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[Additional Counsel on the next page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF GLENN

Ferry Mendoza, individually and on behalf of all similarly situated individuals, Plaintiff, vs. **Baugher Ranch Organics, Inc.,** a California Corporation; and **Does 1-10**, inclusive; Defendants.	CASE NO. 25CV00036 **CLASS ACTION** **JOINT STIPULATION OF SETTLEMENT AND RELEASE OF CLASS AND PAGA ACTION** Complaint Filed: October 24, 2024

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This Joint Stipulation of Settlement and Release of Class and PAGA Action ("Agreement" or "Settlement Agreement") is made and entered into by and between Plaintiff Ferry Mendoza ("Plaintiff" or "Class Representative"), as an individual and on behalf of all others similarly situated individuals and Defendant Baugher Ranch Organics, Inc. ("Defendant"). Plaintiff and Defendant may be referred to herein as the "Parties," singularly as a "Party," or by their designated names.

This Agreement is subject to the approval of the Court and is made for the sole purpose of attempting to consummate settlement of the Action on a class-wide basis subject to the following terms and conditions.

This Settlement Agreement shall be binding on Plaintiff, the Settlement Class, and the Aggrieved Employees, on the one hand, and Defendant, on the other hand, subject to the terms and conditions hereof and the approval of the Court.

RECITALS

1. Plaintiff filed his complaint on October 24, 2024 against Defendant in the Butte County Superior Court. The parties subsequently stipulated to transfer the case to Glenn County Superior Court, where it is now entitled *Ferry Mendoza v. Baugher Ranch Organics, Inc., et al.*, Case No. 25CV00036 (the "Action"). The Action asserts the following class-wide causes of action for: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or premium pay in lieu thereof; (4) failure to provide rest periods or premium pay in lieu thereof; (5) failure to provide sick leave; (6) failure to provide and maintain complete and accurate wage statements; (7) failure to maintain accurate records; (8) failure to reimburse necessary business expenses; (9) failure to timely pay all wages during employment; (10) failure to pay all wages due upon termination; (11) civil penalties under the Private Attorneys General Act of 2004 ("PAGA"), Cal. Lab. Code §§ 2698, *et seq.* ("PAGA"); and (12) Unlawful Business Practices, Cal. Bus. & Prof. Code §§ 17200, *et seq*.

2. Defendant denies all material allegations set forth in the Action and have asserted numerous affirmative and other defenses in response to the Class, PAGA, and individual claims. Defendant contends it has complied with the California Labor Code, the California Business &

Professions Code, the applicable IWC Wage Orders, and all other applicable California and Federal law. Nonetheless, Defendant has concluded that further litigation would be protracted and expensive, and would also divert Defendant's resources away from its core mission. Defendant has therefore concluded that it is desirable that the litigation be resolved upon the terms and conditions set forth in this Stipulation.

3. On September 24, 2024, the Parties participated in a full-day of mediation with Lynn Frank, Esq. of Frank and Feder (the "Mediator"), a well-respected mediator in the field of employment law and wage-and-hour class actions. After a full-day of mediation, the Parties agreed to the principal terms of a class action and PAGA settlement and entered into a Memorandum of Agreement ("MOA") setting forth those terms, which have now been expanded upon in this Stipulation.

4. Class Counsel conducted a significant investigation during the prosecution of the Action. This investigation included, among other things, (a) numerous telephonic conferences with Plaintiff; (b) inspection and analysis of numerous payroll and policy documents and other information produced by Plaintiff and Defendant, including informal discovery production; (c) analysis of the legal positions taken by Defendant; (d) investigation into the viability of class treatment of the claims asserted in the Action; (e) analysis of potential class-wide damages, including information sufficient to understand Defendant's potential defenses to Plaintiff's claims; (f) research of the applicable law with respect to the claims asserted in the Action and the potential defenses thereto; (g) assembling and analyzing of data for calculating damages; and (h) hired the services of an expert to analyse and prepare Defendant's exposure.

5. The informal discovery conducted in this matter, as well as discussions between counsel, and confirmatory discovery, have been adequate to give the Class Representative and Class Counsel a sound understanding of the merits of their positions and to evaluate the risks of litigation and the value of the Settlement Class's claims. The informal discovery and investigation conducted in this Action and the information exchanged by the Parties through informal discovery and settlement discussions are sufficient to reliably assess the merits of the Parties' respective positions and to compromise the issues on a fair and equitable basis.

6. The settlement discussions during mediation were conducted at arm's length and the settlement of the Action is the result of an informed and detailed analysis of Defendant's potential liability in relation to the costs and risks associated with continued litigation.

7. Plaintiff and Class Counsel believe that the claims, causes of action, allegations, and contentions asserted in the Action have merit. However, Plaintiff and Class Counsel recognize and acknowledge the expense and delay of continued lengthy proceedings necessary to prosecute the Action against Defendant through trial and appeals. Class Counsel has taken into account: 1) the uncertain outcome of the litigation; 2) the risk of continued litigation in complex actions such as this lawsuit; 3) the difficulties and delays inherent in such litigation; 4) the potential difficulty of obtaining certification of the Action; and 5) the potential risk of trying the claims of the class. Class Counsel is mindful of the potential problems of proof under, and possible defenses to, the claims alleged in the Action and litigation of those claims on a class-wide basis.

8. Class Counsel believes that the Settlement set forth in this Settlement Agreement confers substantial benefits upon Plaintiff and the Class Members, and that an independent review of this Settlement Agreement by the Court in the approval process will confirm this conclusion. Based on their own independent investigation and evaluation, Class Counsel has determined that the Settlement set forth in the Stipulation is in the best interests of Plaintiff and the Class Members.

