

SETTLEMENT AGREEMENT AND RELEASE

The People of the State of California, by and through San Francisco City Attorney Dennis J. Herrera ("the People") and Stool LLC d/b/a Stool ("Stool"), do hereby enter into this Settlement Agreement and Release (the "Agreement"), with reference to the following facts:

Recitals

A. In 2010 and 2011, Stool charged its customers a Health Care Surcharge of 1% of the base amount of each check.

B. In 2013, Stool cooperated fully with the City Attorney Office's efforts to ascertain how much of the money Stool collected from this surcharge was actually spent on health care for its employees. The parties determined that Stool received more money from imposition of the Health Care Surcharge in Stool it spent on health care for Covered Employees during those years.

WHEREFORE, in consideration of the promises, covenants, representations and warranties contained herein, and for good and valuable consideration given hereunder, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Effective Date

The effective date of this Agreement will be the date the Agreement is signed by all parties if on the same day or if on different dates than the last day signed by a party.

2. Definitions

All references to years shall mean the relevant calendar year(s).

"Agreement" shall mean this Settlement Agreement and Release.

"Claimant" shall mean Covered Employees that were employed by Stool during 2010 and/or 2011.

"Covered Employee" shall have the definition set forth in Section 14.3(a)(2) of the HCSO.

"HCSO" shall mean the San Francisco Health Care Security Ordinance, codified at San Francisco Administrative Code, Chapter 14.

"Health Care Surcharge" shall mean the 1% "Health SF" surcharge added to Stool's customers' bills in 2010 and 2011.

"Parties" shall mean the People and Stool.