

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement,” “Agreement” or “Settlement Agreement”) is made and entered into by and between Eric Schneekluth, Miguel Guzman, and Gabriel Castellanos-Lopez (collectively, “Plaintiffs”), individually, on behalf of all others similarly situated, and on behalf of the State of California with respect to PAGA Employees pursuant to the Private Attorneys General Act, and Mountain F. Enterprises, Inc. (“Defendant”) (collectively, Plaintiffs and Defendant are referred to as the “Parties” and individually they are referred to as “Party”).

This Joint Stipulation of Class Action and PAGA Settlement and Release shall be binding on Plaintiffs, Settlement Class Members (as defined herein), the State of California with respect to PAGA Employees (as defined herein) and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. On July 1, 2025, Plaintiff Eric Schneekluth (“Plaintiff Schneekluth”) filed a Class Action Complaint for Damages, thereby commencing a putative class action entitled *Eric Schneekluth, et al. v. Mountain F. Enterprises, Inc.* in the Superior Court of California for the County of Sacramento, Case No. 25CV015840 (“Action”) against Defendant for alleged violations of the California Labor Code.

2. On January 13, 2026, Plaintiff Miguel Guzman (“Plaintiff Guzman”) provided notice by electronic upload to the Labor and Workforce Development Agency (“LWDA”) and written notice by certified mail to Defendant of his intent to pursue civil penalties under California Labor Code section 2698, *et seq.* (“PAGA”) for Defendant’s alleged violations of the California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission Wage Orders including *inter alia*, Wage Orders 1-2001, 4-2001, 5-2001, and 16-2001 (“Original Guzman PAGA Notice”). A true and correct copy of the Guzman PAGA Notice is attached hereto as “**EXHIBIT B.**”

3. On January 13, 2026, Plaintiff Gabriel Castellanos-Lopez (“Plaintiff Castellanos-Lopez”) provided notice by electronic upload to the LWDA and written notice by certified mail to Defendant of his intent to pursue civil penalties under PAGA for Defendant’s alleged violations of the California Labor

Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission Wage Orders including *inter alia*, Wage Orders 1-2001, 4-2001, 5-2001, and 16-2001 (“Original Castellanos-Lopez PAGA Notice”). A true and correct copy of the Castellanos-Lopez PAGA Notice is attached hereto as “**EXHIBIT C.**”

4. On April 8, 2026, Plaintiff Schneekluth filed a First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq., thereby adding Miguel Guzman and Gabriel Castellanos-Lopez as additional plaintiffs and adding a claim for civil penalties pursuant to PAGA.

5. On May 11, 2026, Plaintiff Guzman provided additional written notice by electronic notice to the LWDA and by certified mail to Defendant of his intent to pursue additional civil penalties under PAGA for Defendant’s alleged violations of the California Labor Code sections 210 and 221 (“Additional Guzman PAGA Notice”). A true and correct copy of the Additional Guzman PAGA Notice is attached hereto as “**EXHIBIT D.**”

6. On May 11, 2026, Plaintiff Castellanos-Lopez provided additional written notice by electronic notice to the LWDA and by certified mail to Defendant of his intent to pursue additional civil penalties under PAGA for Defendant’s alleged violations of the California Labor Code sections 210 and 221 (“Additional Castellanos-Lopez PAGA Notice”) (collectively with the Original Guzman PAGA Notice, Original Castellanos-Lopez PAGA Notice, and Additional Guzman PAGA Notice, the “PAGA Notices”). A true and correct copy of the Additional Castellanos-Lopez PAGA Notice is attached hereto as “**EXHIBIT E.**”

7. Plaintiffs will file a Second Amended Complaint for Damages and Enforcement Under the Private Attorneys General Act, Cal. Lab. Code § 2698, Et Seq. (“Operative Complaint”), thereby incorporating California Labor Code sections 210 and 221 alleged to have been violated by Defendant into the claim for civil penalties pursuant to PAGA, on behalf of the State of California in connection with Plaintiff Guzman, Plaintiff Castellanos-Lopez and aggrieved employees.

8. Defendant denies all material allegations set forth in the Operative Complaint and has asserted numerous affirmative defenses in the case. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the claims set forth in the Operative Complaint of

1 the Action, the Released Class Claims, and the Released PAGA Claims.

2 9. Class Counsel diligently investigated the claims against Defendant, including any and all
3 applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of
4 information, data, and documents, and review of Defendant’s employment and operations policies,
5 practices, and procedures.

6 10. On January 28, 2026, the Parties participated in mediation with Doug Leach, Esq. (the
7 “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the
8 Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The settlement
9 discussions were conducted at arm’s-length, and the Settlement is the result of an informed and detailed
10 analysis of Defendant’s potential liability and exposure in relation to the costs and risks associated with
11 continued litigation. Based on the documents produced, as well as Class Counsel’s own independent
12 investigation and evaluation, Class Counsel believe that the settlement with Defendant for the
13 consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate
14 and is in the best interest of the Class Members, the State of California, and PAGA Employees in light
15 of all known facts and circumstances, including the risk of significant delay and uncertainty associated
16 with litigation and various defenses asserted by Defendant.

17 11. The Parties expressly acknowledge that this Settlement Agreement is entered into solely
18 for the purpose of compromising significantly disputed claims and that nothing herein is an admission
19 of liability or wrongdoing by Defendant. If for any reason the Settlement Agreement is not approved,
20 it will be of no force or effect, and the Parties shall be returned to their original respective positions.

21 **DEFINITIONS**

22 12. The following definitions are applicable to this Settlement Agreement. Definitions
23 contained elsewhere in this Settlement Agreement will also be effective:

24 a. “Attorneys’ Fees and Costs” means attorneys’ fees for Class Counsel’s litigation
25 and resolution of the claims in the Operative Complaint of the Action and all actual costs incurred and
26 to be incurred by Class Counsel in the Action, as set forth in Paragraph 17.

