shall provide the Settlement Administrator with a list of all Aggrieved Employees ("Aggrieved Employees List"). The Aggrieved Employees List shall state the: (a) first name and last name for each Aggrieved Employee; (b) the last-known address for each Aggrieved Employee; (c) each Aggrieved Employee's social security number; and (d) the number of pay periods during the PAGA Period during which each Aggrieved Employee was employed at Defendant's inpatient treatment centers in the State of California. No later than twenty-one (21) calendar days after receipt of the final installment of the Maximum Settlement Amount from Defendant, the Settlement Administrator will issue each Aggrieved Employee a check for his or her share of the PAGA Penalties Fund, along with an explanatory letter in the form attached hereto as **Exhibit A**. Checks will remain negotiable for one-hundred twenty (120) calendar days. The Administrator will calculate each Aggrieved Employee's payment by: (a) dividing the amount of the Aggrieved Employees' thirty-five percent (35%) share of PAGA Penalties by the total number of pay periods worked by all Aggrieved Employees during the PAGA period; and (b) multiplying the result by each Aggrieved Employee's number of pay periods worked during the PAGA period.

15. 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 another search using the name, address, or social security number of the Aggrieved Employee involved, and will then perform a single re-mailing. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than one-hundred twenty (120) calendar days after issuance will be tendered to the State Controller's Office, Unclaimed Property Division. If an Aggrieved Employee's check is undeliverable, uncashed, or distributed to the State Controller's Office, Unclaimed Property Division, the terms of the final judgment, as well as the Release of Claims set forth in this Agreement, will be binding upon that Aggrieved Employee and the State of California with respect to that Aggrieved Employee. All payments made to Aggrieved Employees shall, if required by applicable state and/or federal law, be reported on an IRS Form 1099 that shall be provided to the individual Aggrieved Employees. Aggrieved Employees are responsible for correctly characterizing this compensation for tax purposes and paying any taxes owing on said amounts.

16. **Release of Claims for Aggrieved Employees and the State of California**: Upon the full payment of the entirety of the Maximum Settlement Amount, Plaintiffs, all Aggrieved Employees, and the State of California shall fully release and forever discharge any and all claims against the Released Parties arising during the PAGA Period for civil penalties under PAGA that were alleged or could have been alleged in the Action and/or the PAGA Notice ("Released Claims"). The Released Claims include but are not limited to claims for PAGA penalties for alleged violations of Labor Code sections 201, 201.5, 202, 203, 204, 205.5, 206, 210, 218.5, 221, 226, 226.3, 226.7, 246, 432.5, 510, 512, 551, 552, 558, 558.1, 1174, 1194, 1197, 1197.1, 1198, 2800, and 2802, as well as all applicable Industrial Welfare Commission Wage Orders (as codified in the California Code of Regulations), and claims for attorneys' fees, costs, or interest resulting therefrom. Upon issuance of the Court's Approval Order and Judgment and payment of the entirety of the Settlement Amount, Plaintiffs, all Aggrieved Employees, and the State of California will be forever barred from pursuing against Defendant and the Released Parties any and all claims for PAGA civil penalties under the Labor Code, Industrial Welfare Commission's wage orders, and/or other provisions of

law that were alleged or that could have been alleged in the Action and/or the PAGA Notice with respect to the Aggrieved Employees. The PAGA Released Claims are expressly limited to claims for civil penalties under PAGA, and not any underlying claims for wages or other causes of action.

17. **Released Parties**: shall mean Defendant, and each of its past and present related entities, parents, subsidiaries, predecessors, successors, assigns, owners, officers (including but not limited to Michelle Gross), directors, employees, agents, trustees, affiliated entities, attorneys or legal representatives, insurers, fiduciaries, beneficiaries, partners, and/or any other entity or individual that could be liable for the acts or omissions of Defendant in relation to the Released Claims.

