SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") shall be effective as of the date of the last signature affixed hereto, and is entered into by and between [redacted] "Defendants") on the one hand, and Plaintiff Ameris Bank, a Georgia state-chartered banking corporation, doing business as Balboa Capital ("Balboa"), on the other hand [hereinafter, Defendants and Balboa are collectively referred to as the "Parties"].

RECITALS

This Agreement is entered into on the basis of the following facts and contentions:

A. On or about August 29, 2023, Balboa executed and delivered to Defendants that certain written Business Loan Agreement [redacted] (the "BLA"), which contained a personal guaranty signed by [redacted] (the "Guaranty"), under the terms of which Balboa loaned to [redacted] a sum of $400,000.00. The BLA required [redacted] to make eighty (80) weekly payments of $6,850.00, beginning on August 29, 2023.

B. On or about April 16, 2024, [redacted] breached the BLA and [redacted] breached the Guaranty by failing to make the payment due on that date.

C. On or about August 6, 2024, Balboa filed a Complaint for Breach of the BLA and Guaranty, thereby instituting the action entitled *Ameris Bank dba Balboa Capital Corporation v.* [redacted] in the Orange County Superior Court, [redacted]

D. The Parties now wish to resolve Balboa's claims against Defendants relating to the Action by entering into this Agreement under the terms and conditions set forth below.

TERMS AND CONDITIONS

NOW, THEREFORE, incorporating the foregoing recitals, and in consideration of the representations, warranties, releases, and promises contained herein, the Parties agree to the following terms and conditions:

1. Payment of Settlement Proceeds. Defendants shall pay to Balboa the total sum of **$225,000.00** ("Settlement Amount") in full and complete settlement of all amounts Balboa claims is due and owing to it by Defendants. Payment of the Settlement Amount shall be as follows:

(a) Defendants shall make one (1) initial payment of $33,000.00 on or by June 27, 2025;

(b) Defendants shall then make nineteen (19) payments of $10,000.00 beginning on July 27, 2025, and continuing on the 27th day of each and every month;

(c) Defendants shall then make one (1) additional payment of $2,000.00 on the 27th day of the following month.

(d) Balboa retains the right, at all times, to require payment of any ancillary fees or charges as set forth in the BLA. Defendants will not be assessed a penalty for pre-payment of the above payments.

2. Payments are to be made by way of ACH. Defendants authorize Balboa to initiate debit entries to the following checking account indicated below, in the amounts and dates set forth above:

[redacted]

3. Notice of Settlement and Stipulation under [redacted] Balboa shall file with the Court a Notice of Settlement. The Parties agree that the Court shall retain jurisdiction of the matter to enforce and interpret this Agreement, pursuant to Code of Civil Procedure section [redacted] until all the terms of this Agreement have been fully performed and agree to enter into a Stipulation to that effect, a copy of which is attached here as "Exhibit 1." If dismissed, the Court will retain jurisdiction over this matter in the event of a default by the Defendant and be allowed to enter judgment under California Code of Civil Procedure Section [redacted]

4. Stipulation for Entry of Judgment. As security for this Agreement, Balboa and Defendants have agreed to enter into a

5. Notice-and-Cure on Installments. In the event an installment payment is not timely received by Balboa as recited in Section 1, a written Notice of Default will be issued to Defendants

22. Representations.

Each of the Parties represents and warrants that the person executing this Agreement on its behalf has been duly authorized to take such action on behalf of such party.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth opposite their respective signatures.

Dated: 6/16/2025, 2025

[redacted]

Signed by:

[redacted]

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By: [redacted]

Its: President

Dated: 6/16/2025, 2025

Signed by:

[redacted]

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By: [redacted]

Dated: June 30, 2025

AMERIS BANK d/b/a BALBOA CAPITAL

/s/ Michelle A. Chiongson

By: Michelle Chiongson

Its: General Counsel