PAGA SETTLEMENT AGREEMENT

Subject to Court approval, this PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Kazzandra Montoya ("Plaintiff"), individually and on behalf of the PAGA Members and the Labor Workforce Development Agency, and Defendant Child Development Associates, Incorporated (hereinafter, "CDA" or "Defendant"). The Agreement refers to Plaintiff and CDA collectively as "Parties" or as a "Party."

1. DEFINITIONS.

1.1. "Action" means Plaintiff's lawsuit alleging wage and hour violations against CDA captioned *Kazzandra Montoya et al. v. Child Development Associates, Incorporated et al.*; Case No. 37-2024-00029581-CU-OE-CTL, pending in San Diego County Superior Court.

1.2. "Address Search" means the Administrator's search for PAGA Members' mailing addresses using all reasonably available sources, including but not limited to the National Change of Address database, skip traces, and direct contact by the Administrator.

1.3. "Administrator" means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement as described in this Agreement.

1.4. "Administration Expenses" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and costs in accordance with the Administrator's "not to exceed" bid as submitted to the Court in connection with the Preliminary Approval of the Settlement. The Administration Expenses shall not exceed $10,000 except for a showing of good cause and as approved by the Court.

1.5. "Approval Order" means the Court's order granting approval of the Settlement.

1.6. "Approval Hearing" means the Court's hearing on the motion for approval of the Settlement.

1.7. "Attorneys' Fees" mean the amounts allocated to Plaintiff's Counsel for reimbursement of reasonable attorneys' fees in connection with this Settlement in an amount not to exceed 33.33% of the Gross Settlement Amount, which is currently estimated to be $96,497.02.

1.8. "Court" means the Superior Court of California, County of San Diego.

1.9. "Defense Counsel" means captioned counsel of record from the law firm of Procopio, Cory, Hargreaves & Savitch LLP.

1.10. "Effective Date" means the date on which the Judgment becomes final.

1.11. "Employee Data" means all PAGA Members' identifying information in CDA's possession including their names, last-known mailing addresses, Social Security numbers, and number of PAGA Pay Periods.

1.12. "Gross Settlement Amount" means **$<u>289,520.00</u>**, which is the total amount Defendant agrees to pay under the Settlement, subject to the terms and conditions of this Settlement.

1.13. "Individual PAGA Payments" means the PAGA Members' pro rata share of the Net PAGA Payment, calculated according to the number of PAGA Pay Periods.

1.14. "Judgment" means the judgment entered by the Court based upon the Final Approval of the Settlement.

1.15. "Litigation Costs" means the amount incurred by Plaintiff's Counsel to prosecute the Action, according to proof and subject to Court approval, not to exceed $35,000.

1.16. "LWDA" means the California Labor Workforce and Development Agency under Labor Code section 2699, subd. (i).

1.17. "LWDA PAGA Payment" means the 75% share of the PAGA Payment allocated to be paid to the LWDA under Labor Code section 2699, subd. (m).

1.18. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Attorneys' Fees, Litigation Costs, Service Payment, and Administration Expenses.

1.19. "Net PAGA Payment" means the 25% share of the PAGA Payment allocated to be paid to the PAGA Employees under Labor Code section 2699, subd. (m).

1.20. "Operative Complaint" means the most recently filed complaint, including amended complaints, filed by Plaintiff.

1.21. "PAGA" means California's Private Attorneys General Act of 2004, Labor Code section 2698 et seq.

1.22. "PAGA Period" means April 8, 2023 to October 12, 2025 or the date the Court enters an order approving the settlement, whichever is earlier.

1.23. "PAGA Payment" means the Net Settlement Amount, which is the amount provided in exchange for the release of the PAGA claims addressed in this Settlement, with 75% of the PAGA Payment constituting the LWDA PAGA Payment, with the remaining 25% constituting the Net PAGA Payment to be allocated and paid to PAGA Members. Based on variance in the Litigation Costs, Attorneys' Fees, and/or Administration Expenses, the PAGA Payment may increase or decrease accordingly, and Plaintiff's Counsel will apprise the Court accordingly when the Settlement is presented for Court approval.