18. **No Credit Toward Benefit Plans**: Payments to Aggrieved Employees as referenced herein will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, vacation plans, sick-leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

19. **Tax Liability**: Defendant, Defendant's Counsel and Plaintiffs' Counsel make no representations as to the tax treatment or legal effect of the payments called for hereunder, and the Aggrieved Employees shall not rely on any statement or representation by Defendant or Plaintiffs' Counsel in this regard. Aggrieved Employees will be solely responsible for the payment of their portion of any taxes and penalties assessed on the payments described herein, and will hold Defendant and the Released Parties free and harmless from and against any claims resulting from treatment of such payments as non-taxable damages. Plaintiffs understand and agree that if any action is asserted against Defendant, Defendant's agents, Released Parties, Plaintiffs, or Plaintiffs' agents by any taxing authority or government agency with respect to the payments to Plaintiffs under this Agreement, they shall be liable for any taxes owed and agrees that they will hold Defendant and Defendant's agents and Released Parties free and harmless from and against any demands or lawsuits for payment of income taxes and payroll taxes, interest, or penalties relating to the monies paid to Plaintiffs or for their benefit pursuant to this Agreement.

20. **No Prior Assignments**: The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged.

21. **Nullification of Settlement Agreement**: If: (a) the Court does not approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents filed or generated to bring it into effect will be null and void, and the Parties will be returned to their original respective positions before the Settlement was executed.

22. **Continued Jurisdiction**: After entry of the Court's Approval Order and Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement; (b) settlement-administration matters; and (c) such post-approval matters as may be appropriate under court rules or as set forth in this Settlement.

23. **Preclusive Effect of Settlement Agreement and Approval**: The terms of this Agreement, approval order, and judgment are binding on Plaintiffs, State of California, and all Aggrieved Employees, as well as their respective heirs, executors and administrators, successors, and assigns, and any other persons or entities acting on their behalf, and those terms shall have res judicata, collateral-estoppel, and other preclusive effect in all pending and future claims, lawsuits, or other proceedings maintained by or on behalf of any such persons, to the extent those claims, lawsuits, or other proceedings constitute Released Claims. Notwithstanding any other provision in this Agreement, this Agreement, approval order, and judgment may be filed in any action against or by Defendant or the Released Parties to support a defense of res judicata, collateral estoppel, release, waiver, good-faith settlement, judgment bar or reduction, full faith and credit, or any other theory of claim preclusion, issue preclusion, or similar defense or counterclaim.

24. **Entire Agreement**: This Settlement Agreement constitutes the entirety of the Parties' settlement terms with regard to the settlement of the Action. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

25. **Amendment or Modification**: This Settlement Agreement may be amended or modified only by a written instrument signed by either the Parties or their respective successors in interest.

26. **Authorization to Enter into the Settlement Agreement**: The Parties warrant and represent they expressly authorized their legal counsel to negotiate this Settlement Agreement. The Parties will direct their respective counsel to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties through their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the mediator or the Court to resolve such disagreement.

27. **Binding on Successors and Assigns**: This Settlement Agreement will be binding upon, and inure to the benefit of, the respective successors or assigns of the Parties hereto, as previously defined.

28. **California Law Governs**: All terms of this Settlement Agreement and any Exhibits hereto will be governed by, and interpreted according to, the laws of the State of California.

29. **Execution and Counterparts**: This Settlement 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. To facilitate execution and delivery of this Settlement Agreement, the parties may execute and exchange by facsimile or electronic image (*i.e.*, as a ".pdf" file) counterparts of the signature pages and/or sign by electronical means (*i.e.*, with DocuSign).

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

31. **Invalidity of Any Provision**: Before declaring any provision of this Settlement 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 Settlement Agreement valid and enforceable. Any provisions deemed invalid shall be severable from the rest of the Settlement Agreement.

32. **Captions**: The captions and paragraph numbers in this Settlement Agreement are inserted for the reader's convenience, and they in no way define, limit, construe, or describe the scope or intent of the provisions of this Settlement Agreement.

33. **Waiver**: No waiver of any condition or covenant contained in this Settlement Agreement, and no failure to exercise any 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.

