

## **SETTLEMENT AGREEMENT**

THIS SETTLEMENT AGREEMENT (the “Settlement Agreement” or “Settlement”) is made and entered into on October 1, 2025, by and between: MONICA JACKSON and KEITH GRAYS (“Jackson”, “Grays,” “Named Plaintiffs”, or “Class Representatives”) on behalf of themselves individually and the class of individuals they represent for purposes of this Settlement (the “Settlement Class”), and THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY (“CMHA,” or “Settling Defendant”).

**WHEREAS**, Jackson and Grays are the Named Plaintiffs seeking to represent a class of individuals as Class Representatives in a lawsuit entitled “*MONICA JACKSON and KEITH GRAYS, individually and on behalf of all others similarly situated, Plaintiffs v. THE CHARLOTTE-MECKLENBURG HOSPITAL AUTHORITY, Defendant*” now pending in the Superior Court Division of the General Court of Justice of Mecklenburg County and bearing docket number 24-CV-036383-590 (“the Litigation”);

**WHEREAS**, on September 17, 2024, Jackson and Grays filed an Amended Class Action Complaint that alleges that each had undergone procedures at a clinic called “Atrium Heath Urology” (“AH Urology”) that was owned and operated by CMHA;

**WHEREAS**, the Amended Class Action Complaint further alleges, among other things, that, as alleged negligence at AH Urology, Jackson and Grays, among other patients, were notified that sterilization and high-level disinfection records were incomplete for some of the reusable instruments used in their care and treatment and were

asked to come to CMHA for the purpose of blood testing to determine whether any of them contracted an infectious disease;

**WHEREAS**, Jackson, Grays, and the members of the Settlement Class (“Settlement Class Members” or “Members of the Settlement Class”) were each tested for infection through blood testing and that this testing was negative for any newly acquired infectious disease;

**WHEREAS**, the Named Plaintiffs presented a Declaration of Dr. Tara Morgan, a Board-certified Urological Surgeon and Assistant Clinical Professor of Surgery in the Department of Urology, Duke University Medical Center. Among the allegations made by Dr. Morgan was that the failure to adequately document the high-level disinfection or sterilization of a reusable device creates uncertainty as to the adequacy of the disinfection or sterilization procedure and is not in accord with applicable medical standards;

**WHEREAS**, the Named Plaintiffs and Settling Defendant have engaged in substantial discovery, including the exchange of medical records, sterilization and high-level disinfection protocols, and the exchange of written discovery in the form of Interrogatories, Requests for Production of Documents, and Requests for Admission;

**WHEREAS**, the Named Plaintiffs and Settling Defendant (collectively, the “Settling Parties”) have engaged in substantial arm’s-length negotiations in an effort to resolve all claims that have been, or could have been, asserted in the Litigation, which negotiations resulted in this Settlement Agreement;

**WHEREAS**, Settling Defendant denies and continues to deny that either it or its employees engaged in any wrongdoing or negligence of any kind, or that they violated or breached any laws, regulations, or duties owed to the Named Plaintiffs or the Settlement

Class, and further deny that they have liability as a result of any and all allegations made in the Amended Class Action Complaint or as part of the Litigation; and

**WHEREAS**, based on their analysis of the merits of the claims and the benefits provided to the Settlement Class by the Settlement Agreement, including an evaluation of a number of factors including the substantial risks of continued litigation and the possibility that the Litigation, if not settled now, might not result in any recovery whatsoever for the Settlement Class or might result in a recovery that is less favorable to the Settlement Class, the Named Plaintiffs and their counsel (“Class Counsel”) believe that it is in the interest of all members of the Settlement Class to resolve finally and completely their claims against the Settling Defendant and that the terms of the Settlement Agreement are in the best interests of the Settlement Class and are fair, reasonable, and adequate.

**NOW, THEREFORE**, in consideration of the promises, agreements, covenants, representations, and warranties set forth herein, and other good and valuable consideration provided for herein, the Settling Parties agree to a full, final and complete settlement of the Litigation on the following terms and conditions:

**I. GENERAL TERMS OF THE SETTLEMENT AGREEMENT**

**A. Definitions**

In addition to terms identified and defined elsewhere in this Settlement Agreement, and as used herein, the terms below shall have the following meanings:

1. “Attorneys’ Fees and Expenses” means the amounts approved by the Court for payment to Class Counsel, including attorneys’ fees, costs, and litigation expenses, as described in below, which amounts are to be paid solely from the Settlement Fund.
2. “Class Counsel” means the law firm of Poulin Willey Anastopoulos, LLC.

