PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between: **(1)** Plaintiff Jesus J. Quezada ("Plaintiff"), individually and in his representative capacity as a private attorney general on behalf of the State of California; and **(2)** Defendant Good Hope International, Inc., dba The Anaheim Hotel ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."[1]

1. DEFINITIONS

1.1. "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendant captioned *Jesus J. Quezada v. Good Hope International, Inc., dba The Anaheim Hotel*, Case No. 30-2024-01448030-CU-OE-CXC, initiated on December 23, 2024, and pending in the Superior Court of the State of California for the County of Orange.

1.2. "Administrator" means Simpluris, Inc., 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 individuals who are or were employed by Defendant as non-exempt employees in California during the PAGA Period.

1.5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession, consisting of the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods worked by each Aggrieved Employee.

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 the State of California for the County of Orange.

[1] This Agreement is based on the Los Angeles County Superior Court's *[Model] PAGA Settlement Agreement* (LASC CIV 298) ("Model Agreement"), with minor modifications to reflect the agreement by the Parties and the facts of the case.

1.8. “Defense Counsel” means the attorneys representing Defendant, Dina Glucksman and Leslie Joyner, and Emilie MacLean of Gordon Rees Scully Mansukhani, LLP.

1.9. “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. For the avoidance of doubt, the Judgment is final as of the latest of the following occurrences: (a) the 61st day (unless the last such date is a weekend or holiday, in which case the next business day shall be used) after the Court enters an order granting approval of the Settlement, as long as no timely appeal is taken of the order of approval; (b) if any timely appeals are filed, the date of the resolution and entry of remittitur (or withdrawal) of any such appeal in a way that does not alter the terms of the Settlement.

1.10. “Gross Settlement Amount” means Eighty-Two Thousand Four Hundred and Four Dollars and Zero Cents (**$82,404.00)**, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, the PAGA Representative Service Payment, and the Administration Expenses Payment.

1.11. “Individual PAGA Payment” means each Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.12. “Judgment” means the judgment entered by the Court based upon the Approval Order.

1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled to the LWDA PAGA Payment, under Labor Code section 2699, subd. m. This matter was filed after the 2024 amendments to PAGA. As such, all statutory references in this Agreement to Labor Code sections 2698, 2699, 2699.3, and any subdivisions thereof, are references to the statute as it currently exists subsequent to the amendments.

1.14. “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (m).

1.15. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Representative Service Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder (Net Settlement Amount) is to be paid to Aggrieved Employees as Individual PAGA Payments.

1.16. “PAGA Counsel” means Jonathan Melmed and Maria Burciaga of Melmed Law Group P.C., the attorneys representing the Plaintiff 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, as approved by the Court and to be paid out of the Gross Settlement Amount.

1.18. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant while classified as a non-exempt employee for at least one day during the PAGA Period.

1.19. "PAGA Period" means the period from December 23, 2023, through August 25, 2025.

1.20. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.21. "PAGA Notice" means Plaintiff's December 23, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.22. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees and the 65% to LWDA in settlement of PAGA claims.

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

1.24. "Approval Order" means the Order Granting Approval of PAGA Settlement.

1.25. "Released PAGA Claims" means the claims being released by the Plaintiff, the Aggrieved Employees, and PAGA Counsel and as described in Paragraph 5 below.

1.26. "Released Parties" means: Defendant and all of its present and former parents, owners, subsidiaries, divisions, affiliated or related person or entities, and each their respective former and present directors, principals, officers, employees, partners, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates during the PAGA Period.