9. Based on the data and documents produced during informal discovery and in response to Plaintiff's Labor Code sections 226 and 1198.5 records request, Class Counsel's own independent investigation and evaluation, and the Mediator's efforts, Class Counsel believes that Plaintiff's settlement with Defendant for the consideration provided and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate, and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, various defenses asserted by Defendant, the contested legal and factual issues involved, and potential appellate issues.

10. This Settlement Agreement is made and entered into by and between Plaintiff individually and on behalf of all other allegedly similarly situated Aggrieved Employees and Settlement Class Members on the one hand, and Defendant on the other hand. This Settlement

Agreement is subject to the terms and conditions hereof, as well as the Court's approval. The Parties expressly acknowledge that this Agreement is entered into solely for the purpose of compromising disputed claims and that nothing herein is an admission of any liability or wrongdoing by Defendant. If, for any reason the Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

11. The Parties agree to abide by the terms of the Settlement Agreement in good faith and to support the Settlement Agreement fully and to use their best efforts to defend this Settlement Agreement from any legal challenge, whether by appeal or collateral attack.

DEFINITIONS

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

12. "**Action**" means *Ferry Mendoza v. Baugher Ranch Organics, Inc., et al.* Case No. 25CV00036, originally filed in Butte County Superior Court on October 24, 2024 and transferred to the Glenn County Superior Court on December 28, 2023.

13. "**Aggrieved Employees"** means those Class Members who worked for Defendant within the **PAGA Period**.

14. "**Class Counsel's Fees and Costs**" means attorneys' fees agreed upon by the Parties and approved by the Court for Class Counsel's litigation and resolution of this Action. Class Counsel's Fees and Costs shall include all costs incurred and to be incurred by Class Counsel in the Action, including, but not limited to, costs associated with documenting the Settlement, securing the Court's approval of the Settlement, responding to any objections to the settlement and appeals arising therefrom, administering the Settlement, and obtaining entry of a Judgment terminating this Action, and expenses for any experts. Class Counsel will request attorneys' fees not in excess of one-third of the Maximum Settlement Amount (i.e., up to Eighty-Eight Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($88,333.33)).[1] The Class Counsel's

[1] For the avoidance of doubt, if the Escalator Clause is triggered and the Gross Settlement Amount increases, Class Counsel shall have the right to seek attorney's fees up to one-third of the increased Gross Settlement Amount

Fees and Costs will also mean and include the additional reimbursement of Class Counsel's actual reasonable costs incurred in connection with Class Counsel's litigation and settlement of the Action, up to Twenty Thousand Dollars and Zero Cents ($20,000.00), subject to the Court's approval. Defendant agrees not to oppose Class Counsel's request for fees and reimbursement of costs as set forth above.

15. "**Class Counsel**" means Bardia Akhavan of Akhavan & Associates, Elliot J. Siegel of King & Siegel LLP, and Navid Barahmand of Barahmand Law Group.

16. "**Class List**" means a complete list of all Class Members that Defendant will diligently and in good faith compile from their records and provide to the Settlement Administrator within five (5) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include, to the extent in the possession of Defendant or its agents, Class Members' names; last-known addresses; last-known telephone numbers; last-known email address; social security numbers; start dates of employment; end dates of employment; number of weeks worked by each Class Member during the Class Period; the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

17. "**Class Member(s)**" or "**Settlement Class**" or the "**Class**" means the following:

"*All non-exempt persons who worked at least one 3.5-hour shift for Defendants in the State of California during the Release Period*."

18. "**Class Size Representation**": Defendants represent that there are 68 Class Members during the period from December 26, 2021 through December 1, 2024 and that these Class Members worked a combined 3,477 workweeks during that same period. This representation is a material term for Plaintiff entering into this Stipulation.

19. "**Class Period**" is the period from December 26, 2021 to December 1, 2024.

20. "**Class Representatives**" means Plaintiff Ferry Mendoza who will seek to be appointed as the representative for the Settlement Class.

21. "**Class Representative Enhancement Payment**" means the amounts to be paid to Plaintiff in recognition of his efforts and work in prosecuting the Action on behalf of Class

Members and negotiating the Settlement. Defendant agrees not to dispute that the Class Representative will be paid, subject to Court approval, up to Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) from the Maximum Settlement Amount for his services on behalf of the class, subject to the Court granting Final Approval of this Settlement Agreement. Should the Court reduce the Class Representative Enhancement Payment, any such reduction shall revert to the Net Settlement distributed to Participating Class Members.

22. "**Court**" means the Superior Court in the County of Glenn.

23. "**Defendant**" means Baugher Ranch Organics, Inc.

24. "**Effective Date**" means the date on which the settlement embodied in this Settlement Agreement shall become effective and is the date after all of the following events have occurred: (i) this Settlement Agreement has been executed by Plaintiff and Defendant; (ii) the Court has given Preliminary Approval to the Settlement, including approving a provisional Settlement Class; (iii) notice has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of the Settlement or to opt-out of the Settlement; and (iv) *either* (1) the Court has held a formal fairness hearing and, having heard no objections to the Settlement, has given Final Approval to the Settlement, including entering a final order and judgment certifying the Class and approving this Settlement Agreement; or (2) in the event there are oral or written objections filed prior to or at the formal fairness hearing which are not later withdrawn or denied, the later of the following events: (a) five (5) business days after the period for filing any appeal, writ, or other appellate proceeding opposing the Court's Final Approval of the Settlement have elapsed without any appeal, writ, or other appellate proceeding having been filed; or (b) five (5) business days have elapsed following the final and conclusive dismissal or resolution of any appeal, writ, or other appellate proceeding opposing the Settlement, with no right to pursue further appellate remedies or relief.

25. "**Individual Class Payment**" means each Participating Class Member's share of the Net Settlement Amount, to be distributed to the Class Members who do not submit a valid Request for Exclusion, to be paid without the need to submit a claim.

26. "**Individual PAGA Payment**" means each Aggrieved Employee's pro rata share

of the 25% of the Labor and Workforce Development Agency Payment allocated to the Aggrieved Employees. Aggrieved Employees will receive their Individual PAGA Payment regardless of whether they submit a valid Request for Exclusion.

