

SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release (Agreement), dated as of June 14, 2018, is entered into between and among SARA KHALIL FARSAKH, an individual; SOONDUS AHMED, an individual; RAWAN HAMDAN, an individual; SARA SOUMAYA CHAMMA, an individual; YUMNA H. HAMEED, an individual; SAFA RAWAG, an individual; MARWA RAWAG, an individual (collectively referred to as “Plaintiffs/Cross-Defendants”), on the one hand, and URTH CAFFE CORPORATION, a California corporation; URTH PAYROLL SERVICES, INC., a California corporation; URTH LAGUNA BEACH DEVELOPMENT, LLC, a California limited liability company; and URTH CAFFE’ ASSOCIATES VII, LLC, a California limited liability company (collectively, Urth Caffe) on the other hand, all parties collectively referred to as the “Parties.”

RECITALS

WHEREAS Plaintiffs/Cross-Defendants filed a civil lawsuit, entitled Farsakh et al. v. Urth Caffe Corp., Orange County Superior Court Case No. 30-2016-00849787-CU-CR-CJC (“Action”);

WHEREAS Plaintiffs/Cross-Defendants allege Urth Caffe discriminated against them on basis of their Muslim religion in the application of Urth Caffe’s 45-minute seating policy (“Seating Policy”) at the Urth Caffe in Laguna Beach on April 22, 2016, in violation of the Unruh Civil Rights Act, codified in California Civil Code §§ 51 et seq.;

WHEREAS Urth Caffe denies and continues to deny all allegations against it in the Action and filed a cross-complaint in the Action entitled Urth Laguna Beach Development, LLC et al. v. Farsakh et al. (“Cross-Action”);

WHEREAS Urth Caffe alleges Plaintiffs/Cross-Defendants disrupted the operations of its Urth Caffe at Laguna Beach on the night of April 22, 2016, by failing to abide by the Seating Policy and are liable for trespass;

WHEREAS Plaintiffs/Cross-Defendants deny and continue to deny all allegations against them in the Cross-Action;

WHEREAS the Parties wish to permanently resolve all disputes that exist or may exist between them now and in the future arising out of the facts alleged in the Action and Cross-Action.

NOW, THEREFORE, for and in consideration of the promises and undertakings described below, the Parties agree as follows.

AGREEMENT

As full and valuable consideration for the settlement of this matter, including but not limited to all claims against Urth Caffe (and any related Urth Caffe entities) as set

forth in the Action and including but not limited to all claims against Plaintiffs/Cross-Defendants as set forth in the Cross-Action, the Parties agree as follows:

1. Mutual Dismissals. On or before June 21, 2018, the Parties shall jointly file a request for dismissal of the Action and Cross-Action with the Court, each side to bear its own costs and fees incurred in connection with the filing, prosecution, maintenance, and defense of the Action and Cross-Action, respectively.

2. Seating Policy, Training, and Ramadan special event. Urth Caffe agrees as follows:

(a) Urth Caffe will amend its Seating Policy to seek to ensure consistency in its application and to more clearly inform customers on the written placard placed on patio tables (“Placard”) that when there are 10 or more customers queuing at the register, the Seating Policy will be in force. The Placard will also make clear that the policy only applies to the patio tables, and that after 45 minutes Urth Caffe may ask customers to share their table, reorder and choose a new table, or give up their table.

(b) Urth Caffe will include in its written operational manual policies that codify the amended Seating Policy referenced above.

(c) Urth Caffe will amend its employee handbook to include express language that employees are to engage with customers in a manner that promotes diversity and sensitivity.

(d) Urth Caffe will conduct a training at its human resources headquarters in Los Angeles for all of its Area Supervisors on (i) the implementation and enforcement of the amended Seating Policy, and on (ii) Urth Caffe’s commitment to interacting with its diverse customers in a spirit of inclusion and sensitivity. Area Supervisors will then return to their stores and, over a period of one week, hold on-site trainings attended by all employees of their locations on both points (i) and (ii).

(e) Urth Caffe will announce on social media and at the Urth Caffe at Laguna Beach a special event celebrating the conclusion of Ramadan and of Eid al-Fitr. The special event will be an all-day (8:00 AM to 11:00 PM) event on Saturday, June 16, 2018, at Urth Caffe in Laguna Beach and will offer complimentary drinks and desserts to all customers (one coffee or tea drink and one dessert per customer).