1.24. "PAGA Counsel" or "Plaintiff's Counsel" means Ferraro Vega Employment Lawyers, Inc.

1.25. "PAGA Members" means all individuals currently or formerly employed by CDA in California as hourly, non-exempt employees during the PAGA Period.

1.26. "PAGA Notices" means Named Plaintiff's letter to Defendant and the LWDA dated April 18, 2024 and amended letter dated October 8, 2025, including any amendments thereto, providing notice pursuant to Labor Code § 2699.3(a).

1.27. "PAGA Pay Period" means any pay period during which a PAGA Member worked for Defendant for at least one day during the PAGA Period.

1.28. "PAGA Pay Period Estimate" means, based on a review of Defendant's records to date, a total of 14,476 PAGA Pay Periods.

1.29. "PAGA Representative" or "Named Plaintiff" refers to Kazzandra Montoya.

1.30. "Released Claims" means the claims being released in connection with this Settlement, as set forth in full below.

1.31. "Released Parties" means: Defendant and all of its parent, subsidiary, affiliated and related companies and entities, as well as its/their officers, directors, investors, owners, shareholders, employees, partners, members, agents, and attorneys, and any entities or partnerships with which they are affiliated, past or present.

1.32. "Service Payment" means the payment to the Named Plaintiff for initiating and providing services in support of the Action in an amount up to $10,000.00, subject to Court approval, which also constitutes consideration for Plaintiff's individual settlement and general release of all claims, as set forth in this Agreement.

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

2. RECITALS.

2.1. Pursuant to Labor Code section 2699.3, subdivision (a), Named Plaintiff gave timely notice to CDA and the LWDA by sending the PAGA Notice on April 18, 2024.

2.2. On October 8, 2025, Named Plaintiff submitted an Amended PAGA Notice to CDA and the LWDA.

2.3. On June 24, 2024, Named Plaintiff commenced this Action by filing a Complaint against CDA on behalf of herself and all others similarly situated, asserting a claim for civil penalties under the PAGA arising out of or based on alleged: failure to pay overtime wages, failure to pay sick leave at correct rate, failure to provide compliant meal periods or pay meal period premiums, failure to provide compliant rest periods or pay rest period premiums, failure to timely pay wages during employment, failure to timely pay wages upon separation, failure to provide accurate itemized wage statements, failure to maintain accurate time records, and failure to reimburse necessary business expenses.

2.4. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the cause of action alleged. CDA generally and specifically denies any and all liability or wrongdoing of any kind associated with the claims alleged in the Action, including the representative claims asserted under the Private Attorneys General Act ("PAGA"), disputes that any wages, damages, or penalties claimed by Plaintiff, alleged in the Operative Complaint, and alleged in Plaintiff's PAGA Notice are owed, and further contends that the Action is not appropriate for representative treatment under PAGA, except for the limited purpose of effectuating this Settlement. CDA asserts a number of defenses to the alleged claims and contends, among other things, that it has made substantial good faith efforts to comply with the California Labor Code and the applicable Industrial Welfare Commission Wage Orders at all relevant times. Defendant further asserts that it adopted and implemented compliant wage and hour practices, including its practice of excluding the TASC/Lifestyle benefit from the regular rate of pay consistent with applicable law. Plaintiff, however, believes that the claims were valid and meritorious based on Plaintiff's allegations regarding Defendant's unlawful policies and practices.

Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement is or may be construed as a concession, admission, or indication by or against CDA, or any of the Released Parties, of any fault, wrongdoing, or liability whatsoever. This Agreement is not a concession or admission by CDA that Plaintiff has standing to pursue PAGA claims on behalf of other allegedly aggrieved employees, except for the limited purpose of effectuating this Settlement. There has been no determination by any court as to the merits of the claims Plaintiff asserts against CDA or as to whether Plaintiff could properly maintain representative PAGA claims.

2.5. Named Plaintiff and PAGA Counsel have engaged in good faith, arms-length negotiations with Defendant and Defense Counsel concerning possible settlement of the claims asserted in the Action. These good faith, arms-length negotiations resulted in settlement of the Action and are memorialized in this Settlement Agreement after extensive negotiations about the terms and conditions of the Settlement.