27. "**Labor and Workforce Development Agency Payment**" means the amount that the Parties have agreed that Defendants will pay in connection with Plaintiff's Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.* ("PAGA")) cause of action. The Parties have agreed that Fifteen Thousand Dollars and Zero Cents ($15,000.00) of the Maximum Settlement Amount will be allocated to the resolution of the Aggrieved Employees' claims arising under PAGA ("PAGA Settlement Amount"). Pursuant to PAGA, Seventy-Five Percent (75%), or Eleven Thousand Two Hundred and Fifty Dollars and Zero Cents ($11,250.00), of the PAGA Settlement Amount will be paid to the California Labor and Workforce Development Agency ("LWDA"), and Twenty-Five Percent (25%), or Three Thousand Seven Hundred Fifty Dollars and Zero Cents ($3,750.00), of the PAGA Settlement Amount will be paid to the Class Members, as allegedly Aggrieved Employees, as part of the Net Settlement Amount.

28. "**Maximum Settlement Amount**" means the maximum settlement amount of Two Hundred and Sixty-Five Thousand Dollars and Zero Cents ($265,000.00) to be paid by Defendant in full satisfaction of all claims arising from the Action. The Maximum Settlement Amount shall include all Individual Class Payments to Participating Class Members, Individual PAGA Payments, the Class Representative Enhancement Payment, Settlement Administration Costs to the Settlement Administrator, the Labor and Workforce Development Agency Payment, and the Class Counsel's Fees and Costs. The MSA shall not include employer-side payroll, which Defendant agrees that it is responsible for and are to be paid in addition to the Maximum Settlement Amount. The Maximum Settlement Amount is non-reversionary.

29. "**Net Settlement Amount**" means the portion of the Maximum Settlement Amount remaining after deduction of the approved Class Representative Enhancement Payment, Settlement Administration Costs, Labor and Workforce Development Agency Payment, and Class Counsel's Fees and Costs. The Net Settlement Amount will be distributed to Participating Class Members and Individual PAGA Payment.

30. "**Notice of Objection**" means a Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full name, signature, address, telephone number, and the last four digits of the objector's social security number, (b) the dates the objector was employed by Baugher Ranch Organics, Inc. in California, (c) a written statement of all grounds for the objection accompanied by any legal support for such objection, and (d) copies of any papers, briefs, or other documents upon which the objection is based.

31. "**Notice Packet**" or "**Notice**" means the Notice of Class Action Settlement and Share Form, substantially in the form attached as **Exhibit A**.

32. "**PAGA Period**" shall run from December 26, 2022 to December 1, 2024. There are an estimated 590 pay periods in the PAGA Period.

33. "**PAGA Release Period"** means the period from December 26, 2022 to December 1, 2024

34. "**Participating Class Members**" means all Class Members who do not submit valid and timely Requests for Exclusion.

35. "**Parties**" means Plaintiff and Defendant, collectively.

36. "**Plaintiff**" or "**Named Plaintiff**" or "**Class Representative**" means Ferry Mendoza.

37. "**Preliminary Approval**" means the Court order granting preliminary approval of the Settlement in an order in substantially the same form as the order attached as **Exhibit B.**

38. **"Final Approval"** means the Court granting final approval of the Settlement and entering final judgement in an order in substantially the same form as the order attached as **Exhibit C**.

39. "**Released Claims**" means those claims asserted in the Complaint or that reasonably could have been alleged based on the factual allegations contained in the operative complaint or LWDA letter, including but not limited to all of the following claims for relief: (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods or premium pay in lieu thereof; (4) failure to provide rest periods or premium pay in lieu

thereof; (5) failure to provide sick leave; (6) failure to provide and maintain complete and accurate wage statements; (7) failure to maintain accurate records; (8) failure to reimburse necessary business expenses; (9) failure to timely pay all wages during employment; (10) failure to pay all wages due upon termination; (11) civil penalties under the Private Attorneys General Act of 2004 ("PAGA"), Cal. Lab. Code §§ 2698, *et seq.* ("PAGA"); and (12) Unlawful Business Practices, Cal. Bus. & Prof. Code §§ 17200, *et seq*. It is the intent of the Parties that the judgment entered by the Court upon Final Approval of the Settlement shall have *res judicata* and/or collateral estoppel effect and be final and binding upon Plaintiff and all Participating Class Members regarding all of the Released Claims. The Release will only take effect upon the latter of the Effective Date and full funding of the MSA by Defendants.

40. "**Release Period"** is the period from December 26, 2021 to December 1, 2024.

41. "**Released PAGA Claims**" means the release of claims by Aggrieved Employees for civil penalties under PAGA asserted in the Complaint or LWDA letter, or that could have reasonably been alleged based on the factual allegations contained in the Operative Complaint and PAGA Notice. The Released PAGA Claims shall be release through the PAGA Release Period. No Aggrieved Employee may opt out of the PAGA Release and will be bound by this Release regardless of whether they cash their Individual PAGA Payment. The Release will only take effect upon the latter of the Effective Date and full funding of the MSA by Defendants.

42. "**Released Parties**" shall mean Defendant Baugher Ranch Organics, Inc., as well as their subsidiaries and/or parent corporations, divisions, affiliates, past and present officers, predecessors, directors, employees, agents, shareholders, fiduciaries, representatives, attorneys, insurers, benefit plans, private investigators and each and all of the foregoing persons' heirs, assigns, executors, administrators and successors, or any of them.

43. "**Request for Exclusion**" means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion shall include the Class Members' name and information needed to be properly identified and indicate the desire to opt out of the settlement. Such information could include the name, address, telephone number, and the last four digits of the Social Security Number of the Class Member requesting exclusion.