3. Verification of Compliance. On or before July 30, 2018, Urth Caffe shall provide to counsel for Plaintiffs/Cross-Defendants (via email) a declaration that all elements of paragraphs (2)(a)-(e) have been fulfilled. The Parties agree there will be no further action to enforce this Agreement as to paragraph 2 above following delivery of the declaration. The delivery of the declaration shall satisfy all of the terms of this Agreement as to paragraph 2, above.

Urth Caffe shall also provide to counsel for Plaintiffs/Cross-Defendants copies of the amended portions of the employee handbook with title page, operations manual with title page, and Placard. These Parties agree and warrant that these

documents are for attorney's eyes only and Plaintiffs/Cross-Defendants' counsel shall not distribute them to any third-party, including Plaintiffs/Cross-Defendants.

4. Plaintiffs/Cross-Defendants' General Release. Plaintiffs/Cross-Defendants, individually and collectively, hereby fully and forever release, waive, discharge, and promise not to sue or otherwise institute or cause to be instituted any legal or administrative proceedings against Urth Caffe, any affiliated or related company or subsidiary, and their current or former officers, directors, successors, trustees, members, insurers, benefit plan fiduciaries, attorneys, agents, employees, independent contractors, and assignees thereof (all collectively referred to as Urth Caffe Released Parties), with respect to any and all liabilities, claims, demands, contracts, debts, obligations and causes of action of any nature, kind, and description, whether in law, equity or otherwise, whether or not now known or ascertained, which currently do or may exist, including but not limited to any matter, cause, or claim arising out of or related to facts or events occurring prior to the execution of this Agreement, and/or arising from and relating in any way to the Action and/or Cross-Action. This release is not intended to affect, and does not affect, a release of any claims that may not be waived pursuant to statute or other applicable law.

5. Urth Caffe's General Release. Urth Caffe, and all of its affiliated or related companies and subsidiaries, individually and collectively, hereby fully and forever release, waive, discharge, and promise not to sue or otherwise institute or cause to be instituted any legal or administrative proceedings against Plaintiffs/Cross-Defendants, individually or collectively, and their current or former attorneys, agents, independent contractors, and assignees thereof (all collectively referred to as Plaintiffs/Cross-Defendants Released Parties), with respect to any and all liabilities, claims, demands, contracts, debts, obligations and causes of action of any nature, kind, and description, whether in law, equity or otherwise, whether or not now known or ascertained, which currently do or may exist, including but not limited to any matter, cause, or claim arising out of or related to facts or events occurring prior to the execution of this Agreement, and/or arising from and relating in any way to the Action and/or Cross-Action. This release is not intended to affect, and does not affect, a release of any claims that may not be waived pursuant to statute or other applicable law.

6. Plaintiffs/Cross-Defendants Waiver – Civil Code Section 1542. Plaintiffs/Cross-Defendants understand and agree that paragraph 4, above, applies to claims known and presently unknown by them individually and collectively, and that this means that if any of Plaintiffs/Cross-Defendants hereafter discovers facts different from or in addition to those which she now knows or believes to be true, that all of the releases, waivers, discharges, and promises not to sue or otherwise institute legal action against the Urth Caffe Released Parties shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of such facts. Accordingly, each of Plaintiffs/Cross-Defendants hereby agrees that she fully and forever waives any and all rights and benefits conferred upon her by the provisions of Section 1542 of the Civil Code of the State of California which states as follows:

A general release does not extend to claims which the creditor [*i.e.*, Plaintiffs/Cross-Defendants] does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor [*i.e.*, Urth Caffè Released Parties].

7. Urth Caffè Waiver – Civil Code Section 1542. Urth Caffè understands and agrees that paragraph 5, above, applies to claims known and presently unknown by it (including all of its affiliated or related companies and subsidiaries), and that this means that if Urth Caffè hereafter discovers facts different from or in addition to those which it now knows or believes to be true, that all of the releases, waivers, discharges, and promises not to sue or otherwise institute legal action against the Plaintiffs/Cross-Defendants Released Parties shall be and remain effective in all respects notwithstanding such different or additional facts or the discovery of such facts. Accordingly, Urth Caffè hereby agrees that it fully and forever waives any and all rights and benefits conferred upon it by the provisions of Section 1542 of the Civil Code of the State of California which states as follows:

A general release does not extend to claims which the creditor [*i.e.*, Urth Caffè] does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor [*i.e.*, Plaintiffs/Cross-Defendants Released Parties].