3. “Effective Date” has the meaning specified in Section II.F, *infra*.
4. “Escrow Agent” means Kroll, which, assuming it agrees to do so, shall enter into an Escrow Agreement to carry out the tasks more fully detailed in that agreement, including to receive, hold, invest, and disburse the Settlement Fund, subject to the direction of the Settlement Administrator. The Settling Parties may replace Kroll with another mutually agreeable financial institution.
5. “Final Approval” means the order of the Court granting final approval of the Settlement Agreement pursuant to N.C. Gen. Stat. § 1A-1, Rule 23.
6. “Final Approval Hearing” means the hearing at which the Court will consider the Named Plaintiffs’ Motion for Judgment and Final Approval of the Settlement.
7. “Notice” means the Notice of Proposed Settlement of Class Action Lawsuit, attached as Exhibit B, which is to be transmitted directly to Settlement Class Members.
8. “Order and Final Judgment of Dismissal” means the Order which shall be submitted to the Court as described in Section II.E herein and entered by the Court as described in Section II.F herein.
9. “Plan of Allocation” means the formula by which the Settlement Fund shall be distributed to Settlement Class Members as well as the timing and other aspects of the distribution, attached as Exhibit C.
10. “Plan of Notice” means the plan for distributing the Notice to Settlement Class Members.
11. “Preliminary Approval” means the Court’s Order preliminarily approving the Settlement, the Plan of Notice, the form of Notice, the Plan of Allocation, and other related matters.

12. “Protective Order” means the Stipulated Protective Order entered in the Action (Dkt. 61).

13. “Released Claims” has the meaning specified in Section V *infra*.

14. “Service Award” means the monetary award, if any, ordered by the Court for the Named Plaintiffs under Section VI *infra*.

15. “Settlement,” “Agreement,” and “Settlement Agreement” each mean the instant settlement terms agreed to by the Settling Parties as reflected in this Settlement Agreement and attachments hereto.

16. “Settlement Administrator” means the entity which has been designated to provide Notice to the Settlement Class and administer the Settlement Fund pursuant to Section II.A below and by order of the Court.

17. “Settlement Class” means all natural persons (including the Named Plaintiffs) who (1) were treated at the clinic owned and operated by CMHA and known as “AH Urology” between April 1, 2021 through September 21, 2022, (2) were notified by CMHA that it was advisable for them to be tested for the purpose of determining whether they were suffering from or contracted any new infections as a result of their treatment, (3) underwent such testing; and (4) were found to have no new infections. Excluded from the Settlement Class are all members of the Board of Commissioners and senior executives of CMHA or its affiliates, and any and all judges and justices, and chambers’ staff, assigned to hear or adjudicate any aspect of this Litigation.

18. “Settlement Class Member” or “Member of the Settlement Class” means any person who meets the “Settlement Class” definition above. In the event that the Court allows an opportunity to opt out from this Settlement, “Settlement Class Member” shall

mean, with respect to any event or action occurring after the deadline for opting out in Section II.D.2, those Settlement Class Members who have not timely and properly opted out of the Settlement.

19. “Settlement Fund” is the account set up by the Settlement Administrator into which the Settlement Payment is paid.

20. “Settlement Payment” mean the sum of Two Million Five Hundred Thousand dollars (\$2,500,000.00) that the Settling Defendant shall pay or cause to be paid as described in Section III.A to be held, invested, administered, and disbursed pursuant to this Settlement Agreement.

21. “Settling Defendant’s Counsel” means the law firm of Womble Bond Dickinson (US) LLP.

22. “Supplemental Agreement” has the meaning specified in Section II.D.4, *infra*.

**B. Best Efforts to Effectuate the Settlement**

The Named Plaintiffs and Settling Defendant, through counsel, agree to cooperate and work together in order to effectuate the Settlement, including after it has received Final Approval, as set forth in Section II.E.

**II. COURT APPROVAL OF SETTLEMENT AND CLASS NOTICE**

**A. Retention of Settlement Administrator**

Class Counsel shall retain a reputable and experienced Settlement Administrator, which shall be responsible for the notice administration process, calculation of payments to Settlement Class Members based on the Plan of Allocation approved by the Court, distributions to Settlement Class Members, withholding and paying applicable taxes, and other duties as provided herein and in the Supplemental Agreement. Class Counsel shall

obtain approval by the Court of the choice of Settlement Administrator. The Settlement Administrator shall sign and be bound by the Protective Order entered in the Litigation. The fees and expenses of the Settlement Administrator shall be paid exclusively out of the Settlement Fund. Prior to the Effective Date, expenses incurred by the Settlement Administrator relating to this Settlement and approved by the Court shall be paid solely from the Settlement Fund, as set forth in Section III.A.4, upon invoice to Class Counsel. In no event shall CMHA be separately responsible for fees or expenses of the Settlement Administrator.

**B. Preliminary Approval and Notice of Settlement**

1. The Named Plaintiffs, by and through Class Counsel, shall file with the Court, promptly after the execution of this Settlement Agreement, an Unopposed Motion for Preliminary Approval of Class Settlement and Certification of Settlement Class, which shall include a proposed Settlement Agreement, Plan of Notice, Plan of Allocation, Supplemental Agreement filed under seal and Order Granting Preliminary Approval of Class Settlement Agreement and Preliminary Certification of Settlement Class.

2. The Unopposed Motion for Preliminary Approval of Class Settlement and Certification of Settlement Class shall provide that, pursuant to N.C. Gen. Stat. § 8-53, the disclosure by Settling Defendant of the names and most recent addresses or other contact information for those persons within the proposed Settlement Class is necessary for the proper administration of justice. The Unopposed Motion for Preliminary Approval of Class Settlement and Certification of Settlement Class shall further provide that the disclosure by Settling Defendant of the names and most recent addresses or other contact information for those person within the proposed Settlement Class shall not be considered

a public record, shall be disclosed only the Class Counsel and the Settlement Administrator, shall be treated by Class Counsel and the Settlement Administrator as confidential and privileged information protected under North Carolina law, and that following the confidential transmission of this information Settling Defendant shall be relieved of any liability for any breach of privilege or confidentiality by Class Counsel or the Settlement Administrator. To the extent that this information, or any part of it, is required to be filed with the Court by any Party, it shall be filed under seal as confidential under N.C. Gen. Stat. § 8-53.