2.6. PAGA Counsel conducted extensive investigation, discovery, review and analysis of data and documents, and evaluation concerning the claims set forth in the Action.

2.7. PAGA Counsel has conducted an investigation of the law and facts relating to the claims asserted in the Action and has concluded, taking into account the sharply contested issues involved, the defenses asserted by Defendant, the expense and time necessary to pursue the Action through trial and any appeals, the risks and costs of further prosecution of the Action, the risk of an adverse outcome, the uncertainties of complex litigation, and the substantial benefits to be received by Named Plaintiff and the PAGA Members and State of California pursuant to this Agreement, that a settlement with Defendant on the terms and conditions set forth herein is fair, reasonable, adequate, and in the best interests of the PAGA Members and State of California. Named Plaintiff, on her own behalf and as a private attorney general on behalf of the State of California with respect to PAGA Members, has agreed to settle the Action with Defendant on the terms set forth herein.

2.8. Defendant adopted a comprehensive timekeeping, meal and rest period compliance and expense reimbursement program many years before the Action was filed which includes procedures to (1) encourage employees to report timekeeping and meal or rest period problems, (2) proactively reimburse employees for expenses; (3) encourage employees to report any expense reimbursement issues; and (4) require supervisors and payroll employees to address and correct any reported issues. This uniquely demonstrates Defendant's good faith efforts to comply with California wage and hour law. Neither this Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendant or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. Plaintiff disagrees with the foregoing paragraph and believes that Defendant engaged in unlawful wage and hour practices resulting in this settlement.

2.9. Defendant recognizes that the defense of this litigation will be protracted and expensive. Substantial amounts of time, energy, and resources of Defendant have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. As a not-for-profit organization dedicated to providing all families affordable access to quality childcare and essential support services, Defendant would prefer to continue to focus on its important mission. Defendant therefore desires to settle the Action for the purpose of avoiding the burden, expense, and uncertainty of continuing litigation and for the purpose of putting to rest the controversies engendered by the Action. Defendant, therefore, has agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims. Plaintiff disagrees and believes that Defendant settled the case because of substantial liability it faced in this litigation.

2.10. 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. <u>Gross Settlement Amount</u>. Subject to all terms of this Agreement, Defendant shall pay the Gross Settlement Amount in connection with this Settlement. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring PAGA Members to submit any claim or form as a condition of payment. The Gross Settlement Amount is non-reversionary.

3.2. <u>Payments from the Gross Settlement Amount</u>. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts approved by the Court in the Approval Order:

3.2.1. <u>To Named Plaintiff</u>: The Service Payment, in addition to any Individual PAGA Payment that she may be entitled to receive as a PAGA Member. If the Court approves a Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Service Payment using IRS Form 1099. An award of less than the requested amount for the Service Payment will not give rise to a basis to abrogate the Settlement Agreement and the Court has authority under this Agreement to reduce (or increase) the Service Payment, at its discretion at the approval stage.

3.2.2. To Plaintiff's Counsel: Attorneys' Fees and Litigation Costs to Plaintiff's Counsel. Defendant will not oppose requests for Court approval for these payments, provided the requests do not exceed the amounts set forth in this Agreement. Plaintiff and/or PAGA Counsel will file an application or motion for Attorneys' Fees and Litigation Costs. If the Court approves Attorneys' Fees and/or Litigation Costs in an amount less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Attorneys' Fees and Litigation Costs using one or more IRS 1099 Forms.