27 b. “Class Counsel” means Arby Aiwezian, Yasmin Hosseini, Ryan Slinger, and
28 Alborz Javaheri of Lawyers *for* Justice, PC.

1 c. “Class List” means a complete list of all Class Members that Defendant will
2 diligently and in good faith compile from their records and provide to the Settlement Administrator. The
3 Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each
4 Class Member’s last-known full name, mailing address, telephone number, Social Security Number, the
5 number of Workweeks worked during the Class Period, the number of PAGA Pay Periods worked during
6 the PAGA Period, and such other information as is necessary for the Settlement Administrator to
7 calculate Workweeks and PAGA Pay Periods (as defined herein).

8 d. “Class Member(s)” or “Class” means all current and former hourly-paid
9 or non-exempt employees of Defendant in California who worked during the Class Period. Defendant
10 represents that the number of Class Members is approximately three thousand eight hundred eighty-
11 seven (3,887) individuals, as of December 16, 2025.

12 e. “Class Notice” means the Notice of Class Action Settlement, substantially in the
13 form attached as “**Exhibit A.**”

14 f. “Class Period” means the time period from August 31,
15 2016 through the date of Preliminary Approval.

16 g. “Class Representatives” or “Plaintiffs” mean Plaintiffs Eric Schneekluth, Miguel
17 Guzman, and Gabriel Castellanos-Lopez.

18 h. “Class Settlement” means the settlement and resolution of all Released Class
19 Claims.

20 i. “Court” means the Superior Court of California for the County of Sacramento.

21 j. “Defendant” means Mountain F. Enterprises, Inc.

22 k. “Defendant’s Counsel” means Michael A. Wertheim, Bailey A. Hashim, Taylor
23 C. Hall, and Connor McCoy of Greenberg Traurig, LLP.

24 l. “Effective Date” means the later of (a) the last day on which any appeal might be
25 filed with respect to the Final Approval Order and Judgment, assuming no appeal is filed, or (b) the date
26 of successful resolution of any appeal(s) with respect to Final Approval Order and Judgment – including
27 expiration of any time to seek reconsideration or further review.

28 m. “Employer Taxes” means the employers’ share of taxes and contributions in

1 connection with the wages portion of Individual Settlement Shares.

2 n. “Enhancement Payments” means the amount to be paid to Plaintiffs in recognition
3 of their efforts and work in prosecuting the Action, which is in addition to whatever payments they may
4 otherwise be entitled to as a Settlement Class Member and/or PAGA Employee.

5 o. “Final Approval” means the determination by the Court that the Settlement is fair,
6 reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

7 p. “Final Approval Hearing” means the hearing at which the Court will consider and
8 determine whether the Settlement should be granted Final Approval.

9 q. “Final Approval Order and Judgment” means the order and judgment to be entered
10 by the Court upon granting Final Approval of the Settlement and this Agreement as binding upon the
11 Parties and the Settlement Class Members (i.e., those Class Members who do not properly and timely
12 submit a written Request for Exclusion).

13 r. “Individual PAGA Payment(s)” means the *pro rata* share of the PAGA Employee
14 Amount that a PAGA Employee may be eligible to receive for the PAGA Settlement, to be calculated
15 in accordance with Paragraph 22.

16 s. “Individual Settlement Payment(s)” means the net payment of each Settlement
17 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
18 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
19 Paragraph 21.

20 t. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
21 Amount that a Class Member may be eligible to receive for the Class Settlement, to be calculated in
22 accordance with Paragraph 21.

23 u. “LWDA Payment” means the amount of Four Hundred Thirty-Five Thousand
24 Five Hundred Dollars (\$435,500.00), i.e., 65% of the PAGA Amount, that the Parties have agreed to
25 pay to the LWDA for the PAGA Settlement, as set forth in Paragraph 20.

26 v. “Maximum Settlement Amount” means the amount of Two Million Eighty-Five
27 Thousand Dollars (\$2,085,000.00) to be paid by Defendant in full resolution of all Released Class Claims,
28 Released PAGA Claims, and the claims in the Operative Complaint provided for under the Class

1 Settlement and PAGA Settlement, which includes all Attorneys' Fees and Costs to be paid to Class
2 Counsel, Enhancement Payment to be paid to Plaintiffs, PAGA Amount to be paid to the LWDA and
3 PAGA Employees, Net Settlement Amount to be paid to the Settlement Class Members, and Settlement
4 Administration Costs to be paid to the Settlement Administrator. The Maximum Settlement Amount may
5 increase to the extent provided in Paragraph 43. The Maximum Settlement Amount does not include
6 Employer Taxes; Employer Taxes will be paid by Defendant, separately and in addition to the Maximum
7 Settlement Amount.

8 w. "Net Settlement Amount" means the Maximum Settlement Amount less the Court-
9 approved Enhancement Payments, Settlement Administration Costs, PAGA Amount, and Attorneys' Fees
10 and Costs.

11 x. "Objection" means a Class Member's written objection to the Class Settlement,
12 which must: (a) contain the case name and number of the Action; (b) contain the Class Member's full
13 name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c) contain
14 a written statement of all grounds for the objection accompanied by any legal and factual support for such
15 objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based;
16 and (e) be submitted by mail to the Settlement Administrator at the specified address, postmarked on or
17 before the Response Deadline.

18 y. "Operative Complaint" means the Second Amended Class Action Complaint for
19 Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et
20 Seq.

21 z. "PAGA Amount" means the allocation of Six Hundred Seventy Thousand Dollars
22 (\$670,000.00) from the Maximum Settlement Amount as civil penalties pursuant to PAGA, for the
23 settlement and resolution of the Released PAGA Claims. Sixty-five percent (65%) of the PAGA
24 Amount, or \$435,500.00, will be paid to the LWDA (i.e., the LWDA Payment) and the remaining thirty-
25 five percent (35%), or \$234,500.00, will be distributed to PAGA Employees (i.e., the PAGA Employee
26 Amount).