3. Settling Defendant shall have the right to review and comment on the Unopposed Motion for Preliminary Approval of Class Settlement and Certification of Settlement Class, and Class Counsel shall provide Settling Defendant with reasonable time to conduct such review. Class Counsel shall consider any such comments in good faith, and shall not unreasonably reject such comments.

4. Class Counsel shall propose, and Settling Defendant shall not oppose, that the Notice be disseminated by publication (through print, email and/or online notices) or such other method using a methodology developed by the Settlement Administrator. The Notice shall direct Settlement Class Members to a website to be administered by the Settlement Administrator which shall provide additional information. Settling Defendant shall have the right to review and comment on the content of the website, and Class Counsel shall provide Settling Defendant with reasonable time to conduct such review. Class Counsel shall consider any such comments in good faith, and shall not unreasonably reject such comments. Class Counsel shall be responsible for obtaining and submitting to the Court evidence sufficient to demonstrate the adequacy of the Plan of Notice.



5. In the event that the Court preliminarily approves the Settlement and Settlement Class, Class Counsel shall, in accordance with Rule 23, direct the Settlement Administrator approved by the Court to provide the Settlement Class with Notice as ordered by the Court. Class Counsel shall provide Settling Defendant with four (4) business days notice before Notice is disseminated to the Class.

**C. Objections**

Unless the Court provides otherwise, objections to the Settlement, if any, must be submitted in writing, and must include a detailed description of the basis of the objection. Objections must be received by the Court, Class Counsel, or the Settlement Administrator, postmarked on or before a date certain to be specified on the Notice, which shall be sixty (60) days after the Notice was initially sent to Settlement Class Members. No one may appear at the Final Approval Hearing for the purpose of objecting to the Settlement without first having filed and served his or her objection(s) in writing postmarked on or before sixty (60) days after the Notice was sent to Settlement Class Members.

**D. Opt Out Period for Settlement Class Members**

1. The Settling Parties agree that there should be an opt out period for members of the Settlement Class in connection with this Settlement.

2. In connection with any opt out opportunity described in Paragraph 1 of this section, Settlement Class Members who are entitled, and wish, to opt out of the Class must complete and timely submit to the Settlement Administrator a request for exclusion. To be effective, such requests for exclusion must state the Settlement Class Member's full legal name and address, the approximate dates of his or her treatment by AH Urology, and include a statement that the Settlement Class Member wants to be excluded from the

Settlement (“Opt Out Statement”). All requests for exclusion must be signed and dated by the Settlement Class Member or his or her legal representative, and must be (1) mailed to the Settlement Administrator via First Class United States Mail and postmarked by a date certain to be specified on the Notice or emailed sixty (60) calendar days after the Settlement Administrator makes the initial mailing of the Notice (“Opt Out Period”) or (2) received by the Settlement Administrator by that date, provided, however, that if a Settlement Class Member mails the Opt Out Statement pursuant to option (1), it shall be effective only if received by the Settlement Administrator on or before ten (10) calendar days after the end of the Opt Out Period. The end of the Opt Out Period shall be sixty (60) calendar days after the Settlement Administrator makes the initial mailing. Opt Out Statements shall not be rejected simply because they were inadvertently sent to the Court or Class Counsel so long as they are timely postmarked or received by the Court or Class Counsel. Within eleven (11) calendar days after the end of the Opt Out Period, the Settlement Administrator shall provide to all counsel for the Settling Parties all Opt Out Statements that are timely received and shall prepare a summary of the opt outs to be filed with the Court, which shall include the total number of Settlement Class Members who have opted out. Individuals who opt out are not entitled to any monetary award under the Settlement and cannot object to the Settlement.

3. In connection with any opt out opportunity described in Paragraphs 1 and 2, the Settling Parties, Class Counsel, and Settling Defendant’s Counsel shall not solicit or encourage any Settlement Class Member to opt out of the Class. Under no circumstances shall the Settling Parties, Class Counsel, or Settling Defendant’s Counsel solicit or encourage any Settlement Class Member to object to the Settlement.

4. In connection with any opt out opportunity described in Paragraphs 1 and 2, Settling Defendant's shall have the right, but not the obligation, in its sole discretion, to terminate this Agreement as further specified in the agreement contained in Exhibit D (the "Supplemental Agreement") to be executed by the Settling Parties contemporaneously with the execution of this Agreement. The Supplemental Agreement shall be separately submitted to the Court under seal.

**E. Final Approval**

1. The Final Approval Hearing shall be noticed for no earlier than ninety (90) days from the date of Preliminary Approval and also no earlier than sixty (60) days from the date by which the Settlement Administrator must have sent the Notice to Settlement Class Members.