It must be returned by first class mail or equivalent to the Settlement Administrator at the specified address and be postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not request exclusion from the Settlement will be deemed a Participating Class Member and will be bound by all terms of the Settlement, if the Settlement is granted Final Approval by the Court.

44. "**Response Deadline**" means the deadline by which Class Members must postmark to the Settlement Administrator valid Share Forms, Requests for Exclusion, or file and serve objections to the Settlement. The Response Deadline will be 35 calendar days from the initial mailing of the Notice Packet by the Settlement Administrator, unless the that day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Objections or Requests for Exclusion will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice Packet by the Settlement Administrator, unless the 15th day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by agreement between Class Counsel and Defendant or by Order of the Court. Under no circumstances, however, will the Settlement Administrator have the authority to extend the deadline for Class Members to submit a Request for Exclusion, or objection to the Settlement other than as provided herein.

45. "**Settlement**" or "**Stipulation**" means the Parties' agreement to resolve the Action on terms and conditions as set forth in this Settlement Agreement.

46. "**Settlement Administrator**" means a third-party class action settlement claims administrator selected by the Parties and approved by the Court for purposes of administering this Settlement. The Parties each represent that they will not select a Settlement Administrator in which either Party has any financial interest or other relationship that could create a conflict of interest.

47. "**Settlement Administration Costs**" means the costs payable from the Maximum Settlement Amount to the Settlement Administrator for administering this Settlement, including,

but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Class Member, tax reporting, distributing the appropriate settlement amounts, and providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. The Settlement Administration Costs will be paid from the Maximum Settlement Amount and shall not exceed $20,000.

48. "**Workweeks**" means the number of weeks worked by each Class Member as a non-exempt employee during the Class Period. Workweeks are determined by calculating the number of days each Class Member worked during the Class Period and dividing by seven (7). Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down; however, a Class Member who worked only one day during the Class Period will be credited with having worked one Workweek for purposes of the Settlement. For purposes of calculating Class Member Payments, Workweeks worked by exempt employees shall be weighted at 5:1 to the workweeks worked by non-exempt employees to account for the difference in their factual and legal claims and the minimum payment to any given Class Member shall be no less than $25 dollars.

CLASS CERTIFICATION

49. Solely for purposes of settling the Action, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Settlement Class have been met and are met. If the Settlement is not approved by the Court, Defendant retains all rights and opportunities to contest class certification on all issues in the Action. More specifically, the Parties stipulate and agree for purposes of this Settlement only that:

a. The Settlement Class is ascertainable and so numerous as to make it impracticable to join all Class Members;

b. There are common questions of law and fact including, but not limited to, the following:

i. Whether Defendant had a common policy and/or practice of depriving Plaintiff and Class Members of required minimum and overtime wages;

ii. Whether Defendant unlawfully and/or willfully failed to compensate Plaintiff and Class Members required minimum and overtime wages;

iii. Whether Defendant had a common policy and/or practice of depriving Plaintiff and Class Members of compliant, off-duty meal and/or rest periods;

iv. Whether Defendant unlawfully and/or willfully deprived Plaintiff and Class Members of compliant, off-duty meal and/or rest periods;

v. Whether Defendant had a common policy and/or practice of failing to maintain accurate payroll records in the State of California;

vi. Whether Defendant unlawfully and/or willfully failed to maintain accurate payroll records in the State of California;

vii. Whether Defendant had a common policy and/or practice of failing to provide accurate wage statements reflecting hours worked and wages earned to Plaintiff and Class Members;

viii. Whether Defendant unlawfully and/or willfully failed to provide accurate wage statements reflecting hours worked and wages earned to Plaintiff and Class Members;

ix. Whether Defendant had a common policy and/or practice of failing to reimburse Plaintiff and Class Members for reasonable business expenses;

x. Whether Defendant unlawfully and/or willfully failed to reimburse Plaintiff and Class Members for reasonable business expenses;

xi. Whether Plaintiff and Class Members sustained damages as a result of any of the aforementioned violations, and, if so, the proper measure of those damages, including interest, penalties, costs, attorneys' fees, and equitable relief; and

xii. Whether Defendant violated the Unfair Competition Law, Cal. Bus. & Prof. Code § 17200, et seq., by violating the above provisions of law.

c. That the Class Representative's claims are typical of the claims of the members of the Settlement Class.

d. That the Class Representative and Class Counsel will fairly and adequately protect the interests of the Settlement Class.

e. That the prosecution of separate actions by individual members of the Settlement Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct.

f. That questions of law and fact common to the members of the Settlement Class predominate over any questions affecting any individual member in such Class, and that a class action is superior to other available means for the fair and efficient adjudication of the controversy.

g. The Parties agree that this stipulation regarding class certification is for the sole purpose of facilitating settlement approval. Should the Court ultimately deny settlement approval, the Parties agree that Defendant maintains and has the right to contend that class certification, for all the issues enumerated herein, is improper based upon all defenses available to Defendant prior to execution of this Stipulation.

TERMS OF AGREEMENT

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

50. Funding of the Maximum Settlement Amount. Within seven (7) calendar days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by Defendants pursuant to the terms of the Settlement, including the amount of the employer contribution for payroll taxes to be paid by Defendants. Within fourteen (14) days of receiving the final accounting of funds by the Settlement Administrator, Defendant will make the required deposit of the Maximum Settlement Amount in the amount of $265,000 ("Maximum Settlement Amount");[2]

51. Within seven (7) calendar days of the funding of the Maximum Settlement Amount, the Settlement Administrator will issue payments to: (a) Class Representative; (b) Class Counsel;

[2] This payment shall be deposited into a Qualified Settlement Fund to be established by the Settlement Administrator to be held in trust pending final approval of this Settlement. Should final approval of this settlement not be granted for any reason, Defendant shall be entitled to return of this deposit within 30 days of such event.