8. No Intent to Apply For Employment. Each of Plaintiffs/Cross-Defendants agrees she shall not, at any time in the future, knowingly apply for employment with Urth Caffè or any of its affiliated or related companies and subsidiaries, and, in the event that any of Plaintiffs/Cross-Defendants applies for such employment, that she shall be disqualified and ineligible for such employment, regardless of the status of her application for employment with Urth Caffè at that time, consistent with her intent to not apply or to not become employed by Urth Caffè or any of its affiliated or related companies and subsidiaries. Furthermore, each of Plaintiffs/Cross-Defendants agrees that in the event such employment occurs in the future, this provision shall serve as adequate and legitimate grounds (*i.e.*, good cause) for termination of that employment.

9. No Other Claims. Each of the Parties hereby represents and warrants that she/it has neither filed nor served any claim, demand, suit, or legal proceeding against any of the other adverse Parties, other than the Action and Cross-Action, respectively, and that each of the Parties agrees and represents that she/it does not intend to file any such claim, demand, or proceeding.

9. No Prior Assignments. Each of the Parties hereby represents and warrants that she/it has not assigned or transferred, or purported to assign or transfer, to any third person or entity any claim, right, liability, demand, obligation, expense, action, or causes of action being waived or released herein.

10. Agreement Inures to Benefit of Urth Caffè's Representatives and Successors. Each of Plaintiffs/Cross-Defendants hereby agrees and understands this Agreement shall bind herself and her heirs, executors, administrators, representatives, and agents thereof and that it inures to the benefit of Urth Caffè, its officers, directors, successors, trustees, affiliated or related companies, insurers, benefit plan fiduciaries, attorneys, agents, representatives, employees and former employees, current and former independent contractors, and assignees thereof.

11. Agreement Inures to Benefit of Plaintiffs/Cross-Defendants' Representatives and Successors. Urth Caffè hereby agrees and understands this Agreement shall bind itself and its successors and agents thereof and that it inures to the benefit of each of Plaintiffs/Cross-Defendants' agents, representatives, heirs, executors, and administrators and assignees thereof.

12. No Admission. The Parties hereby acknowledge, recognize, and understand that nothing contained in this Agreement shall constitute, be construed or be treated as an admission of liability or wrongdoing by any of the Parties, or by any current or former employees of Urth Caffè and/or current or former independent contractors of Urth Caffè.

13. Attorney's Fees and Expenses. The Parties hereby agree and understand that each party to this Agreement shall bear her/its own respective attorney's fees, costs and expenses related to the dispute between Plaintiffs/Cross-Defendants, on the one hand, and Urth Caffè, on the other hand, and to this Agreement.

14. Governing Law, Jurisdiction and Venue. The Parties hereby agree that California law shall govern the construction, interpretation, and enforcement of this Agreement without giving effect to the principles of conflict of laws. Venue for any action regarding this Agreement shall be in the Orange County Superior Court.

15. Severability. The Parties hereby agree that if any provision, or portion thereof, of this Agreement shall for any reason be held to be invalid or unenforceable or to be contrary to public policy or any law, then the remainder of the Agreement shall not be affected thereby and shall be enforced as if the invalid provision or portion thereof were not a part of this Agreement. Should any provision or portion thereof be held unenforceable for any reason, then such provision or portion thereof shall be enforced to the maximum extent permitted by law. Nothing in this paragraph or in any other provision of this Agreement shall, or is intended to, limit any other rights or remedies the Parties may have by virtue of this Agreement or otherwise.

16. Entire Agreement. The Parties agree that this Agreement contains the entire agreement by Plaintiffs/Cross-Defendants, on the one hand, and Urth Caffè, on the other hand, and that this Agreement supersedes and replaces any and all prior agreements and that any prior agreements between the Parties are hereafter null and void. The Parties further agree that no promises or representations were or are made which do not appear written in this Agreement, that neither is relying on any representation or promise that does not appear in this Agreement and that, if any of the facts or matters upon which they

now rely in making this Agreement hereafter prove to be otherwise, this Agreement will nonetheless remain in full force and effect. This Agreement may not be modified in any manner except by a writing duly executed by the Parties.