2. Prior to the Final Approval Hearing, on the date set by the Court, the Named Plaintiffs, through Class Counsel, shall submit a Motion for Final Approval by the Court of the Settlement and the entry of an Order granting Final Approval of the Settlement that:

- a. finds the Settlement and its terms to be fair, reasonable and adequate within the meaning of Rule 23 and directing its consummation pursuant to its terms;
- b. finds that the Notice given constitutes due, adequate and sufficient notice, and meets the requirements of due process and any applicable laws;
- c. provides for service payments from the Settlement Fund (as defined in Section VI herein) to the Named Plaintiffs in addition to whatever monies they shall receive from the Settlement Fund pursuant to the Court-approved Plan of Allocation;
- d. provides for payment of Attorneys' Fees and Expenses from the Settlement Fund (as provided in Section VII.A herein);

e. sets forth the method for allocating the Settlement Fund (set forth in the Plan of Allocation attached as Exhibit C);

f. directs that the Litigation be dismissed with prejudice as against CMHA, without costs to the Settling Parties;

g. approves the release of claims specified herein as binding and effective as to all Class Members and permanently bars and enjoins all Class Members from asserting any Released Claims (as defined in Section V herein);

h. reserves exclusive and continuing jurisdiction over the Settlement, including the Settlement Fund (as defined in Section III.A herein) and the administration, enforcement, consummation, and interpretation of this Settlement Agreement; and

i. directs that an Order and Final Judgment of Dismissal be entered as between the Settling Parties in the Litigation.

3. If so required by the Court in connection with approval of the Settlement, the Settling Parties agree to accept non-material or procedural changes to this Settlement Agreement. However, the Settling Parties are not obligated to accept any changes in the Settlement Payment or any other substantive change to their respective obligations.

**F. Effective Date of the Settlement**

The Settlement shall become final and effective upon the occurrence of all of the following (“Effective Date”):

1. The Settlement has not been terminated and receives Final Approval by the Court as required by Rule 23;

2. As provided for in Section II.E herein, entry is made of the Order and Final Judgment of Dismissal; and

3. Completion of any appeal(s) from the Court's Order and Final Judgment of Dismissal and/or Order Granting Final Approval of the Settlement (including any such order on remand from a decision of an appeals court, or at the time for any such appeals to have lapsed), provided, however, that no party shall cite any modification or reversal on appeal of any amount of the fees and expenses awarded by the Court from the Settlement Fund, or the amount of any Service Award to the Named Plaintiffs, by itself as a reason to prevent this Settlement from becoming final and effective if all other aspects of the final judgment have been affirmed. If no appeal is filed from the Court's order finally approving the Settlement under Rule 23, the Effective Date shall be the date on which the time for any such appeal has lapsed.

### **III. CONSIDERATION FOR SETTLEMENT: Monetary Settlement Fund**

1. Settling Defendant shall pay or cause to be paid the Settlement Payment into the Settlement Fund as consideration for the Settlement in accordance with the following paragraphs.

2. The Settlement Payment reflects Settling Defendant's total obligation to the Settlement Class in connection with the Litigation and under this Settlement Agreement. For the avoidance of doubt, the Settlement Payment covers Settling Defendant's total obligation for (i) all claims by Settlement Class Members, (ii) all fees and costs of Class Counsel as ordered by the Court, (iii) any service payment to the Named Plaintiffs, and (iv) all costs of Settlement Class Notice, claims administration, and taxes. Under no circumstances shall Settling Defendant be required to pay more than the Settlement Payment with respect to any liability arising out of the Litigation and/or the Settlement.

3. The Settlement Payment is non-reversionary to Settling Defendant except in the event that the Settlement (i) is not approved by the Court or on appeal; (ii) is terminated in Settling Defendant's sole discretion pursuant to the provisions described in Exhibit D; or (iii) fails to become effective for any reason.

4. Within ten (10) business days after Preliminary Approval, Settling Defendant shall remit (or cause to be remitted) \$30,000.00 to the Settlement Fund to cover the anticipated cost of Notice, so that notice of the proposed Settlement may be generated and disseminated to the Settlement Class in accordance with the Court's Order granting Preliminary Approval. This amount shall be an offset against the total Settlement Payment and nonrefundable regardless of the future disposition of the proposed Settlement.

5. No later than thirty (30) calendar days after entry of the Court's Order Granting Final Approval, Settling Defendant shall pay (or shall cause to be paid) the remainder of the Settlement Payment into the Settlement Fund.

6. The Escrow Agent shall place the Settlement Fund in an escrow account (the "Account") created by order of the Court intended to constitute a "qualified settlement fund" ("QSF") within the meaning of Section 1.468B-1 of the Treasury Regulations ("Treasury Regulations") promulgated under the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The Settlement Fund will be invested in instruments secured by the full faith and credit of the United States or an interest bearing or non-interest bearing deposit obligation of \_\_\_\_\_ insured by the Federal Deposit Insurance Corporation ("FDIC") to the applicable limits and any interest earned (or negative interest) thereon shall become part of (or paid from) the Settlement Fund. Settling Defendant shall be the "transferor" to the QSF within the meaning of Section 1.468B-1(d) (1) of the Treasury

Regulations with respect to the Settlement Fund or any other amount transferred to the QSF pursuant to this Settlement Agreement. The Settlement Administrator shall be the “administrator” of the QSF within the meaning of Section 1.468B-2(k)(3) of the Treasury Regulations, responsible for causing the filing of all tax returns required to be filed by or with respect to the QSF, paying from the QSF any taxes owed by or with respect to the QSF, and complying with any applicable information reporting or tax withholding requirements imposed by Section 1.468B-2(l)(2) of the Treasury Regulations or any other applicable law on or with respect to the QSF. Settling Defendant and the Settlement Administrator shall reasonably cooperate in providing any statements or making any elections or filings necessary or required by applicable law for satisfying the requirements for qualification as a QSF, including any relation-back election within the meaning of Section 1.468B-1(j) of the Treasury Regulations.