(c) the Participating Class Members; (d) the Labor and Workforce Development Agency; and (e) the Settlement Administrator.

52. Class Counsel's Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Class Counsel for Class Counsel's Fees and Costs of up to one-third of the Maximum Settlement Amount, or $88,333.33, plus the reimbursement of actual reasonable costs and expenses incurred in connection with Class Counsel's litigation and settlement of the Action, up to Twenty Thousand Dollars and Zero Cents ($20,000), both of which will be paid from the Maximum Settlement Amount.

53. Class Representative Enhancement Payment. In recognition of his efforts and work in prosecuting the Action on behalf of Class Members and the Aggrieved Employees and in negotiating the Settlement, Defendant agrees not to oppose or impede any application or motion for a Class Representative Enhancement Payment of up to a total of Seven Thousand Five Hundred Dollars and Zero Cents ($7,500.00) to the Class Representative, subject to the Court's approval. The Class Representative Enhancement Payment, which will be paid from the Maximum Settlement Amount, is in addition to the payment to which she is entitled as Settlement Class Member or is entitled to as part of Plaintiff's Individual Class Payment.

54. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Maximum Settlement Amount, which is capped at no more than $20,000.00. These costs, which will be paid from the Maximum Settlement Amount, will include, for instance, costs incurred for the required tax reporting on the Individual Class Payments, the issuing of W-2 and 1099 IRS Forms, distributing the Notice Packet, calculating Class Members' workweeks, and calculating and distributing the Maximum Settlement Amount and Class Counsel's Fees and Costs, and providing necessary reports and declarations.

55. Labor and Workforce Development Agency Payment. Subject to Court approval, the Parties agree that the amount of Fifteen Thousand Dollars and Zero Cents ($15,000.00) of the Maximum Settlement Amount will be allocated to the resolution of the Aggrieved Employees' claims arising under PAGA ("PAGA Settlement Amount"). Pursuant to PAGA, Seventy-Five

Percent (75%), or Eleven Thousand Two Hundred Fifty Dollars and Zero Cents ($11,250.00), of the PAGA Settlement Amount will be paid to the California Labor and Workforce Development Agency ("LWDA"), and Twenty-Five Percent (25%), or Three Thousand Seven-Hundred Fifty Dollars and Zero Cents ($3,750.00), will be distributed to allegedly Aggrieved Employees. Class Counsel shall be responsible for giving any required notice of this Settlement to the LWDA.

56. Settlement Administration Cost Decreases. Any portion of the estimated or designated Settlement Administration Costs which are not required to fulfill the total Settlement Administration Costs will become part of the Net Settlement Amount.

57. Individual Class Payment and Individual PAGA Payment Calculations. Individual Class Payments will be calculated and apportioned from the Net Settlement Amount based on the Workweeks a Participating Class Member worked during the Class Period. Individual PAGA Payments will be separately calculated and apportioned from the portion of the PAGA amount intended for Aggrieved Employees. Specific calculations of Individual Class Payments and Individual PAGA Payments will be made as follows:

a. The Settlement Administrator will calculate the number of Workweeks per Participating Class Member during the Class Period based on records in Defendant's possession, custody, or control.[3] Workweeks are determined by identifying each week an employee actually worked based on Defendant's timekeeping and/or payroll data. A Class Member who worked only one day during the Class Period will be credited with having worked one Workweek for purposes of the Settlement. Partial workweeks will not be counted, meaning incomplete workweeks will be rounded down.

b. The Settlement Administrator will calculate the total Workweeks for all Settlement Class Members by adding the number of Workweeks worked by each Settlement Class Member during the Class Period.

[3] Defendant's Workweek data will be presumed to be correct unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All Workweek disputes will be resolved and decided by the Settlement Administrator in consultation with Class Counsel and counsel for Defendant. The Settlement Administrator's decision on all Workweek disputes will be final and non-appealable.

c. The respective Workweeks for each Settlement Class Member will be divided by the total Workweeks for each Settlement Class Member, resulting in the Payment Ratio for each Settlement Class Member.

d. Each Settlement Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated Individual Class Payments. However, workweeks worked by exempt employees shall be weighted at 5:1 to the workweeks worked by non-exempt employees to account for the difference in their legal claims and the minimum payment to any given Class Member shall be no less than $25 dollars.

e. Using the Class Data, the Settlement Administrator will calculate the total number of pay periods in the PAGA Period and will divide each Aggrieved Employees' individual number of eligible pay periods in the PAGA Period to determine their pro rata portion of the portion of the PAGA payment allocated to Aggrieved Employees. Partial pay periods will not be counted, meaning incomplete pay periods will be rounded down; however, an Aggrieved Employee who worked only one day during the PAGA Period will be credited with having worked one pay period for purposes of the Settlement.

58. Confirmatory Discovery. Within ten (15) business days of execution of this Agreement, Defendant will provide Plaintiff with a 25% redacted sample of time and payroll data for the Class to allow Plaintiff to verify the information relied upon in agreeing to settle. Defendant shall further not object to Class Counsel being provided with the Class List prior to final approval being granted. Plaintiff's counsel agrees to treat the personal contact information as strictly confidential.

59. Limited Confidentiality. The Parties agree not to issue press releases, communicate with, or respond to, any media or publication entities concerning the Settlement, including the fact of the Settlement, its terms or contents, and the negotiations underlying the Settlement prior to final approval and Entry of Judgment, except as required by law or as shall be contractually required to effectuate the terms of the Settlement as set forth herein. Nothing stated herein shall prohibit Class Counsel from discussing the Settlement, the fact of Settlement, and its terms and

conditions: (i) with Class Members and/or (ii) in court filings, including in their respective firm resumes, and/or (iii) in all necessary motions and supporting memoranda related to preliminary and final approval of the Settlement or for other class action settlements. This provision also does not limit Class Counsel (i) from complying with ethical obligations; or (ii) from posting a neutral description of publicly available facts regarding the Settlement, provided that such posting does not expressly identify Defendant by name.