34. **Enforcement Action**: If 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 Settlement, 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 such enforcement actions.

35. **Mutual Preparation**: The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party than another 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 Settlement Agreement.

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

37. **Attorneys' Fees and Costs**: Except as expressly provided herein, Defendant and Plaintiffs shall each bear their own attorneys' fees and costs.

38. **Cooperation and Execution of Necessary Documents**: All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

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39. **Binding Agreement**: The Parties warrant that they understand and have full authority to enter into this Settlement, and that they intend this Settlement Agreement to be fully enforceable and binding on all Parties. The Parties agree that this Agreement 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.

40. **Confidentiality**: Plaintiffs and their counsel agree that they have not, and will not, publish the results of this Settlement in any forum. In response to any inquiries, Plaintiffs will state that "the case was resolved and it was resolved confidentially." Plaintiffs' Counsel: (a) shall not report the Settlement in any medium or in any publication; (b) shall not post or report anything regarding the claims of Plaintiffs, the Aggrieved Employees, or the Settlement on their website; and (c) shall not contact any reporters or media regarding the Settlement. Plaintiffs' Counsel is authorized to make a limited disclosure to the Court and the LWDA for purposes of obtaining the approval of the Settlement. Nothing herein shall restrict Plaintiffs' Counsel from exercising their ethical duties, if any, in providing assistance to Aggrieved Employees regarding this Settlement. Nothing stated herein shall prohibit Plaintiffs' Counsel from discussing the Settlement, the fact of Settlement, and its terms and conditions with Aggrieved Employees who are a part of this Settlement, and/or in all necessary motions and supporting memoranda filed with this or any other court related to approval of the Settlement or approval of other PAGA settlements.

41. **No Admission of Liability**: The Parties expressly recognize that the making of this Agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant or the Released Parties. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions, or communications, nor any materials prepared, exchanged, issued, or used during the course of the Action is intended by the Parties to constitute, be introduced, be used, or be admissible in any way in any other judicial, arbitral, administrative, investigative, or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule, executive order, or any obligation or duty at law or in equity. This Agreement may be used in any proceeding in any court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments entered into in connection therewith.

[*Signatures Follow*]

PLAINTIFF NOEL PAYAN

Dated: ________________ ____

PLAINTIFF AXEL OLEA VELARDE

Dated: 04/06/2026 Axel Olea Velarde

DEFENDANT EVOLVE GROWTH INITIATIVES, LLC

Dated: ________________ By:____________________________________
Its Authorized Signatory

APPROVED AS TO FORM:

KING & SIEGEL LLP

Dated: ________________ By: ____________________________________
Elliot Siegel
Attorneys for Plaintiff
NOEL PAYAN

LAW OFFICE OF XAVIER VILLEGAS, APC

Dated: ________________ By: ____________________________________
Xavier Villegas
Attorneys for Plaintiff
NOEL PAYAN

[*Signatures Follow*]

PLAINTIFF NOEL PAYAN

Dated: ____________________ ____

PLAINTIFF AXEL OLEA VELARDE

Dated: ____________________ ____

DEFENDANT EVOLVE GROWTH INITIATIVES, LLC

DocuSigned by:

Dated: 4/6/2026 By: ____

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Its Authorized Signatory

APPROVED AS TO FORM:

KING & SIEGEL LLP

Dated: ____________________ By: ____
Elliot Siegel
Attorneys for Plaintiff
NOEL PAYAN

LAW OFFICE OF XAVIER VILLEGAS, APC

Dated: ____________________ By: ____
Xavier Villegas
Attorneys for Plaintiff
NOEL PAYAN

[*Signatures Follow*]

PLAINTIFF NOEL PAYAN

Dated: 07/04/26

Noel Payan (Apr 7, 2026 07:44:29 PDT)

PLAINTIFF AXEL OLEA VELARDE

Dated: ____________________ ____

DEFENDANT EVOLVE GROWTH INITIATIVES, LLC

Dated: 4/6/2026

By: DocuSigned by: 81DB92491A6B478...