7. Settling Defendant and Settling Defendant’s Counsel shall have no liability, obligation or responsibility with respect to the investment, disbursement, or other administration or oversight of the Settlement Fund or QSF and shall have no liability, obligation or responsibility with respect to any liability, obligation or responsibility of the Escrow Agent or Settlement Administrator, including but not limited to, liabilities, obligations or responsibilities arising in connection with the investment, disbursement or other administration of the Settlement Fund and QSF.

8. The Settlement Fund and any payments to Settlement Class Members shall not be considered compensation for any purpose. Any taxes due as a result of income earned or payments made by the Settlement Fund shall be imposed upon and paid from the Settlement Fund provided, however, that in no event shall the failure to withhold sufficient

funds to pay such taxes be a basis to shift any such tax obligations to Settling Defendant or otherwise increase the Settlement Payment. Interest earned by the Settlement Fund (less any tax imposed upon such interest) shall be for the benefit of the Settlement Class Members, less reasonable Attorneys' Fees and Expenses approved by the Court, any Court-approved Service Awards to the Named Plaintiffs, and payment of any and all administrative or other Court-approved expenses associated with the Litigation or the Settlement. Settling Defendant and Settling Defendant's Counsel shall have no liability, obligation or responsibility for any such taxes, Attorneys' Fees and Expenses, interest, Service Award or administrative or other expenses or for any reporting requirements relating thereto.

9. Settling Defendant's payment of the Settlement Payment to the Escrow Agent shall constitute full and complete satisfaction of its obligations under this Section III and any and all Released Claims. Following Settling Defendant's transfer of the Settlement Payment, Settling Defendant shall have no liabilities, obligations or responsibilities with respect to the payment, disbursement, disposition or distribution of the Settlement Fund. Settling Defendant shall provide the Settlement Administrator with the statement required by the applicable United States Treasury regulations. Settlement Class Members shall look solely to the Settlement Fund for settlement and satisfaction against Settling Defendant of all claims that are released herein, all Attorneys' Fees and Expenses, the Service Awards to the Named Plaintiffs, and all administrative or other costs and expenses arising out of or related to the Litigation or the Settlement. Settlement Class Members shall not under any circumstances be entitled to any further payment from Settling Defendant with respect to the Released Claims, the Litigation or the Settlement.



In the event that the Settlement Agreement becomes final and effective, payment of the Settlement Payment shall fully satisfy any and all Released Claims. Except as provided by Order of the Court, no Settlement Class Member shall have any interest in the Settlement Fund or any portion thereof.

#### **IV. DISTRIBUTION OF SETTLEMENT FUND**

##### **A. Eligibility**

1. Any Settlement Class Member who does not opt out pursuant to Section II.D shall be deemed eligible for a payment hereunder in accordance with the Plan of Allocation approved by the Court.

2. Any Settlement Class Member who does not opt out pursuant to Section II.D is subject to and bound by the releases set forth in Section V.

3. Within a reasonable time period after the Effective Date, and after all objections, collateral challenges or appeals relating to the Settlement have been fully and finally resolved, the Settlement Administrator shall pay each Settlement Class Member an equal amount of the Settlement Fund after after all costs, expenses, Service Awards, Attorneys' Fees and Expenses, taxes or any other costs as approved by the Court have been paid.

4. The Settlement Administrator's determination as to the monetary award that should be paid to each Settlement Class Member shall be final and not subject to review by, or appeal to, any court, mediator, arbitrator or other judicial body, including without limitation this Court. As shall be reflected in the Final Approval Order, Class Counsel and Settling Defendant shall have no responsibility, and may not be held liable, for any determination reached by the Settlement Administrator. This Settlement Administrator

will work with Class Counsel to ensure that Class Member questions will be addressed appropriately.

5. The total amount of all monetary awards paid to Settlement Class Members, as determined by the Settlement Administrator, shall not exceed the net amount of the Settlement Fund after all costs, expenses, Service Awards, Attorneys' Fees and Expenses, and taxes have been paid ("Net Settlement Fund"), provided, however, that in no event shall the failure to withhold sufficient funds to pay such taxes be a basis to shift any such tax obligations to Settling Defendant or otherwise increase the Settlement Payment.