3.2.3. To the Administrator: The Administration Expenses to the Administrator. To the extent the Administration Expenses are less, or the Court approves payment less than the Administration Expenses set forth in this Agreement, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.4. To the LWDA: Subject to Court approval, the LWDA PAGA Payment will be allocated to cover any and all claims for civil penalties associated with the Released Claims that were, or could have been, brought in the Action under PAGA based on the factual allegations in the Operative Complaint and PAGA Notices; 75% of the PAGA Payment will be paid to the LWDA (i.e., the LWDA PAGA Payment) and the remaining 25% of the PAGA Payment (i.e., the Net PAGA Payment) will be distributed to PAGA Members on a pro-rata basis as penalties in exchange for a full and final release of the PAGA claims. The Court has authority under this Agreement to increase (or reduce) the PAGA Payment up to and including at the approval hearing, and the Parties respectfully reserve the right to increase (or reduce) the PAGA Payment up to and including at the approval stage, subject to the Court's approval. If the Court approves an LWDA PAGA Payment of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

3.2.5. To Each PAGA Member/Tax Allocation: An Individual PAGA Payment calculated by: (a) dividing the Net PAGA Payment by the total number of PAGA Pay Periods worked by all PAGA Members during the PAGA Period; and (b) multiplying the result by each PAGA Member's PAGA Pay Periods. The Individual PAGA Payments are not subject to payroll tax withholdings and will be reported on IRS 1099 Forms. PAGA Members assume full responsibility and liability for any individual taxes owed on their Individual PAGA Payment.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Delivery of Employee Data to Administrator. Not later than 21 days after the Court's approval of the Settlement, CDA will deliver the Employee Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect PAGA Members' privacy rights, the Administrator must maintain the Employee Data in confidence, use the Employee Data only for purposes of this Settlement, and restrict access to the Employee Data to Administrator employees who need access to the Employee Data to effect and perform under this Agreement. CDA has a continuing duty to immediately notify Plaintiff's Counsel if it discovers that the Employee Data omitted PAGA Members' identifying information and to provide corrected or updated Employee Data as soon as reasonably feasible. Without any extension of the foregoing deadline, the Parties and their counsel must expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Employee Data.

4.2. Funding of Gross Settlement Amount. CDA shall fully fund the Gross Settlement Amount and fund the amounts necessary to fully pay its share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.3. Payments from the Gross Settlement Amount. Within 10 days after CDA funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the Administration Expenses, the LWDA PAGA Payment, Attorneys' Fees, Litigation Costs, and Service Payment.

4.3.1. The Administrator will issue checks for the Individual PAGA Payments and send them to PAGA Members 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.

4.3.2. The Administrator must conduct an Address Search for all other PAGA Members whose checks are returned undelivered without USPS forwarding addresses. 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 Address Search. The Administrator need not take further steps to deliver checks to PAGA Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any PAGA Members whose original check was lost or misplaced, requested by the PAGA Members prior to the void date.

4.3.3. For any PAGA Members whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds, in the name of the PAGA Member, to the State of California's Unclaimed Property Division.

4.3.4. The payment of Individual PAGA Payments shall not obligate CDA to confer any additional benefits or make any additional payments to PAGA Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

4.3.5. The Administrator will send checks for Individual PAGA Payments to all PAGA Members, who have no right to opt-out or otherwise exclude themselves from the settlement and release of PAGA claims set forth in this Settlement.

5. RELEASES OF CLAIMS.

Effective on the date when CDA fully funds the Gross Settlement Amount, the following releases of claims will take effect:

5.1. Named Plaintiff's General Release. Named Plaintiff and her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint, PAGA Notices or ascertained during the Action; and (b) any other claims, debts, liabilities, demands, damages, obligations, actions and causes of actions, of any nature whatsoever, whether known or unknown, or suspected or unsuspected, arising out of or in connection with their employment with CDA, the separation of such employment, or any other act, omission or event occurring between the Parties at any time prior to the date the Named Plaintiff executes this Agreement. This General Release includes, without limitation: (1) all claims for violation of any federal, state or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, and the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining Notification Act, the Uniformed Service Employment and Reemployment Rights Act, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for failure to pay minimum or overtime wages, failure to timely pay wages during employment, failure to timely pay wages upon separation of employment, failure to provide accurate itemized wage statements, failure to maintain accurate records, failure to reimburse business expenses, failure to provide compliant meal periods or pay meal period premiums, failure to provide compliant rest periods or pay rest period premiums, failure to provide paid sick leave, failure to pay sick leave at the correct rate, failure to post notice of paydays and time and place of payment, and any claim for violations of the California Labor Code, California's Business and Professions Code § 17200 et seq., and the applicable California Industrial Welfare Commission Wage Orders; (3) any non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, and conversion; (4) all claims for wrongful termination of employment; (5) all claims for wages, penalties and/or benefits; and (6) all claims for wages, penalties, and/or benefits, interest, or attorneys' fees and costs associated with the above-numerated claims and causes of action under California or federal law. Named Plaintiff's General Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Named Plaintiff acknowledges that she may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Named Plaintiff's General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or her discovery of them.