17. Drafting. The Parties agree that this Agreement shall be construed without regard to the drafter of the same and shall be construed as though each of the Parties to this Agreement participated equally in the preparation and drafting of this Agreement.

18. Representation of Counsel. The Parties represent that they have been represented in negotiations for the preparation of this Agreement by counsel of their own choosing.

19. Counterpart and Facsimile Signatures. The Parties hereby acknowledge that this Agreement may be executed in counterpart originals with like effect as if executed in a single original document. The Parties also agree that a facsimile or scanned copy of the signed Agreement shall have the same force and effect as an original signed Agreement.

THE TERMS OF THIS AGREEMENT ARE THE PRODUCT OF MUTUAL NEGOTIATION AND COMPROMISE BETWEEN THE PARTIES. HAVING ELECTED TO EXECUTE THIS AGREEMENT AND TO FULFILL THE PROMISES AND TO RECEIVE THE CONSIDERATION SET FORTH HEREIN. EACH OF THE PARTIES FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS AGREEMENT INTENDING TO WAIVE, SETTLE, AND RELEASE ALL CLAIMS SHE/IT HAS HAD OR MIGHT HAVE HAD OR MIGHT NOW HAVE AGAINST URTH CAFFE/PLAINTIFFS/CROSS-DEFENDANTS, RESPECTIVELY.

IN WITNESS WHEREOF, this Agreement is executed by the Parties on the date indicated below.

Dated: _____

SARA KHALIL FARSAKH

Dated: _____

SOONDUS AHMED

Dated: _____

RAWAN HAMDAN

Dated: _____

SARA SOUMAYA CHAMMA

Dated: _____

YUMNA H. HAMEED

Dated: _____

SAFA RAWAG

Dated: _____

MARWA RAWAG

Dated: June 14, 2018

URTH CAFE CORPORATION



Print Name: Shallom Berkman
Title: Authorized Representative

Dated: June 14, 2018

URTH PAYROLL SERVICES, INC.



Print Name: Shallom Berkman
Title: Authorized Representative

Dated: June 14, 2018

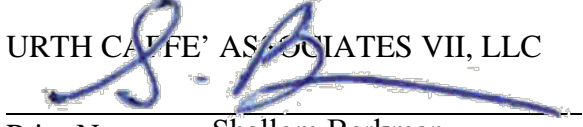
URTH LAGUNA BEACH DEVELOPMENT, LLC



Print Name: Shallom Berkman
Title: Authorized Representative

Dated: June 14, 2018

URTH CAFE ASSOCIATES VII, LLC




Print Name: Shallom Berkman
Title: Authorized Representative

APPROVED AS TO FORM:

ACLU Foundation of Southern California


Dated: June 14, 2018

By: 

Mohammad Tajsar
Attorneys for Plaintiffs/Cross-Defendants

AMERICAN FREEDOM LAW CENTER

Dated: June 14, 2018

By: 

David Yerushalmi
Attorneys for Urth Caffè

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IN WITNESS WHEREOF, this Agreement is executed by the Parties on the date indicated below.

Dated: 6/14/18



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IN WITNESS WHEREOF, this Agreement is executed by the Parties on the date indicated below.

Dated: _____

SARA KHALIL FARSAKH

Dated: 6/14/2018 12:18:10 PM PDT



SOONDUS AHMED

Dated: _____

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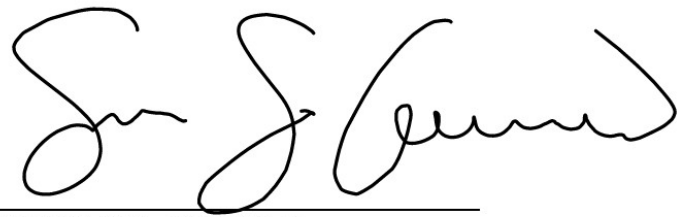
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SAFA RAWAG

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MARWA RAWAG

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Title: _____

URTH PAYROLL SERVICES, INC.

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Title: _____

URTH LAGUNA BEACH DEVELOPMENT, LLC

Dated: _____

Print Name: _____
Title: _____

URTH CAFFE' ASSOCIATES VII, LLC

Dated: _____

Print Name: _____
Title: _____

Dated: _____

SARA SOUMAYA CHAMMA

Dated: 06/14/2018

yumna Hameed

YUMNA H. HAMEED

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