6. In the event monies remain as residue in the Settlement Fund following all distribution efforts approved by the Court and payment of all costs, expenses, Service Awards, Attorneys' Fees and Expenses, and taxes, the Settlement Administrator will take appropriate steps to determine whether there are sufficient funds remaining to issue an additional distribution to Settlement Class Members consistent with the Plan of Allocation. This process will continue until the Settlement Administrator determines that there are no longer sufficient funds remaining to issue another distribution to Settlement Class Members (in no event may the Notice Administrator so determine if there is \$300,000.00 or more remaining in the Settlement Fund). The remainder, if any, will be distributed *cy pres* to a recipient or recipients approved by the Court. The Settling Parties suggest that an appropriate *cy pres* recipient is the Ronald McDonald House Charities of Greater Charlotte.

**B. Settlement Fund Distribution Procedures**

**1. Allocation**

a. The Settling Parties agree that the Settlement Payment is a lump-sum payment by or on behalf of Settling Defendant to settle the Litigation that is made without any admission of liability or damages and is inclusive of any fee award.

**2. Payment of Federal, State and Local Taxes**

a. The Settlement Administrator, as administrator of the QSF, and on behalf of the QSF, is expected to and shall carry out all the duties and obligations of the QSF in accordance with the Code and Treasury Regulations and all other applicable law, including the income tax reporting obligations of the QSF.

b. The Settlement Administrator shall be responsible to satisfy from the Settlement Fund any and all federal, state and local taxes. The Settlement Administrator shall satisfy all federal, state, local, and other reporting requirements (including without limitation any applicable reporting with respect to attorneys' fees and other costs subject to reporting), and any and all taxes, together with interest and penalties imposed thereon, and other obligations with respect to the payments or distributions from the Settlement Fund not otherwise addressed herein.

c. For avoidance of doubt, Settling Defendant, Settling Defendant's Counsel, the Named Plaintiffs, and Class Counsel shall have no liability, obligation or responsibility whatsoever for tax obligations arising from payments to any Settlement Class Member, or based on the activities and income of the QSF. Class Counsel shall be solely responsible for his/her/its tax obligations.

d. Named Plaintiffs, individually, and on behalf of the Settlement Class, and Class Counsel and each of them represent and agree that they have not received

and/or relied upon any advice and/or representations from Settling Defendant or Settling Defendant's Counsel as to taxes, including the taxability of the payments received pursuant to this Agreement. Class Counsel represent that neither the Named Plaintiffs nor Class Counsel provided any advice as to the taxability of payments received pursuant to this Agreement.

**V. RELEASE**

1. Upon the Effective Date, each of the Named Plaintiffs and the Members of the Settlement Class who have not opted out, and their agents, executors, administrators, or assigns, shall be deemed to have released, acquitted, forever discharged, and covenanted not to sue Settling Defendant, its affiliates, clinics, assigns, commissioners, officers, contractors, agents, and employees, whether or not acting within the course and scope of their authority, from all claims, demands, judgments, actions, suits, and/or causes of action, whether federal or state, known or unknown, asserted or unasserted, regardless of legal theory, arising in any way from or in any way related to the facts, activities, or circumstances arising from or related to the Litigation whether or not alleged in one or more complaints in the Litigation, up to the Effective Date of the Settlement Agreement (the "Released Claims").

2. For the avoidance of doubt, each Named Plaintiff and the Members of the Settlement Class who have not opted out shall be deemed to have, and shall have, expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR 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.

Each Named Plaintiff and the Members of the Settlement Class who have not opted out shall further be deemed to have, and shall have, waived any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, or the law of any jurisdiction outside of the United States, which is similar, comparable, or equivalent to Section 1542 of the California Civil Code.

**VI. CLASS REPRESENTATIVE SERVICE AWARD**

1. At the Final Approval Hearing, Class Counsel shall seek Court approval for a Service Award to Jackson and Grays to compensate them for their contributions to this Litigation. The proposed Service Award shall be in addition to any monetary award to Jackson and Grays under the Plan of Allocation, and is subject to Court approval. Such Service Awards shall be paid by the Settlement Administrator solely out of the Settlement Fund upon Court approval.

2. Settling Defendant agrees to take no position on such a Service Award.

3. Any Service Award to Jackson and Grays shall not be considered compensation for any purpose except to the extent required for tax purposes.

**VII. ATTORNEYS' FEES AND EXPENSES AND ADMINISTRATIVE EXPENSES**

**A. Attorneys' Fees and Expenses**

1. Prior to the deadline for objections to the Settlement pursuant to Section II.C, Class Counsel may apply to the Court for an award of Attorneys' Fees and Expenses incurred on behalf of the Settlement Class. All Attorneys' Fees and Expenses and any interest due to any counsel (to the extent any interest is awarded) shall be payable solely out of the Settlement Fund in such amounts as the Court orders. Settling Defendant shall

have no liability or responsibility for fees, costs, expenses, or interest, including without limitation attorneys' fees, costs, expenses, expert fees and costs or administrative fees or costs.

2. All Attorneys' Fees and Expenses shall be payable solely out of the Settlement Fund and may be deducted from the Settlement Fund prior to the distribution to Settlement Class Members, after entry of an order by the Court approving any Attorneys' Fees and Expenses. The undersigned Class Counsel may withdraw from the Account and allocate amongst Class Counsel the Attorneys' Fees and Expenses so awarded.

3. Settling Defendant shall not oppose Class Counsel's request for Attorneys' Fees or comment on the request unless directed to do so by the Court.