60. Class Member Communications. Defendant will instruct its officers, directors, and managers that, should they be contacted by Class Members or persons who believe they may be Class Members in relation to this Agreement, such officers, directors, and exempt managers should make no comment except those necessary to direct the employees to the Settlement Administrator and the Class Notice, or Class Counsel, and to provide such Class Members with contact information for the Settlement Administrator and Class Counsel. Defendant agrees not to discourage or prevent Class Members from exercising any of their rights or obligations pursuant to this Agreement. At no time will any of the Parties or their counsel take any action to encourage, support, require, or induce Class Members to object to the Settlement Agreement, opt-out from the Settlement, or appeal from the Order and Judgment.

61. Settlement Awards Do Not Trigger Additional Benefits. All Individual Class Payments to Participating Class Members shall be deemed to be paid to such Participating Class Members solely in the year in which such payments are received by the Participating Class Members. It is expressly understood and agreed that the receipt of such Individual Class Payments will not entitle any Participating Class Member to additional compensation or benefits under any company bonus, commission, or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor will it entitle any Participating Class Member to any increased retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of the Parties to this Settlement that the Individual Class Payments provided for in this Settlement are the sole payments to be made by Defendants to the Participating Class Members, and that the Participating Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments (notwithstanding

any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

62. Settlement Administration Process. The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement.

63. Delivery of the Class List. Within five (5) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator.

64. Notice by First-Class U.S. Mail. Within five (5) calendar days following receipt of the Class List, the Settlement Administrator will mail a Notice Packet, substantially in the form attached hereto as **Exhibit A**, to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List. Each Notice Packet will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Settlement Class definition; (d) each Class Member's estimated Individual Class Payment and the formula for calculating Individual Class Payments; (e) the dates which comprise the Class Period; (f) instructions on how to submit valid Requests for Exclusion or objections; (g) the deadlines by which the Class Member must fax or postmark Requests for Exclusions or file and serve objections to the Settlement; (h) the claims to be released, as set forth herein; and (i) the date for the Final Approval Hearing. The Settlement Administrator will also create a website that lists key deadlines and has links to the notice, claim form (if any), preliminary approval order, motions for preliminary and final approval and for attorneys' fees, and any other important documents in the case.

65. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is provided, the Settlement Administrator will

promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved and will then perform a single re-mailing. Those Class Members who receive a re-mailed Notice Packet, whether by skip-trace or by request, will have between the later of: (a) an additional fifteen (15) calendar days; or (b) the Response Deadline to fax or postmark a Request for Exclusion, or file and serve an objection to the Settlement.

66. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Class Member.

67. Disputed Information on Notice Packets. Class Members and Aggrieved Employees will have an opportunity to dispute the information provided in their Notice Packets. To the extent Class Members/Aggrieved Employees dispute the number of weeks he/she worked during the Class Period or PAGA Period, or the amount of their Individual Class Payment or Individual PAGA Payment, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Any disputes, along with supporting documentation, must be postmarked on or before the Response Deadline. Absent evidence rebutting Defendant's records, Defendant's records will be presumed determinative. However, if a Class Member or Aggrieved Employee produces evidence to the contrary, the Settlement Administrator will evaluate the evidence submitted by the Class Member/Aggrieved Employee in consultation with Class Counsel and counsel for Defendant and will make the final decision as to the Individual Class Payment/Individual PAGA Payment to which the Class Member/Aggrieved Employee may be entitled with input from Class and Defense Counsel. This determination shall be binding on the Class Member and Aggrieved Employee.

68. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the Settlement Agreement must sign and postmark a written Request for Exclusion to the Settlement Administrator within the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been

timely submitted. All Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted. Any Class Member who submits a Request for Exclusion shall be prohibited from objecting to the Settlement Agreement.

69. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid Request for Exclusion will be bound by all of the terms of the Settlement Agreement, including those pertaining to the Released Claims, as well as any Judgment that may be entered by the Court if it grants Final Approval to the Settlement.

70. Objection Procedures. To object to the Settlement Agreement, a Class Member must file a valid Notice of Objection with the Court on or before the Response Deadline. The Notice of Objection shall be signed by the Class Member and contain all information required by this Settlement Agreement. Class Members may also raise objections orally at the Final Fairness and Approval hearing, whether or not they previously submitted a valid Notice of Objection. At no time will any of the Parties or their counsel take any action to encourage, support, or induce Class Members to object to the Settlement Agreement, opt-out from the Settlement, or appeal from the Order and Judgment. Class Counsel will not represent any Class Members with respect to any such objections to this Settlement.

71. Certification Reports Regarding Individual Class Payment Calculations. The Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report which certifies: (a) the number of Class Members who have submitted valid Requests for Exclusion; and (b) whether any Class Member has submitted a challenge to any information contained in their Claim Form or Notice Packet. 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. No later than 30 days prior to the deadline for Class Counsel to file its motion in support of the Final Approval and Fairness Hearing, the Settlement Administrator will compile and deliver to Class Counsel and Defense Counsel a declaration with summary information of the Notice process, including but not limited to: (a) the total amount of

final Individual Class Payments of each Settlement Class Member; (b) the number of Settlement Class Members to receive such payments; (c) the final number of requests for exclusion/opt-outs requests and objections; (d) the Settlement Administrator's qualifications for administration; and (e) an explanation of the steps taken to implement the Notice process as set forth in this Agreement. The Settlement Administrator will also provide a copy of each opt-out request and objection, authenticate those documents, and provide all necessary details as requested by Counsel regarding the timing and handling of any opt-out requests and objections.

72. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator to Participating Class Members will be negotiable for 180 calendar days from the date the check was issued (the "Void Date"). For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the Void Date, the Administrator shall transmit the funds represented by such checks to a Court-approved non-profit organization or foundation recipients whose work is related to the subject matter of the lawsuit, its underlying objections, and the Class Members' claims consistent with F.R.C.P. 23(e) ("Cy Pres Recipient").