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

2. <u>RECITALS</u>

2.1. On December 23, 2024, Plaintiff submitted notice to the LWDA of alleged violations of PAGA. On December 23, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for **(1)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 1194 and 1194.2, and the Applicable Wage Orders; **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the

Applicable Wage Orders; **(3)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the Applicable Wage Orders; **(4)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the Applicable Wage Orders; **(5)** failure to maintain accurate employment records in violation of Labor Code section 1174; **(6)** failure to pay timely wages during employment in violation of Labor Code sections 204, 210; **(7)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; **(8)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; **(9)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226 and 226.3; **(10)** failure to pay sick leave; and **(11)** deceptive, fraudulent, or otherwise unlawful business practices based on the foregoing in violation of California's Unfair Competition Law (Bus. & Prof. Code, §§ 17200–17210). On February 19, 2025, Plaintiff filed a First Amended Complaint dismissing the class action claims and alleging one cause of action for penalties based on the foregoing pursuant to PAGA (Lab. Code, §§ 2698–2699.6). The First Amended Complaint is the operative complaint in the Action.

2.2. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged.

2.3. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.4. On June 25, 2025, the Parties participated in an all-day mediation presided over by Joshua Konecky which led to this Agreement to settle the Action through arm's length negotiations.

2.5. Prior to mediation, Plaintiff obtained, through informal discovery, various documents and information that allowed both sides to evaluate the potential exposure and potential risk, such as the operative employee handbook, policies and procedures related to the claims alleged in the Operative Complaint, Plaintiff's personnel file, and a random 25% sample of time and pay records for the Aggrieved Employees.

2.6. 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, Defendant promises to pay Eighty-Two Thousand Four Hundred and Four Dollars and Zero Cents (**$82,404.00**) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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 Approval Order:

3.2.1. To Plaintiff: PAGA Representative Service Payment to the Plaintiff of not more than $3,000.00 (in addition to any Individual PAGA Payment the Plaintiff is entitled to receive as an Aggrieved Employee). Defendant will not oppose Plaintiff's request for a PAGA Representative Service Payment that does not exceed this amount. As part of the application or motion for the approval of the Settlement or as a separate application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment, Plaintiff will seek Court approval for any 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 to be distributed as PAGA Penalties. The Administrator will report the PAGA Representative Service Payment using IRS Form 1099. Plaintiff assumes full and sole responsibility and liability for any taxes owed on the PAGA Representative Service Payment.

3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be $27,465.00 and a PAGA Counsel Litigation Expenses Payment of not more than $10,000.00 subject to Court approval. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. As part of the motion for approval of the Settlement or as a separate application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment, Plaintiff and/or PAGA Counsel will seek Court approval for any 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 to be distributed as PAGA Penalties. The Parties agree that a decision by the Court to award PAGA Counsel less than the amount requested for the PAGA Counsel Fees or PAGA Counsel Cost Award shall not be a basis for Plaintiff to void this Agreement. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's counsel arising from any claim to any portion of any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will report the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full and sole responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed $4,485.00 except upon 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 $4,485.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of at least $37,454.00 to be paid from the Gross Settlement Amount, with 65% (currently estimated at $24,345.10) allocated to the LWDA PAGA Payment and 35% (currently estimated at $13,108.90) allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by **(a)** dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties (currently estimated at $13,108.90) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period, and **(b)** multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees each assume full and sole responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

3.2.5. Released Parties shall have no tax liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any PAGA Counsel Fees and Cost Award. The Administrator will pay the PAGA Counsel Fees and Cost Award using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees and Cost Award and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments.

4. SETTLEMENT FUNDING AND PAYMENTS

4.1. Aggrieved Employee Pay Periods. Based on a review of its records, Defendant estimated that, as of the June 25, 2025 mediation, there were 132 Aggrieved Employees who worked a total of 3,554 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within thirty (30) days of the Approval Order, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect the Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant 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. <u>Funding of Gross Settlement Amount</u>. Defendant shall fully fund the Gross Settlement Amount by transmitting Eighty-Two Thousand Four Hundred and Four Dollars and Zero Cents (**$82,404.00**) to the Administrator no later than thirty (30) days after the Effective Date.