**B. Costs of Notice and Administration**

1. All costs of Notice and administration shall be paid for solely from the Settlement Fund. Under no circumstances shall Settling Defendant be otherwise obligated to pay for costs of Notice or any costs to administer the Settlement.

**VIII. OTHER CONDITIONS**

**A. Settlement Does Not Become Effective**

1. In the event that the Settlement Agreement is terminated, is not finally approved (following the exhaustion of any appellate review) or does not become effective for any reason, judgment is not entered in accordance with this Agreement, or such judgment does not become final, then (a) this Settlement Agreement shall be null and void and of no force and effect, (b) any payments of the Settlement Fund and interest earned thereon, excluding the payment to the Settlement Administrator pursuant to Section III.A.4 above, shall be returned to CMHA within thirty (30) business days from the date the Settlement Agreement becomes null and void, and (c) any release pursuant to Section V

herein shall be of no force or effect. In such event, the case shall proceed as if no settlement has been attempted, and the Settling Parties shall be returned to their respective procedural postures, i.e., *status quo* as of October 1, 2025, so that the Settling Parties may take such litigation steps that Jackson and Grays or CMHA otherwise would have been able to take absent the pendency of this Settlement. However, any reversal, vacating, or modification on appeal of (1) any amount of the fees and expenses awarded by the Court to Class Counsel, or (2) any determination by the Court to award less than the amount requested in Attorneys' Fees and Expenses or Service Awards to Jackson and Grays, shall not give rise to any right of termination or otherwise serve as a basis for termination of this Settlement Agreement.

2. In the event the Settlement does not become effective, the Settling Parties shall negotiate and submit for Court approval a case schedule.

**B. Preservation of Rights**

The Settling Parties expressly reserve all of their rights, contentions and defenses if this Settlement does not become final and effective in accordance with the terms of this Settlement Agreement. The Settling Parties further agree that this Settlement Agreement, whether or not it shall become effective pursuant to Section II.F herein, and any and all negotiations, documents and discussions associated with it shall be without prejudice to the rights of any party, shall not be deemed or construed to be an admission or evidence of any violation of any statute or law, or of any liability or wrongdoing by Settling Defendant, and shall not be deemed or construed to be an admission or evidence of the truth of any of the claims or allegations made in the Litigation, and evidence thereof shall not be discoverable or used directly or indirectly, in any way, whether in this case or any other

action or proceeding. The Settling Parties further acknowledge and agree that the negotiations and discussions that led to this Settlement are fully protected from disclosure by N.C. Gen. Stat. § 8C-1, Rule 408.

**C. Authority to Settle**

The undersigned represent and warrant each has authority to enter into this Settlement Agreement on behalf of the party indicated below his or her name.

**D. Binding Effect**

This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties. Without limiting the generality of the foregoing, each and every covenant and agreement herein by the Named Plaintiffs and Class Counsel shall be binding upon all Class Members.

**E. Mistake**

In entering and making this Agreement, the Settling Parties assume the risk of any mistake of fact or law. If the Settling Parties or any of the Settlement Class Members should later discover that any fact they relied upon in entering into this Agreement is not true, or that their understanding of the facts or law was incorrect, neither the Settling Parties nor Members of the Settlement Class shall be entitled to seek rescission of this Agreement, or otherwise attack the validity of the Agreement, based on any such mistake. This Agreement is intended to be final and binding upon the Settling Parties and the Members of the Settlement Class who do not opt out regardless of any mistake of fact or law.

**F. Advice of Counsel**

Except as set forth in this Agreement, the Settling Parties represent and warrant that they have not relied upon or been induced by any representation, statement or disclosure of the other Settling Parties or their attorneys or agents, but have relied upon their own



knowledge and judgment and upon the advice and representation of their own counsel in entering into this Agreement. Each Settling Party warrants to the other Settling Parties that it has carefully read this Agreement, knows its contents, and has freely executed it. Each Settling Party, by execution of this Agreement, represents that it has been represented by independent counsel of its choice throughout all negotiations preceding the execution of this Agreement.

**G. Integrated Agreement**

This Settlement Agreement, including exhibits (including Exhibit D containing the Supplemental Agreement), contain the entire, complete, and integrated statement of each and every term and provision of the Settlement Agreement agreed to by and among the Settling Parties. This Settlement Agreement shall not be modified in any respect except by a writing executed by the undersigned in the representative capacities specified, or others who are authorized to act in such representative capacities.

**H. Headings**

The headings used in this Settlement Agreement are intended for the convenience of the reader only and shall not affect the meaning or interpretation of this Settlement Agreement.

**I. No Drafting Presumption**

All counsel to all Settling Parties hereto have materially participated in the drafting of this Settlement Agreement. No party hereto shall be considered to be the drafter of this Settlement Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

**J. Consent to Jurisdiction and Choice of Exclusive Forum**

Any and all disputes arising from or related to the Settlement, the Settlement Agreement, or distribution of the Settlement Fund, including Attorneys' Fees and Expenses must be brought by Settling Defendant, the Named Plaintiffs, and/or each Member of the Settlement Class who has not opted out, exclusively in the Superior Court Division of the General Court of Justice of Mecklenburg County, North Carolina, except as expressly provided for in Exhibit D. Settling Defendant, the Named Plaintiffs, and each Member of the Settlement Class who has not opted out hereby irrevocably submit to the exclusive and continuing jurisdiction of the Superior Court Division of the General Court of Justice of Mecklenburg County, North Carolina for any suit, action, proceeding or dispute arising out of or relating to this Settlement Agreement or the applicability or interpretation of this Settlement Agreement, except as expressly provided for in Exhibit D.