73. Cy Pres Recipient. The Cy Pres Recipient shall be the California Bar's Justice Gap Fund. The Parties represent and warrant that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

74. 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.

75. Treatment of Individual Class Payments and Individual PAGA Payments. Individual Class Payments will be allocated as follows: of each Individual Class Payment, 20% will be allocated as alleged unpaid wages and 80% will be allocated as alleged unpaid civil penalties. The percentage of each Individual Class Payment allocated as wages will be reported on an IRS Form W-2 by the Settlement Administrator. The remaining percentage of each payment shall be allocated as interest, penalties, and reimbursement, and will be reported on an IRS Form-1099 by the Settlement Administrator. All Individual PAGA Payments will be allocated as alleged penalties and will be reported on an IRS Form-1099 by the Settlement Administrator.

76. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members, Aggrieved 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 Agreement.

77. Tax Liability. The Parties acknowledge that no tax advice has been offered or given by any other Party, their attorneys, agents, or any other representatives, in the course of these negotiations, and that each Party is relying upon the advice of his/its own tax consultant with regard to any tax consequences that may arise as a result of the execution of this Agreement. The Class Representatives and Class Counsel acknowledge that they may be required to submit a Form W-9, and the Class Representatives, Class Members, and Class Counsel acknowledge that the Settlement Administrator may be required to issue a Form 1099 or other tax form reporting the consideration flowing to the Class Representatives, Class Members, and Class Counsel under this agreement to the Internal Revenue Services and/or other taxing authority. Nothing herein shall obligate the Class Representatives, Class Members, and Class Counsel to pay, indemnify, or otherwise assume responsibility for any taxes that would be owed by Defendant in the first instance or as a result of any re-classification of the treatment of the payments, such as, for example, employer-side payroll contributions.

78. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, his OR ITS OWN, INDEPENDENT LEGAL AND TAX

COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

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

80. Release of Claims by Class Members. As of the Effective Date and full funding the MSA by Defendant, the Settlement Class and Participating Class Members fully release and discharge the Released Parties for the Released Claims for the Release Period. Participating Class Members will be deemed to have acknowledged and agreed that their claims for wages and penalties in the Action are disputed, and that Individual Class Payments constitute payment of all sums allegedly due. Participating Class Members will be deemed to have acknowledged and agreed that California Labor Code Section 206.5 is not applicable to the Individual Class Payment.

81. Plaintiff's Released Claims. The Class Representative shall be bound by a complete Section 1542 release and waiver of all claims known and unknown, without exception, against the "Released Parties" (below), except as may be prohibited by law.

82. Release of Claims by Aggrieved Employees and State. As of the Effective Date

and full funding the MSA by Defendant, the Aggrieved Employees and State of California fully release and discharge the Released Parties for the Released PAGA Claims for the PAGA Release Period.

83. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this Settlement Agreement to the Court in support of Plaintiff's Motion for Preliminary Approval and determination by the Court as to the fairness, adequacy, and reasonableness of the Settlement Agreement. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the Court for the entry of an order for:

a. Scheduling a fairness hearing on the question of whether the proposed Settlement, including but not limited to, payment of Class Counsel's fees and costs, and the Class Representative Enhancement Payment, should be finally approved as fair, reasonable, and adequate as to the members of the Settlement Class;

b. Preliminarily Certifying a Settlement Class;

c. Approving, as to form and content, the proposed Notice;

d. Approving the manner and method for Class Members to request exclusion from the Settlement as contained herein and within the Notice;

e. Directing the mailing of the Notice, by first class mail to the Class Members; and

f. Giving Preliminary Approval to Settlement subject to final review by the Court.

84. Duties of the Parties Following Preliminary Court Approval. Following Preliminary Approval by the Court of the Settlement provided for in this Settlement Agreement and Notice to the Class, Class Counsel will submit a proposed final order of approval and judgment for:

a. Approval of the Settlement, adjudging the terms thereof to be fair, reasonable, and adequate, and directing consummation of its terms and provisions;

b. Approval of Class Counsel's application for an award of attorneys' fees and costs;

c. Approval of the Class Representative Enhancement Payment to the Class Representatives;

d. Approval of the Settlement Administration Costs of the Settlement Administrator;

and

e. That judgment be entered in the Action.

85. Rescission of Settlement Agreement (by Defendant). If more than ten percent (10%) of the Class Members opt-out of the Settlement by submitting Requests for Exclusion, Defendant may, at their option, rescind and void the Settlement and all actions taken in furtherance of it will thereby be null and void. Defendant must exercise this right of rescission, in writing, to Class Counsel within fourteen (14) calendar days after the Settlement Administrator notifies the Parties of the total number of Requests for Exclusion received by the Response Deadline. If the option to rescind is exercised, Defendant shall be solely responsible for all costs of the Settlement Administrator accrued to that point.

86. Escalator Clause. Plaintiff has materially relied upon the Class Size Representation in entering into this Settlement. Should the number of Settlement Class Members increase by 10% on a per-person *or* per-workweek basis compared to the Class Size Representation, the MSA shall increase by 1 % for each percentage increase over that 10% threshold. For the avoidance of doubt, if the Escalator Clause is triggered and the Gross Settlement Amount increases, Class Counsel shall have the right to seek attorney's fees up to one-third of the increased Gross Settlement Amount.

87. Adjustments to Components of Maximum Settlement Amount. This Agreement contemplates those future adjustments to the amounts of components of the Maximum Settlement Amount listed above may be necessary and/or may be ordered by the Court. Any such future adjustments shall be made only by written stipulation of the Parties or by an order of the Court. For the avoidance of doubt, this Paragraph does not apply to the Escalator Clause above, and modifications to this Settlement and the Notice shall be implemented upon the Escalator Clause triggering without the need for a written stipulation or Court Order.