27 aa. "PAGA Employees" means all current and former hourly-paid or non-exempt
28 employees of Defendant in California who worked during the PAGA Period.

bb. “PAGA Employee Amount” means the amount of Two Hundred Thirty-Four Thousand Five Hundred Dollars (\$234,500.00), i.e., 35% of the PAGA Amount, to be distributed to PAGA Employees on a *pro rata* basis based on their PAGA Pay Periods during the PAGA Period.

cc. “PAGA Pay Periods” means the number of pay periods each PAGA Employee worked for Defendant as an hourly-paid or non-exempt employee in California during the PAGA Period, which will be provided to the Settlement Administrator by Defendant.

dd. “PAGA Period” means the time period from August 26, 2019 through the date of Preliminary Approval.

ee. “PAGA Settlement” means the settlement and resolution of Released PAGA Claims.

ff. “Parties” means Plaintiffs and Defendant, collectively, and “Party” means any of the Plaintiffs or Defendant.

gg. “Preliminary Approval” means entry of the Court order granting preliminary approval of the Settlement Agreement.

hh. “Released Class Claims” means all claims arising during the Class Period under state, federal, or local law, that were alleged or reasonably could have been alleged based on the factual allegations pleaded in the Action, under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, for: (1) failure to pay overtime wages under Labor Code §§ 510, 1198; (2) failure to provide meal periods and/or pay meal period premiums under Labor Code §§ 226.7, 512, 1198; (3) failure to provide rest periods and/or pay rest period premiums under Labor Code §§ 226.7, 1198; (4) failure to pay minimum wages under Labor Code § 1194, et seq.; (5) failure to timely pay wages upon termination under Labor Code §§ 201, 202, 203; (6) failure to timely pay wages during employment under Labor Code §§ 204, 210; (7) failure to provide accurate, itemized wage statements under Labor Code § 226; (8) failure to keep requisite payroll records under Labor Code § 1174(d); (9) failure to reimburse business expenses under Labor Code §§ 221, 1198, 2800, 2802; (10) violation of California’s unfair competition law under Business and Professions Code § 17200, et seq.

ii. “Released PAGA Claims” means all claims arising during the PAGA Period for civil penalties under PAGA that were alleged, or reasonably could have been alleged, based on the

1 factual allegations in the PAGA Notices and Operative Complaint in the Action, against the Released
2 Parties, for violations of the California Labor Code, including, *inter alia*, sections 201, 202, 203, 204,
3 210, 221, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802,
4 and applicable Industrial Welfare Commission Wage Orders.

5 jj. “Released Parties” means Defendant Mountain F. Enterprises and any of its
6 former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to
7 have jointly employed the Class Members or PAGA Employees as well as each of their officers,
8 directors, managers, owners, executives, partners, executive-level employees, shareholders, agents,
9 attorneys, and any other predecessors, successors, assigns or legal representatives.

10 kk. “Request for Exclusion” means a Class Member’s written letter indicating a
11 request to be excluded from the Class Settlement, which must: (a) contain the case name and number of
12 the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last
13 four (4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class
14 Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement
15 Administrator at the specified address, postmarked on or before the Response Deadline.

16 ll. “Response Deadline” means the deadline by which Class Members must submit
17 a Request for Exclusion, Objection, and/or Workweeks Dispute, which shall be the date that is forty-
18 five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator,
19 unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be
20 extended to the next day on which the U.S. Postal Service is open; in the event that a Class Notice is re-
21 mailed to a Class Member, the Response Deadline for that Class Member shall be extended by fifteen
22 (15) calendar days from the initial Response Deadline.

23 mm. “Settlement Administrator” means ILYM Group, Inc. or any other third-party
24 class action settlement administrator agreed to by the Parties and approved by the Court for purposes of
25 administering this Settlement. The Parties and their counsel each represent that they do not have any
26 financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement
27 Administrator that could create a conflict of interest.

28 nn. “Settlement Administration Costs” means the costs payable from the Maximum

1 Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this
2 Settlement, as set forth in Paragraph 19.

3 oo. “Settlement Class Members” or “Settlement Class” means all Class Members who
4 do not submit a timely and valid Request for Exclusion from the Class Settlement.

5 pp. “Workweeks” means the number of weeks each Class Member worked at least
6 one (1) day for Defendant as an hourly-paid or non-exempt employee in California during the Class
7 Period, which will be provided to the Settlement Administrator by Defendant and will be based on
8 Defendant’s review of each Class Member’s time records, pay records, and/or other documents related
9 to said Class Member in order to determine number of weeks each Class Member worked at least one
10 (1) day during the Class Period.

11 qq. “Workweeks Dispute” means a Class Member’s and/or PAGA Employee’s
12 written letter disputing the pre-printed information on the Class Notice as to the number of Workweeks
13 and/or PAGA Pay Periods credited to them, which must: (a) contain the case name and number of the
14 Action; (b) contain the Class Member’s and/or PAGA Employee’s full name, signature, address,
15 telephone number, and last four (4) digits of Social Security Number; (c) clearly state that the Class
16 Member and/or PAGA Employee disputes of the number of Workweeks and/or PAGA Pay Periods
17 credited to him or her and what he or she contends is the correct number to be credited to him or her;
18 (d) attach any documentation that he or she has to support the dispute; and (e) be submitted by mail to
19 the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

20 **CLASS CERTIFICATION**

21 13. For the purposes of this settlement only, the Parties stipulate to the certification of the
22 Class.