**K. Enforcement of Settlement**

Nothing in this Settlement Agreement prevents Settling Defendant from enforcing or asserting any release herein. Notwithstanding any other provision of this Settlement Agreement, this Settlement Agreement and the releases contained herein may be pleaded as a full and complete defense to any action, suit or other proceeding that has been or may be instituted, prosecuted or attempted by the Named Plaintiffs or any Settlement Class Member who has not opted out with respect to any Released Claims and may be filed, offered and received into evidence and otherwise used for such defense.

**L. Severability**

In the event any one or more of the provisions of this Settlement Agreement shall for any reason be held to be illegal, invalid or unenforceable in any respect, such illegality, invalidity or unenforceability shall not affect any other provision if Settling Defendant's

Counsel and Class Counsel mutually agree to proceed as if such illegal, invalid, or unenforceable provision had never been included in the Settlement Agreement.

**M. No Admission**

This Settlement shall not be construed or deemed an admission of liability or wrongdoing on the part of the Settling Defendant, who has denied, and continues to deny that it or its employees engaged in any wrongdoing of any kind, or violated any laws or regulations, or breached any duties owed to the Named Plaintiffs or Settlement Class Members. Settling Defendant further denies that it is liable to, or owes any form of compensation or damages to, anyone with respect to the alleged facts or causes of action asserted in the Litigation. Settling Defendant does not, by entering into this Settlement Agreement, admit it has caused any damage or injury to any Settlement Class Member as a result of the facts alleged or asserted in the Litigation.

**N. Execution in Counterparts**

This Settlement Agreement may be executed in counterparts. Facsimile or PDF signatures shall be considered as valid signatures as of the date they bear.

**O. Appeals**

The proposed order and final judgment shall provide that any Settlement Class Member that wishes to appeal the Court's Final Approval Order and Final Judgment, which appeal will delay the distribution of the Settlement Fund to the Class, shall post a bond with this Court in an amount to be determined by the Court as a condition of prosecuting such appeal.

**P. Calculation of Time**

To the extent that any timeframe set out in this Settlement Agreement is ambiguous, said ambiguity shall be resolved by applying the conventions contained in N.C. Gen. Stat. § 1A-1, Rule 6.

**Q. Representations to the Court About Settlement Negotiations**

The Settling Parties confirm, and shall so represent to the Court, that these settlement negotiations were arm's-length, that there was no discussion of attorneys' fees prior to negotiating the Settlement, and that there are no commitments between the Settling Parties beyond what is in the Settlement (including the Supplemental Agreement (Exhibit D) separately submitted under seal). Class Counsel and Settling Defendant's Counsel agree this Settlement is beneficial to the Settlement Class and shall not represent otherwise to the Court.

**R. Confidentiality of Non-Public Documents**

All documents and other information (including deposition testimony and discovery responses) produced by the Parties in discovery shall in the future be treated as Confidential consistent with the terms of the Protective Order, without regard to any time limitations in the Protective Order. This Confidential treatment does not apply to any documents that are otherwise publicly available.

**S. No Assignment**

Class Counsel and the Named Plaintiffs represent and warrant that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or any portion thereof or interest therein, including, but not limited to, any interest in the Litigation or any related action, and they further represent and warrant that they know of no such assignments or transfers on the part of any Settlement Class Member.

**T. Choice of Law Provision**

All terms of this Settlement Agreement shall be governed by and interpreted according to the substantive laws of the State of North Carolina without regard to its choice of law or conflict of law principles.

IN WITNESS WHEREOF, the Settling Parties hereto through their fully authorized representatives have agreed to this Settlement Agreement on the date first herein above written.

**ACCEPTED AND AGREED:**

<b><u>From Order Granting Final Approval</u></b>	
Effective Date	+31 days, assuming no appeal has been taken.
Payment of Class Counsel's Attorneys' Fees and Expenses and Class Representative Service Awards	+30 days after Effective Date
Payment of Claims to Class Members	+30 days of Effective Date
Settlement Website Deactivation	+90 days after Effective Date

At the Final Approval Hearing, the Court should hear all evidence and argument necessary to make its final evaluation of the settlement. Proponents of the settlement may offer argument in support of final approval. Additionally, Settlement Class Members who properly object to the settlement may be heard at this hearing. The Court should determine through the Final Approval Hearing whether the settlement will be approved.

## CONCLUSION

For these reasons, Plaintiffs respectfully request that the Court enter an Order Granting Plaintiffs' Unopposed Motion for Certification of a Settlement Class and Preliminary Approval of Class Settlement.

Dated: November 25, 2025.

Respectfully Submitted,

/s/ Ryan Valente

Ryan Valente

**POULIN | WILLEY | ANASTOPOULOU, LLC**

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