Its Authorized Signatory

APPROVED AS TO FORM:

KING & SIEGEL LLP

Dated: 04/07/2026

By: ____________________________________

Elliot Siegel
Attorneys for Plaintiff
NOEL PAYAN

LAW OFFICE OF XAVIER VILLEGAS, APC

Dated: 04/07/2026

By: ____________________________________

Xavier Villegas
Attorneys for Plaintiff
NOEL PAYAN

JUSTICE LAW CORPORATION

Dated: 04/06/2026

By: ______________________
Douglas Han
Shunt Tatavos-Gharajeh
Christopher Petersen
Attorneys for Plaintiff
AXEL OLEA VELARDE

MULLEN & HENZELL L.L.P.

Dated: 4/6/2026

By: ______________________
Brian T. Daly
Attorneys for Defendant
EVOLVE GROWTH INITIATIVES, LLC

EXHIBIT A

<<DATE>>

<<FIRST NAME>> <<LAST NAME>>
<<ADDRESS>>

Re: Payment from *Axel Olea Velarde v. Evolve Growth Initiatives, LLC, et al.* San Diego County Superior Court, Case No. 24CU023118C

Dear <<FIRST NAME>> <<LAST NAME>>:

Enclosed, please find a check made payable to you. This is your payment from the settlement of the lawsuit titled *Axel Olea Velarde v. Evolve Growth Initiatives, LLC*, *et al.,* San Diego County Superior Court, Case No. 24CU023118C ("PAGA Action").

The PAGA Action was filed against Evolve Growth Initiatives, LLC ("Evolve") under the Labor Code Private Attorneys General Act of 2004, Labor Code section 2698 ("PAGA"). The PAGA Action was brought on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the PAGA Action was brought.

The Plaintiffs claim that Evolve owes civil penalties under PAGA for alleged violations of the Labor Code. Evolve disputes all of the allegations in the PAGA Action and denies that it engaged in any of the alleged misconduct. In agreeing to enter this Settlement, Evolve does not admit that it is liable in any way to current or former employees for any violations of the Labor Code, or for any penalties, and has denied and disputed all of the allegations against it.

The Court has not decided the merits of any claims or defenses, but it has approved the settlement of the representative PAGA claims that the Parties reached. This Settlement covers all "Aggrieved Employees", defined as all current and former hourly, non-exempt employees of Evolve who were employed at Evolve's inpatient treatment centers in the State of California at any time from November 15, 2023, through the Effective Date of the Settlement. A portion of the civil-penalty settlement amount goes to the State of California's Labor and Workforce Development Agency ("LWDA"). Another portion of the civil-penalty settlement amount goes to the Aggrieved Employees.

Pursuant to the Settlement, enclosed is a check for your share of the civil penalties. This check will remain valid for one hundred twenty (120) calendar days from the date of issuance. Please note that no deductions or withholdings have been made from your settlement payment and that you are responsible for any tax consequences arising from your receipt of the same (for which an IRS Form 1099 may be issued). If you do not cash your check within one hundred twenty (120) calendar days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller, to be deposited in the Unclaimed Property Fund in your name. If you are still employed by Evolve, your decision to cash the check will not affect your employment in any way.

While you were not a party to the PAGA Action, you and the State of California are bound by the judgment that has been approved by the Court, including the release contained in the Settlement. The release includes all claims for civil penalties under PAGA that were alleged or could have been alleged in the PAGA Action or in the PAGA Notice submitted to the LWDA in connection with the PAGA Action, including any such claims for attorneys' fees, costs, or interest, for the time period covering November 15, 2023 through, <THE DATE OF THE ORDER APPROVING THE PAGA SETTLEMENT>.

All questions by Aggrieved Employees regarding this explanatory letter and/or the Settlement should be directed to the Settlement Administrator or Plaintiff's Counsel. You may call the Settlement Administrator, _____, toll free at _____ with any questions. You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment. Contact information for Plaintiff's Counsel can be obtained from the Settlement Administrator.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, WITH QUESTIONS.