23 14. The Parties agree that certification for the purpose of settlement is not an admission that
24 certification is proper under California Code of Civil Procedure section 382. Should, for whatever
25 reason, the Court not grant Final Approval, the Parties’ stipulation to class certification as part of the
26 Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible
27 in connection with, the issue of whether or not certification would be appropriate as to any of the claims
28 asserted by Plaintiffs against Defendant in a non-settlement context.

1 **TERMS OF AGREEMENT**

2 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set
3 forth herein, the Parties agree, subject to the Court's approval, as follows:

4 15. Amendment of Complaint. To implement the terms of the Settlement, Parties have agreed
5 that Plaintiff Schneekluth will file a First Amended Class Action Complaint for Damages & Enforcement
6 Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. in the Action, that will
7 add Miguel Guzman and Gabriel Castellanos-Lopez as additional plaintiffs and add a claim for civil
8 penalties pursuant to PAGA . Parties will enter into a separate stipulation seeking an order from the Court
9 granting Plaintiff Schneekluth leave to file the contemplated amended complaint and/or Plaintiff
10 Schneekluth will move the Court for leave to file the contemplate amended complaint (and Defendant will
11 not oppose this request).

12 16. Funding and Disbursement of the Maximum Settlement Amount. Within fifteen (15)
13 calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an
14 accounting estimate of the amounts to be paid by Defendant pursuant to the terms of the Settlement and
15 establish a qualified settlement account for administration of the Settlement. Within thirty (30) calendar
16 days after the Effective Date, Defendant will make a one-time deposit of the Maximum Settlement
17 Amount into the settlement account to be established by the Settlement Administrator. Within seven (7)
18 calendar days of the funding of the Maximum Settlement Amount, the Settlement Administrator will issue
19 payments due under the Settlement and approved by the Court, as follows: (a) Individual Settlement
20 Payments to Settlement Class Members; (b) Individual PAGA Payments to PAGA Employees; (c)
21 LWDA Payment to the LWDA; (d) Enhancement Payments to Plaintiffs; (e) Attorneys' Fees and Costs
22 to Class Counsel; and (f) Settlement Administration Costs to itself (the Settlement Administrator). The
23 Settlement Administrator will obtain funds from Defendant that are sufficient for the Employer Taxes
24 that Defendant must fund separately and in addition to the Maximum Settlement Amount. The
25 Settlement Administrator will also undertake filings and remittances in connection with the employee's
26 share of taxes on the wages portion of Individual Settlement Shares and the Employer Taxes, that are
27 necessary for administration of the Settlement.

28 17. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose

attorneys' fees of up to thirty-five percent (35%) of the Maximum Settlement Amount (i.e., up to \$729,750.00 if the Maximum Settlement Amount remains \$2,085,000.00) and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Action, supported by declaration, in an amount not to exceed Twenty Thousand Dollars (\$20,000.00), both of which will be paid from the Maximum Settlement Amount subject to Court approval. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the litigation and settlement of the Action, including without limitation all work performed and costs incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of this Settlement, including any objections raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. With respect to the Attorneys' Fees and Costs to Class Counsel, the Settlement Administrator may purchase an annuity to utilize United States Treasuries and bonds or utilize other attorney fee deferral vehicles for Class Counsel, and any additional expenses for doing so shall be paid separately by Class Counsel and shall not be included within the Settlement Administration Costs. Defendant and Defendant's Counsel shall not be liable for any expenses associated with the purchase or use of any attorney fee deferral vehicles for Class Counsel by the Settlement Administrator. Any portion of the requested Attorneys' Fees and Costs not awarded to Class Counsel shall be a part of the Net Settlement Amount for the benefit of Settlement Class Members.

18. Enhancement Payments. In recognition of their efforts and work in prosecuting the Action, Defendant agrees not to oppose or impede any application or motion for Enhancement Payments to Plaintiffs in the amount of up to Ten Thousand Dollars (\$10,000.00) for each of the Plaintiffs, for a total of \$30,000.00. The Enhancement Payments, which will be paid from the Maximum Settlement Amount subject to Court approval, will be in addition to any Individual Settlement Payment and/or Individual PAGA Payment (if applicable) that they are eligible to receive pursuant to the Settlement. The Settlement Administrator will issue an IRS Form 1099 to Plaintiffs for the Enhancement Payments, and Plaintiffs shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any and all taxes on the amounts received. Should the Court not approve the

Enhancement Payments to Plaintiffs, or approve it in an amount that is less than that set forth above, Plaintiffs shall not have the right to revoke this Agreement, and it will remain binding, and the difference between the amount approved by the Court (if any) and the amount allocated toward the Enhancement Payments will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

19. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Twenty-Five Thousand Dollars (\$25,000.00). These costs, which will be paid from the Maximum Settlement Amount subject to Court approval, will include, *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. To the extent actual Settlement Administration Costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Maximum Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator, to undertake the requirement settlement administration duties, will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

20. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of Six Hundred Seventy Thousand Dollars (\$670,000.00) from the Maximum Settlement Amount will be allocated toward civil penalties under PAGA (i.e., the PAGA Amount), of which sixty-five percent (65%), or \$435,500.00, will be paid to the LWDA (i.e., the LWDA Payment) and thirty-five percent (35%) or, \$234,500.00, will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on PAGA Pay Periods during the PAGA Period (i.e., the Individual PAGA Payment).

21. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks during the Class Period, as follows:

1 a. After Preliminary Approval of the Settlement, the Settlement Administrator will
2 divide the estimated Net Settlement Amount by the Workweeks of all Class Members during the Class
3 Period to yield the “Estimated Workweek Value,” and multiply each Class Member’s individual
4 Workweeks during the Class Period by the Estimated Workweek Value to yield his or her estimated
5 Individual Settlement Share.

6 b. After Final Approval of the Settlement, the Settlement Administrator will divide
7 the final Net Settlement Amount by the Workweeks of all Settlement Class Members during the Class
8 Period to yield the “Final Workweek Value,” and multiply each Settlement Class Member’s individual
9 Workweeks during the Class Period by the Final Workweek Value to yield his or her Individual
10 Settlement Share.