5.1.1. Named Plaintiff's Section 1542 Waiver. For purposes of Named Plaintiff's General Release, Named Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.**

5.2. Release by PAGA Members: All PAGA Members and the LWDA release Released Parties from, and are forever barred from pursuing such against Released Parties for all claims for Civil Penalties pursuant to Labor Code sections 2698 et seq. ("PAGA"), that were alleged or reasonably could have been alleged in and/or arising out of the factual allegations in the Operative Complaint and the PAGA Notices filed by Plaintiff, and ascertained in the course of the Action including, without limitation, claims for PAGA penalties predicated on the underlying alleged violations for: failure to pay minimum wages, failure to pay overtime wages or overtime at the correct rate, failure to pay doubletime wages or doubletime at the correct rate, failure to provide paid sick leave benefits or pay sick leave at the correct rate, failure to provide compliant meal periods or provide meal period premiums or pay meal period premiums at the correct rate, failure to provide compliant rest periods or pay rest period premiums or pay rest period premiums at the correct rate, failure to timely pay wages during employment, failure to timely pay all wages upon separation, failure to provide accurate itemized wage statements, failure to maintain accurate payroll records, and failure to reimburse necessary business expenses, and any other violations of the California Labor Code that were alleged in Named Plaintiff's Operative Complaint and PAGA Notices. For the purpose of this release, any alleged failure to pay overtime, doubletime, meal period premiums, rest period premiums or paid sick leave at the correct rates includes the allegation that Defendant failed to include its Lifestyle/TASC benefits in the regular rate of pay. This release includes all claims for civil penalties arising under the California Labor Code, including but not limited to Labor Code sections 200, 201, 201.3, 202, 203, 204, 204b, 210, 226, 226.2, 226.3, 226.7, 246, 246.5, 247, 247.5, 248, 248.6, 248.7, 256, 510, 512, 516, 558, 558.1, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 1199, 2698-2699.5, 2802, 2804, and the applicable Wage Orders of the Industrial Welfare Commission. The release shall include the Defendant and all of its parent, subsidiary, affiliated and related companies and entities, as well as its/their officers, directors, investors, owners, shareholders, employees, partners, members, agents, and attorneys, and any entities or partnerships with which they are affiliated, past or present.

6. MOTION FOR SETTLEMENT APPROVAL.

6.1. PAGA Approval. Plaintiff shall prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this PAGA Settlement under Labor Code § 2699(s)(2) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of 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 PAGA Members or the LWDA; and the nature and extent of any financial relationship with Named Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code, §2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with PAGA Members and/or the Administrator. In their Declarations, Named Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. Plaintiff and PAGA Counsel shall also, if necessary, obtain a prompt hearing date for the motion and appear in Court to advocate in favor of the motion.

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

6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Settlement or forthcoming motions or joint stipulations for approval, Plaintiff's Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to resolve the disagreement. If the Court does not grant settlement approval or conditions any approval or review on any material change to this Agreement, Plaintiff's Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties to modify the Agreement and satisfy the Court's concerns. Should the Court decline to approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it. If the Court does not grant Approval or conditions Approval on any material change to the Settlement, the Parties will expeditiously work together through counsel in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Approval.

6.4. Continuing Jurisdiction of the Court. The Parties agree, 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.

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

6.6. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by PAGA Members), this Agreement shall be null and void. The Parties shall agree to expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur.

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties have jointly selected the Administrator to administer this Settlement and verified that, as a condition of appointment, the Administrator 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 to calculate payroll tax withholdings and report 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 under U.S. Treasury Regulation section 468B-1.

7.3.1. Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Plaintiff's Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, if applicable and if requested by either Party, the Administrator will prepare, and submit to Plaintiff's Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement.