4.4. <u>Payments from the Gross Settlement Amount</u>. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the PAGA Representative Service Payment. Disbursement of the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the PAGA Representative Service Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (one hundred eighty (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 seven (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, if such address is different from the address to which delivery was first attempted. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved

Employee prior to the void date. Neither Plaintiff nor Defendant, nor their respective counsel, shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Administrator.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

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

5.1. Plaintiff's Release. Plaintiff and Plaintiff's 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 for PAGA penalties arising out of or related to the allegations set forth in the Operative Complaint and/or PAGA Notices that arose during the PAGA Period, including, but not limited to, claims for: **(1)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 226.2, 1194, and 1194.2, and the applicable IWC Wage Order(s); **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); **(3)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); **(4)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); **(5)** failure to maintain accurate employment records in violation of Labor Code section 1174 and the applicable Wage Order(s); **(6)** failure to pay timely wages during employment in violation of Labor Code sections 204, 210; **(7)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; **(8)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; **(9)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226, 226.2, and 226.3; **(10)** failure to pay sick leave in violation of Labor Code sections 245-249; and **(11)** violations of California's unfair competition law (Bus. & Prof. Code sections 17200-17210).

5.2. Release of PAGA Representative Claims: Plaintiff, acting as a proxy and agent to the LWDA, releases the claims of the LWDA against the Released Parties from those claims for PAGA penalties arising out of or related to the allegations set forth in the Operative Complaint and/or PAGA Notice that arose during the PAGA Period, including, but not limited to, claims for: **(1)** failure to pay minimum wage for all hours worked in violation of Labor Code sections 226.2, 1194, and 1194.2, and the applicable IWC Wage Order(s); **(2)** failure to pay proper overtime wages in violation of Labor Code sections 510, 1197, and 1198, and the applicable IWC Wage Order(s); **(3)** failure to provide compliant rest periods and pay missed rest break premiums in violation of Labor Code section 226.7 and the applicable IWC Wage Order(s); **(4)** failure to provide compliant meal periods and pay missed meal period premiums in violation of Labor Code sections 226.7 and 512, and the applicable IWC Wage Order(s); **(5)** failure to maintain accurate employment records in violation of Labor Code section 1174 and the applicable Wage Order(s); **(6)** failure to pay timely wages during employment in violation of Labor Code sections 204, 210; **(7)** failure to pay all wages due and owing at separation in violation of Labor Code sections 201, 202, and 203; **(8)** failure to reimburse business expenses in violation of Labor Code sections 2802 and 2804; **(9)** failure to provide complete and accurate wage statements in violation of Labor Code sections 226, 226.2, and 226.3; **(10)** failure to pay sick leave in violation of Labor Code sections 245-249; and **(11)** violations of California's unfair competition law (Bus. & Prof. Code sections 17200-17210). The Parties enter into this Agreement with the express understanding and intention that the judgment in this matter will bind non-parties, such as all Aggrieved Employees, to the fullest extent provided by applicable law, including, without limitation, as stated in *Arias v. Superior Court* (2009) 46 Cal.4th 969 ("Because an aggrieved employee's action under [PAGA] functions as a substitute for an action brought by the government itself, a judgement in that action binds all those, including nonparty aggrieved employees, who would be bound by a judgement in an account brought by the government."). Thus, all Aggrieved Employees, and the LWDA are deemed to release, 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 listed above, as well as any related interest, fees, and costs, throughout the PAGA Period.

5.3. Release by PAGA Counsel: PAGA Counsel releases, on behalf of its present and former attorneys, employees, agents, successors, and assigned, the Released Parties from all claims for fees and/or expenses incurred in connection with the Action. PAGA Counsel represent that no other counsel has been involved in or has any claim for fees or costs associated with the Action, or has represented Plaintiff in connection with this Action or any other contemplated action against Defendants concerning the subject matter of this Action.

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. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2) and any applicable orders of the Court, including **(i)** a draft proposed Order Granting Approval of PAGA Settlement; **(ii)** a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; **(iii)** a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); **(iv)** a draft proposed notice to the Aggrieved Employees; and **(v)** a fully executed copy of this Agreement; and **(vi)** all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their declarations, 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.