11 22. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated
12 and apportioned from the PAGA Employee Amount based on the PAGA Employees’ number of PAGA
13 Pay Periods during the PAGA Period as follows: The Settlement Administrator will divide the PAGA
14 Employee Amount, i.e., 35% of the PAGA Amount, by the total number of PAGA Pay Periods of all
15 PAGA Employees during the PAGA Period to yield the “PAGA Pay Period Value,” and multiply each
16 PAGA Employee’s individual PAGA Pay Periods during the PAGA Period by the PAGA Pay Period
17 Value to yield his or her Individual PAGA Payment.

18 23. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
19 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
20 are issued to the payee. It is expressly understood and agreed that payments made under this Settlement
21 shall not in any way entitle Plaintiffs, Settlement Class Members, or PAGA Employees to additional
22 compensation or benefits under any new or additional compensation or benefits, or any bonus, contest
23 or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle
24 Plaintiffs, Settlement Class Members, or PAGA Employees to any increased retirement, 401K benefits
25 or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that the
26 Individual Settlement Payments and Individual PAGA Payments provided for in this Agreement are the
27 sole payments to be made by Defendant to the Settlement Class Members and PAGA Employees in
28 connection with this Agreement (notwithstanding any contrary language or agreement in any benefit or

1 compensation plan document that might have been in effect during the Class Period).

2 24. Notice of Proposed PAGA Settlement to LWDA. Pursuant to California Labor Code
3 section 2699(l)(2), Class Counsel will submit a copy of this Settlement Agreement to the LWDA at the
4 same time that it is submitted to the Court for Preliminary Approval.

5 25. Delivery of the Class List. Within thirty (30) calendar days of Preliminary Approval,
6 Defendant will provide the Class List to the Settlement Administrator.

7 26. Notice by First-Class U.S. Mail.

8 a. Within fourteen (14) calendar days after receiving the Class List from Defendant,
9 the Settlement Administrator will perform a search based on the United States Postal Service's National
10 Change of Address Database or any other similar services available, such as provided by Experian, for
11 information to update and correct for any known or identifiable address changes, and will mail a Class
12 Notice in English and Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all
13 Class Members via U.S. mail, using the most current, known mailing addresses identified by the
14 Settlement Administrator.

15 b. With respect to Class Notices that are returned as undeliverable on or before the
16 Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-
17 trace and re-mail the Class Notice within five (5) calendar days to an alternate address if one is located.

18 c. Dispute Regarding Workweeks and/or PAGA Pay Periods. The Class Notice will
19 include the procedure by which a Class Member and/or PAGA Employee may dispute the number of
20 Workweeks and/or PAGA Pay Periods allocated to him or her by submitting a timely and valid
21 Workweeks Dispute. The date of the postmark on the return mailing envelope will be the exclusive
22 means to determine whether a dispute has been timely submitted. Absent evidence rebutting the
23 accuracy of Defendant's records and data as they pertain to the number of Workweeks and/or PAGA
24 Pay Periods to be credited to a disputing Class Member and/or PAGA Employee, Defendant's records
25 will be presumed correct and determinative of the dispute. The Settlement Administrator will evaluate
26 the information and/or documents submitted by the Class Member and/or PAGA Employee and the
27 Settlement Administrator will resolve and determine the number of Workweeks and/or PAGA Pay
28 Periods that the disputing Class Member and/or PAGA Employee should be credited with under the

Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

27. Settlement Checks.

a. The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one check if the intended recipient for both payments is one individual.

b. The Settlement Administrator shall remit and report the applicable portions of the payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this Agreement. Defendant agrees to reasonably cooperate with the Settlement Administrator to the extent necessary to determine the amount of the payroll tax payment required

c. Each Individual Settlement Payment check and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date of original issuance, and thereafter, shall be canceled. All funds remaining in connection with, and after the cancelation of checks issued to Settlement Class Members and PAGA Employees, shall be paid to the California Controller's Unclaimed Property Fund in the name of the Settlement Class Member or PAGA Employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

d. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated due to the cancelation of any Individual Settlement Payment or Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement Payment checks are canceled shall, nevertheless, be bound by this Settlement Agreement and the Final Approval Order and Judgment will have claim preclusive impact with respect to them and all Settlement Class Members with respect to the Class Settlement. The Final Approval Order and Judgment will have claim preclusive impact on the PAGA Employees with respect to the PAGA Settlement irrespective of whether their Individual PAGA Payment checks are canceled.

1 28. Procedures for Requesting Exclusion from the Class Settlement. Any Class Member
2 wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion
3 to the Settlement Administrator, by mail, on or before the Response Deadline. The date of the postmark
4 on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion
5 has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and
6 Defendant's Counsel, the number of timely and valid Requests for Exclusion that were submitted, and
7 also identify the individuals who submitted them, in a declaration that is to be filed with the Court in
8 advance of the Final Approval Hearing. Any Class Member who submits a timely and valid Request for
9 Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who
10 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not
11 be issued an Individual Settlement Payment. All PAGA Employees will be bound by the PAGA
12 Settlement and will be issued an Individual PAGA Payment, irrespective of whether they submit a
13 Request for Exclusion.

14 29. Procedures for Objecting to the Class Settlement. Class Members who have not opted
15 out of the Class Settlement (i.e., Settlement Class Members) may object to the Class Settlement. To
16 object to the Class Settlement, Settlement Class Members must submit a timely and complete Objection
17 to the Settlement Administrator, by mail, on or before the Response Deadline. The Objection must be
18 signed by the Settlement Class Member and contain all information required by Section 12(x) of this
19 Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the
20 Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise
21 encourage Class Members to object to the Settlement Agreement or appeal from the Final Approval
22 Order and Judgment. Settlement Class Members may also present their objection orally at the Final
23 Approval Hearing, irrespective of whether they submit a written Objection. The Settlement
24 Administrator will certify jointly to Class Counsel and Defendant's Counsel the Objections that were
25 timely submitted, and also attach them as exhibits to a declaration that is to be filed with the Court in
26 advance of the Final Approval Hearing.