88. Nullification of Settlement Agreement. In the event that: (a) the Court does not issue final approval of the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of

this Settlement Agreement will likewise be treated as void from the beginning. In such event, if the Court rejects the Settlement despite the Parties' best efforts, Defendant shall be liable for all Settlement Administration costs incurred.

89. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice Packet; *i.e.*, the proposed Notice of Class Action Settlement document and share form, attached as **Exhibit A**. Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary Approval. Defendant agrees not to oppose the Motion for Preliminary Approval.

90. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the deadlines for Class Members to submit Requests for Exclusion, or objections to the Settlement Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual Class Payments; (b) Individual PAGA Payments; (c) the Labor and Workforce Development Agency Payment; (d) the Class Counsel's Fees and Costs; (e) the Class Representative Enhancement Payment; (f) all Settlement Administration Costs; and (g) the Defendants' share of payroll taxes for wages paid in connection with the Individual Class Payments. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval, including responding to any objections and appeals arising therefrom. Class Counsel will also draft the attorneys' fees and costs application to be heard at the Final Approval hearing. Defendant agrees not to oppose the Motion for Final Approval.

91. Termination of Settlement. Subject to the obligation(s) of cooperation set forth herein, any Party may terminate this Settlement if the Court declines to enter the Preliminary

Approval Order, the Final Approval Order, or final judgment in substantially the form submitted by the Parties, or the Settlement Agreement as agreed does not become final because of appellate court action. The Terminating Party shall give to all other Parties (through his/its counsel) written notice of his/its decision to terminate this Agreement no later than ten (10) business days after receiving notice that one of the enumerated events has occurred. Termination of this Agreement shall have the following effects:

a. The Settlement Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms;

b. In the event the Settlement is terminated, Defendant shall have no obligation to make any payments to any Party, Class Member or Class Counsel. The Terminating Party shall pay the Settlement Administrator for services rendered up to the date the Settlement Administrator is notified that the Settlement has been terminated;

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

92. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment pursuant to California Code of Civil Procedure section 664.6 to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Agreement.

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

94. Entire Agreement. This Settlement Agreement, the general release of all claims by the Class Representative, and any attached Exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed

binding on the Parties. The Parties expressly recognize California Civil Code §1625 and California Code of Civil Procedure § 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this Agreement.

95. Amendment or Modification. This Settlement Agreement may be amended or modified only by a written instrument signed by the named Parties or their successors-in-interest.

96. 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 action 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 and their counsel will cooperate with each other and use their best efforts to effectuate the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

97. Signatories. It is agreed for the purposes of this Settlement Agreement only that because the members of the Class are so numerous, it is impossible or impractical to have each member of the Class execute this Settlement Agreement. The Notice, attached hereto as **Exhibit A**, will advise all Class Members of the binding nature of the release, and the release shall have the same force and effect as if this Settlement Agreement were executed by each member of the Class.

98. 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.

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

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

101. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action. The Parties further agree that they 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 agree that they and their respective counsel have conducted informal discovery, including but not limited to per-shift time keeping data, payroll data, and evidence of pay and timekeeping policies, and that the investigation conducted by the Parties was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*"). 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 Agreement.

102. 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 define all provisions of this Settlement Agreement valid and enforceable.

103. Plaintiff's Waiver of Right to Be Excluded and Object. Plaintiff agrees to sign this Settlement Agreement and, by signing this Settlement Agreement, is hereby bound by the terms herein. For good and valuable consideration, Plaintiff further agrees that he will not request to be excluded from the Settlement Agreement, nor object to any terms herein, except as stipulated by the Parties in regard to his individual claims.

104. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that Plaintiff or Class

Counsel may appeal any reduction in the Class Counsel's Fees and Costs below the amount requested from the Court but must inform Defense Counsel and the Class Administrator of any intent to appeal prior to the distribution of any funds from the Class Administrator to any Settlement Class Members or any other Parties.

105. Non-Admission of Liability. The Parties enter into this 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 Agreement, Defendant does not admit, and specifically denies, it has violated any federal, state, 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 any other unlawful conduct with respect to its employees. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. The Parties agree that there exists a bona fide dispute as to whether any compensation is actually due to Plaintiff, the putative class, and Aggrieved Employees, and if so, the amount thereof, and no legal determinations have been made with respect to the legal claims bought in the Action and resolved in this Settlement. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local, or other applicable law.

106. Captions. The captions and section numbers in this Agreement are inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or intent of the provisions of this Agreement.

107. Waiver. No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right, or remedy.

108. Enforcement Actions. In the event that one or more of the Parties institute any legal action, motion, petition, or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred.

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

110. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel, and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

111. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to the Court's Final Approval.

112. Notices. Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be transmitted to a Party via email:

To Plaintiff and the Settlement Class:

Bardia Aaron Akhavan, Esq. (State Bar No. 316493)
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Los Angeles, California 90014
tel: (213) 465-4802

To Defendant:

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CHINA M. DALY (SBN 300982)
HIRSCHFELD KRAEMER LLP
456 Montgomery Street, Suite 2200 San Francisco, CA 94104
Telephone: (415) 835-9000
Facsimile: (415) 834-0443

113. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

114. Binding Agreement. The Parties warrant that: 1) they understand and have full authority to enter into this Agreement; 2) they intend that this Agreement will be fully enforceable and binding on all Parties; and 3) 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 federal or state law.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Settlement and Release Between Plaintiff and Defendant as of the date(s) set forth below:

SIGNATURES

READ CAREFULLY BEFORE SIGNING

PLAINTIFF: Ferry Mendoza

Dated: _____

_____
Ferry Mendoza

DEFENDANT: Baugher Ranch Organics, Inc.

Dated: _____

By: _____
Its:

_____