7.4. Administrator Duties. The Administrator has a duty to perform all tasks to be performed by the Administrator set forth in this Agreement or otherwise.

8. ESCALATION CLAUSE. Defendant represents that the total number of pay periods worked by PAGA Members as of September 12, 2025 is estimated to be 14,476. If the total number of pay periods exceeds this total by 10% or more (i.e. 15,924 pay periods) for the applicable PAGA Period, then, at Defendant's option, the Gross Settlement Amount will either increase by 1% for every 1% over the 10% threshold (i.e. over 15,924 pay periods), or the PAGA Period will end on the date the number of pay periods equals 15,924.

9. EMPLOYEE ESTIMATE. Based on the records evaluated, there are an estimated 343 PAGA Members covered by this Agreement.

10. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

11. ADDITIONAL PROVISIONS.

11.1. <u>No Admission of Liability or Representative Manageability for Other Purposes</u>. 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 the Parties that any of the allegations or the defenses in the Operative Complaint have merit or that there is any liability for any claims asserted or that any claims may proceed on a representative basis. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, CDA reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest CDA's defenses. The Settlement, this Agreement, and the 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).

11.2. <u>No Solicitation</u>. The Parties separately agree that they and their respective counsel and employees will not solicit any PAGA Members to object to the Settlement, or appeal from the Judgment.

11.3. <u>Integrated Agreement</u>. 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.

11.4. <u>Attorney Authorization</u>. Plaintiff's Counsel and Defense Counsel separately warrant and represent that they are authorized by the Parties, 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.

11.5. <u>Cooperation</u>. The Parties and their counsel will cooperate and use their best efforts, in good faith, to implement the Settlement by modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court, among other things. 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.

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

11.7. No Tax Advice. Neither the Parties, Plaintiff's Counsel, 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.

11.8. 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 Plaintiff's Counsel and Defense Counsel, as their legal representatives.

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

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

11.11. 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.

11.12. Confidentiality. To the extent permitted by law, all agreements made and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

11.13. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Employee Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the Administrator discharges its obligation to pay out all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destruction, of Employee Data.

11.14. 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.

11.15. 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.

11.16. Notice. All notices or other communications between the Parties required in connection with this Agreement shall be in writing and shall be deemed to have been duly given as of the 3rd business day after mailing by U.S. Mail or the same day if sent by email, addressed as follows:

To Plaintiff:

Ferraro Vega Employment Lawyers, Inc.
Attn: Nicholas J. Ferraro
3333 Camino del Rio South, Suite 300
San Diego, CA 92108 USA
nick@ferrarovega.com / classactions@ferrarovega.com
www.ferrarovega.com

To Defendant:

Procopio, Cory, Hargreaves & Savitch LLP
Attn: Marie Burke Kenny
Karina J. Lo
525 B Street, Suite 2200
San Diego, CA 92101
marie.kenny@procopio.com
karina.lo@procopio.com
sandra.olave@procopio.com
employmentlawcalendaring@procopio.com

11.17. Execution in Counterparts. This Agreement may be executed using physical and/or electronic signatures (i.e., DocuSign, SignRequest, Adobe Sign, etc.), which shall be accepted as originals for purposes of this Agreement. 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.

11.18. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 the Parties agree 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.

11.19. Enforcement. The Parties agree to expressly stipulate for the settlement of the case on the terms set forth in this Settlement Agreement, and hereby agree that Court, upon motion of either party, may enter judgment pursuant to the terms of this Settlement or otherwise enforce a breach of this Settlement. The Parties expressly request that the Court retain jurisdiction over the Parties to enforce the Settlement until performance in full of the terms of the settlement, pursuant to Code of Civil Procedure sec. 664.6 and its procedures for enforcement.

SIGNATURES

I have read this Agreement and agree to its terms.

Plaintiff Kazzandra Montoya

Date: Mar 9, 2026

Kazzandra Montoya

Kazzandra Montoya

Defendant Child Development Associates, Incorporated

Date: March 13, 2026

DocuSigned by:

2489DB3000FB4BA...

Name: Rick Richardson

Title: President & CEO