27 30. Reports by the Settlement Administrator Regarding Settlement Administration. The
28 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report which

certifies: (a) the number of Class Members and/or PAGA Employees who have submitted Workweeks Disputes; (b) the number of Class Members who have submitted timely and valid Requests for Exclusion; (c) the number of Class Members who have submitted timely and complete Objections; (d) the number of undeliverable Class Notices; and (e) the number of re-mailed Class Notices. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested, and immediately notify the Parties when it receives a request from an individual or any other entity regarding inclusion in the Class and/or Settlement.

31. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

32. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator.

33. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiffs, Settlement Class Members, PAGA Employees, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding all payroll taxes, contributions, and withholdings to the appropriate government authorities.

34. Tax Liability. Plaintiffs, Class Counsel, Defendant, and Defendant's Counsel do not intend anything contained in this Settlement Agreement, the Class Notice, or any other communications

1 to Class Members or PAGA Employees regarding the Settlement to constitute advice regarding taxes or
2 taxability, nor shall anything in this Settlement Agreement, the Class Notice, or any other
3 communication regarding the Settlement be relied on as such. Plaintiffs, Settlement Class Members, and
4 PAGA Employees understand and agree that they will be solely responsible for correctly characterizing
5 any compensation received by them under the Settlement on their personal income tax returns and
6 paying any and all taxes due for any and all amounts paid to them under the Settlement.

7 35. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR
8 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
9 SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER
10 PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT
11 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
12 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
13 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE
14 OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF
15 UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS
16 AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS,
17 HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING
18 TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT
19 ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION
20 OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND
21 (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY
22 ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY
23 BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO
24 ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE
25 CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES
26 (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
27 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
28 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED

1 BY THIS SETTLEMENT AGREEMENT.

2 36. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
3 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
4 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
5 of action or right herein released and discharged.

6 37. Releases of Claims.

7 a. Release of Released Class Claims. Upon the Effective Date and full funding of
8 the Maximum Settlement Amount, Plaintiffs and all Class Members who do not submit a timely and
9 valid Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and
10 forever released, settled, compromised, relinquished, and discharged the Released Parties of and from
11 all Released Class Claims.

12 38. Release of Released PAGA Claims. Upon the Effective Date and full funding of the
13 Maximum Settlement Amount, Plaintiff Guzman, Plaintiff Castellanos-Lopez, the State of California
14 with respect to PAGA Employees, and PAGA Employees will be deemed to have fully, finally, and
15 forever released, settled, compromised, relinquished, and discharged the Released Parties of and from
16 all Released PAGA Claims pertaining to Plaintiff Guzman, Plaintiff Castellanos-Lopez, and the PAGA
17 Employees.

18 39. General Release of Claims by Plaintiffs. In addition to the above releases of claims, upon
19 the Effective Date and full funding of the Maximum Settlement Amount, Plaintiffs will be deemed to
20 have fully released and discharged the Released Parties of and from all claims arising from their
21 employment with Defendant, separation of employment from Defendant, and any acts that have or could
22 have been asserted in any legal action or proceeding against Defendant, whether known or unknown,
23 arising under any federal, state, or local law, or statute, including, *inter alia*, those arising under the
24 California Labor Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil
25 Rights Act of 1964, Employee Retirement Income Security Act, National Labor Relations Act, California
26 Corporations Code, California Business and Professions Code, California Fair Employment and Housing
27 Act, California Constitution (all as amended), and law of contract and tort, as well as for discrimination,
28 harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation,

emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and costs, arising on or before the date of execution of the Settlement Agreement. With respect to those claims released by Plaintiffs in an individual capacity, Plaintiffs acknowledge and waive any and all rights and benefits available under California Civil Code section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Plaintiffs understand and agree that claims or facts in addition to or different from those which are now known or believed by Plaintiffs to exist may hereafter be discovered. It is Plaintiffs' intention to settle fully and release all claims Plaintiffs now have against the Released Parties, whether known or unknown, suspected or unsuspected, upon the Effective Date and full funding of the Maximum Settlement Amount. Notwithstanding the above, this general release by Plaintiffs shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

40. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.

Upon execution of this Settlement Agreement, Plaintiffs shall promptly obtain a hearing date for Plaintiffs' motion for preliminary approval of the Settlement, and submit this Settlement Agreement to the Court in support of said motion. Defendant agrees not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. Said motion shall apply to the Court for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon by the Parties, seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Plaintiffs as representatives of the Class;
- d. Preliminarily appointing Class Counsel as counsel for the Class;
- e. Approving, as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing to the Class by U.S. Mail;
- f. Approving the manner and method for Class Members to request exclusion from

1 or object to the Class Settlement as contained herein and within the Class Notice; and

2 g. Scheduling a Final Approval Hearing at which the Court will determine whether
3 the Settlement should be finally approved as fair, reasonable, and adequate.