6.2. Responsibilities of Counsel. PAGA Counsel shall be responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than thirty (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 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 determine whether they can reach an agreement to modify the Agreement and/or otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION

7.1. Selection of Administrator. The Parties have jointly selected Simpluris, Inc. to serve as the Administrator and verified that, as a condition of appointment, Simpluris, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement or otherwise reasonably necessary to effectuate the Settlement 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

Based on its records, Defendant estimates that, as of June 25, 2025, there were approximately 132 Aggrieved Employees who worked approximately 3,554 Pay Periods during the PAGA Period. If the number of pay periods worked by the Aggrieved Employees is greater than 10% above that estimated by Defendant, then Defendant shall have the option to: (1) increase the Gross Settlement Amount proportionately for each additional pay period worked above the 10% buffer (e.g. if there was a 12% increase above 3,554 Pay Periods, and Defendant chose option 1, then Defendant would agree to increase the Gross Settlement Amount by 2%); or (2) agree to close the PAGA Period as of the date on which the total pay periods worked by the Aggrieved Employees last fell within the 10% buffer. If this provision is triggered so as to increase the Gross Settlement Amount, the Parties agree that the portion of the Gross Settlement Amount allocated to PAGA Counsel Fees will increase proportionally such that the total amount of PAGA Counsel Fees remains one-third of the Gross Settlement Amount after the upward adjustment required by this provision is implemented.

9. CONTINUING JURISDICTION OF THE COURT

The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of **(i)** enforcing this Agreement and/or Judgment, **(ii)** addressing settlement administration matters, and **(iii)** addressing such post-Judgment matters as are permitted by law.

9.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, 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 another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS

10.1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is appropriate for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant'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 or arbitration (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 or prior written representations, warranties, covenants, or inducements made to or by any Party.

10.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, 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, Defendant 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. Plaintiff and PAGA Counsel agree not to disclose or publicize the Settlement, its terms or contents, or the negotiations underlying the same, in any manner or form, directly or indirectly, to any person or entity, except as otherwise required by law, ordered by the Court, or contractually necessary to effectuate the terms of the Settlement as set forth herein.

10.12. Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant (including indirectly through the Administrator) 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 rule of court. Not later than ninety (90) days after the Administrator discharges its obligation to pay out all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant (including indirectly through the Administrator) 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 destructions, of Aggrieved Employee Data.

10.13. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

10.14. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

10.15. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Melmed Law Group P.C.
Jonathan Melmed
jm@melmedlaw.com
Maria Burciaga
mb@melmedlaw.com
1801 Century Park East, Suite 850
Los Angeles, California 90067

To Defendant:

Gordon Rees Scully Mansukhani
Leslie H. Joyner
ljoyner@grsm.com
Emilie MacLean
emaclean@grsm.com
633 West Fifth Street, 52nd Floor
Los Angeles, California 90071
Telephone: (213) 929-2401

10.16. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

APPROVAL AND EXECUTION BY PARTIES

PLAINTIFF:

Dated: 8/28/2025

Firmado por:
3B26B5FE7FB24FB...
Jesus J. Quezada
Plaintiff and Private Attorney General

DEFENDANT:

Dated: August 19, 2025

Good Hope International, Inc.

DocuSigned by:
Paul Sanford
35B0868CE032404...

By: Paul E. Sanford
Title: CEO

APPROVED AS TO FORM BY COUNSEL

PAGA COUNSEL:

Dated: August 28, 2025

Melmed Law Group P.C.

Jonathan Melmed
Attorney for Plaintiff

DEFENSE COUNSEL:

Dated: August 15, 2025

Gordon Rees Scully Mansukhani

Signed by:
Leslie Joyner
912394C52A514DE...
Leslie H. Joyner
Attorney for Defendant