4 41. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
5 the Response Deadline, and with the Court's permission, a hearing will be conducted on Plaintiffs'
6 motion for final approval of the Settlement (i.e., the Final Approval Hearing), to determine whether
7 Final Approval of the Settlement should be granted, along with the amounts properly payable for
8 Individual Settlement Payments, Individual PAGA Payments, LWDA Payment, Attorneys' Fees and
9 Costs, Enhancement Payments, and Settlement Administration Costs. By way of said motion, Plaintiffs
10 will apply for the entry of the mutually-agreed-upon proposed order and judgment ("Final Approval
11 Order and Judgment"), which will provide for, in substantial part, the following:

12 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
13 consummation of its terms and provisions;

14 b. Certification of the Settlement Class;

15 c. Appointment of Plaintiffs as representatives of the Settlement Class;

16 d. Appointment of Class Counsel as counsel for the Settlement Class;

17 e. Approval of the application for Attorneys' Fees and Costs to Class Counsel;

18 f. Approval of the application for Enhancement Payments to Plaintiffs;

19 g. Directing Defendant to fund all amounts due under the Settlement Agreement and
20 ordered by the Court; and

21 h. Entering judgment in this Action, while maintaining continuing jurisdiction to
22 implement the Settlement, in conformity with California Rules of Court 3.769 and the Settlement
23 Agreement.

24 42. Effects of Termination of the Settlement. In the event that the Settlement Agreement is
25 not approved by the Court, such a development shall have the following effects:

26 a. The Settlement Agreement and all negotiations, statements, and proceedings
27 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored
28 to their respective positions in the Action prior to the execution of the Settlement Agreement;

1 b. Neither this Settlement Agreement, nor any ancillary documents, actions,
2 statements, or filings in furtherance of the Settlement (including all matters associated with the mediation)
3 shall be offered into evidence in the Action or any other action for any purpose whatsoever; and

4 c. Any documents generated to bring the Settlement into effect, will be null and
5 void, and any order entered by the Court in furtherance of this Settlement Agreement will likewise be
6 treated as void from the beginning.

7 43. Escalator Clause. Defendant represents that there are 417,000 Workweeks during the
8 period from August 31, 2016 to January 28, 2026. If it is determined that the total number of Workweeks
9 exceed 417,000 by more than ten percent (10%) (i.e. exceeds 458,700) during the Class Period, the
10 Maximum Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in
11 the number of Workweeks above 458,700 Workweeks (e.g., if the threshold of 458,700 Workweeks is
12 exceeded by 1%, the Maximum Settlement Amount will increase by 1%).

13 44. Continuing Jurisdiction. After entry of judgment pursuant to the Settlement, the Court
14 will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section
15 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and
16 enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-
17 judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

18 45. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
19 terms set forth in any attached exhibits, which are incorporated by this reference as though fully set
20 forth herein. Any exhibits to this Settlement Agreement are an integral part of the Settlement.

21 46. Limitation on Publicity. Plaintiffs and Class Counsel agree not to issue press releases
22 and engage in any publicity regarding the Settlement, except as shall be contractually required to
23 effectuate the terms of the Settlement and respond to inquiries received from Class Members and PAGA
24 Employees. However, for the limited purpose of allowing Class Counsel to prove their experience and
25 adequacy as class counsel in other Action, Class Counsel may reference general information available
26 in the public record about the Settlement in the Action without identifying Defendant or any of the
27 Released Parties for such purposes. Furthermore, Plaintiffs and Class Counsel will undertake any and
28 all disclosures and submissions required to be made to the LWDA in conformity with PAGA.

1 47. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
2 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
3 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code section
4 1625 and California Code of Civil Procedure section 1856(a), and any other provisions of state or federal
5 law, which provide that a written agreement is to be construed according to its terms and may not be
6 varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
7 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement. This
8 Settlement Agreement contains the entire agreement between the Parties relating to the settlement and
9 transaction contemplated hereby, and all prior or contemporaneous agreements, understandings,
10 representations, and statements, whether oral or written and whether by a Party or such Party's legal
11 counsel, are merged herein.

12 48. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the
13 Action (including, and not limited to, the deadline to bring the Action to trial under California Code of
14 Civil Procedure section 583.310), except such proceedings necessary to implement and complete the
15 Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court. The Parties
16 agree that Defendant will provide the following information as confirmatory discovery to facilitate
17 approval of the Settlement (to the extent not already provided):

- 18 a. The CBAs for Laborers 185 and IBEW Local 1245;
- 19 b. An explanation for who is covered under the CBA for Local 659, as it appears the
20 CBA applies to out-of-state employees, and its effect on the Action;
- 21 c. Any evidence that employees were actually paid out at a higher rate and were paid
22 at 30% over minimum wage;
- 23 d. Evidence to show that Wage Order 16 applies to one or more of the CBAs;
- 24 e. Case law to show that Wage Order 16 applies to the Action;
- 25 f. Evidence of internal audits that Defendant conducted to ensure time records
26 accurately reflect the time employees worked;
- 27 g. Any statutes Defendant relied on for any alleged defenses, as well as the factual basis
28 for these defenses;

- h. The methodology that was used to provide the sampling that was produced for the purposes of mediation;
- i. Evidence that the bonuses that employees received were discretionary and not based on performance;
- j. Evidence that PPEs were provided to all employees; and
- k. To the extent more time records are needed, Defendant will provide additional time records or, alternatively, submit a declaration confirming the format of the time records and a representation of the content of the time records.

49. Amendment and Waiver. The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by written agreement signed by counsel for the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

50. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under state or federal law.

51. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each Class Member execute this Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement Class Members, and the release shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member.

52. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

53. California Law Governs. All terms of this Settlement Agreement and attached exhibits hereto will be governed by and interpreted according to the laws of the State of California.

54. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned copies of the signature page, will be deemed to be one and the same instrument.

55. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action, Released Class Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to obtain Court approval of the Settlement, the Mediator may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

56. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to find all provisions of this Settlement Agreement valid and enforceable.

57. Cooperation. By signing this Settlement Agreement, the Parties are hereby bound by the terms herein and agree to fully cooperate to implement the Settlement.

58. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and specifically denies, that it has violated any state, federal, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in

1 any other unlawful conduct with respect to its employees. Neither this Settlement Agreement, nor any
2 of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an
3 admission or concession by Defendant of any such violations or failures to comply with any applicable
4 law. Except as necessary in a proceeding to enforce the terms of this Settlement Agreement, this
5 Settlement Agreement and its terms and provisions shall not be offered as evidence in any action or
6 proceeding to establish any liability or admission on the part of Defendant or to establish the existence
7 of any condition constituting a violation of, or a non-compliance with state, federal, local, or other
8 applicable law.

9 59. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted
10 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
11 provisions of this Settlement Agreement.

12 60. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
13 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
14 more strictly against one Party than another merely by virtue of the fact that it may have been prepared
15 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
16 between the Parties, all Parties have contributed equally to the preparation of this Settlement Agreement.

17 ///

18 61. Representation by Counsel. The Parties acknowledge that they have been represented by
19 counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that
20 this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in
21 full by the Parties with the assistance of their respective counsel.

22 62. All Terms Subject to Final Court Approval. All amounts and procedures described in
23 this Settlement Agreement herein will be subject to final Court approval.

63. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiffs and Class Counsel:

Arby Aiwazian, Esq.
Yasmin Hosseini, Esq.
Ryan Slinger, Esq.
Alborz Javaheri, Esq.
LAWYERS for JUSTICE, PC
450 North Brand Boulevard, Suite 900
Glendale, California 91203

To Defendant:

Michael A. Wertheim, Esq.
Bailey A. Hashim, Esq.
Taylor C. Hall, Esq.
Connor McCoy, Esq.
Greenberg Traurig, LLP
400 Capitol Mall Suite 2400
Sacramento, CA 95814

64. Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for sixty (60) calendar days, and this shall satisfy California Rules of Court 3.771(b). No individualized notice of the Final Approval Order and Judgment to the Class will be required.

65. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class and PAGA Settlement and Release between Plaintiffs and Defendant:

IT IS SO AGREED.

PLAINTIFF ERIC SCHNEEKLUTH

Dated: _____, 2026

Eric Schneekluth, Plaintiff

63. Notices. All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below, or such other addresses as either Party may designate in writing from time to time:

To Plaintiffs and Class Counsel:

Arby Aiwazian, Esq.
Yasmin Hosseini, Esq.
Ryan Slinger, Esq.
Alborz Javaheri, Esq.
LAWYERS for JUSTICE, PC
450 North Brand Boulevard, Suite 900
Glendale, California 91203

To Defendant:

Michael A. Wertheim, Esq.
Bailey A. Hashim, Esq.
Taylor C. Hall, Esq.
Connor McCoy, Esq.
Greenberg Traurig, LLP
400 Capitol Mall Suite 2400
Sacramento, CA 95814

64. Final Approval Order and Judgment. The Parties shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for sixty (60) calendar days, and this shall satisfy California Rules of Court 3.771(b). No individualized notice of the Final Approval Order and Judgment to the Class will be required.

65. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class and PAGA Settlement and Release between Plaintiffs and Defendant:

IT IS SO AGREED.

PLAINTIFF ERIC SCHNEEKLUTH

Dated: 06/02/2026, 2026

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Eric Schneekluth, Plaintiff

PLAINTIFF MIGUEL GUZMAN

Dated: 06/08/2026, 2026

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Miguel Guzman, Plaintiff

PLAINTIFF GABRIEL CASTELLANOS-LOPEZ

Dated: _____, 2026

Gabriel Castellanos-Lopez, Plaintiff

DEFENDANT MOUNTAIN F. ENTERPRISES, INC.

Dated: _____, 2026

Full Name: Raul Gomez
Title: Chief Executive Officer
On behalf of Mountain F. Enterprises, Inc.

APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: June 8, 2026

A. J. Slinger
Ryan Slinger
Alborz Javaheri
Attorneys for Plaintiffs and Proposed Class Counsel

GREENBERG TRAURIG, LLP

Dated: _____, 2026

Michael A. Wertheim
Bailey A. Hashim
Taylor C. Hall
Connor McCoy
Attorneys for Defendant Mountain F. Enterprises, Inc.

PLAINTIFF MIGUEL GUZMAN

Dated: _____, 2026

Miguel Guzman, Plaintiff

PLAINTIFF GABRIEL CASTELLANOS-LOPEZ

Dated: 06/05/2026, 2026

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Gabriel
Ninex AssureSign® 817848b6-72c7-421e-9171-b45d013882b2

Gabriel Castellanos-Lopez, Plaintiff

DEFENDANT MOUNTAIN F. ENTERPRISES, INC.

Dated: _____, 2026

Full Name: Raul Gomez
Title: Chief Executive Officer
On behalf of Mountain F. Enterprises, Inc.

APPROVED AS TO FORM:

LAWYERS *for* JUSTICE, PC

Dated: _____, 2026

Ryan Slinger
Alborz Javaheri
Attorneys for Plaintiffs and Proposed Class Counsel

GREENBERG TRAURIG, LLP

Dated: _____, 2026

Michael A. Wertheim
Bailey A. Hashim
Taylor C. Hall
Connor McCoy
Attorneys for Defendant Mountain F. Enterprises, Inc.

PLAINTIFF MIGUEL GUZMAN

Dated: _____, 2026

Miguel Guzman, Plaintiff

PLAINTIFF GABRIEL CASTELLANOS-LOPEZ

Dated: _____, 2026

Gabriel Castellanos-Lopez, Plaintiff

DEFENDANT MOUNTAIN F. ENTERPRISES, INC.

Dated: 06/09/2026, 2026

Signed by:

1B247CE0FF52488...

Full Name: Raul Gomez
Title: Chief Executive Officer
On behalf of Mountain F. Enterprises, Inc.

APPROVED AS TO FORM:

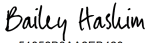
LAWYERS *for* JUSTICE, PC

Dated: _____, 2026

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GREENBERG TRAURIG, LLP

Dated: June 10, 2026

Signed by:

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