

1 **JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT**

2 This Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiff Josephine Hernandez
4 (“Plaintiff” or “Class Representative”), individually, and on behalf of all others similarly situated and
5 on behalf of the State of California with respect to aggrieved employees, and Defendants Liberty
6 Utilities (Apple Valley Ranchos Water) Corp., Liberty Utilities (Park Water) Corp., and Liberty
7 Utilities (CalPeco Electric) LLC (collectively, “Defendants”) (Plaintiff and Defendants are
8 collectively referred to herein as the “Parties,” and individually as “Party”).

9 **RECITALS**

10 1. On March 5, 2025, Plaintiff filed a Class Action Complaint in the action entitled
11 *Josephine Hernandez v. Liberty Utilities (Apple Valley Ranchos Water) Corp., et al.*, Los Angeles
12 County Superior Court Case No. 25STCV06335 (“Action”), thereby commencing a putative class
13 action.

14 2. On January 21, 2026, the Parties participated in mediation with Eve Wagner, Esq. (the
15 “Mediator”); with the assistance of the Mediator’s evaluations, the Parties reached the settlement that
16 is memorialized herein. The Parties’ settlement discussions were conducted at arms’ length, and the
17 Settlement is the result of an informed and detailed analysis of Defendants’ potential liability and
18 exposure in relation to the costs and risks associated with continued litigation. Based on Class
19 Counsel’s investigation and evaluation, Class Counsel believes that the settlement with Defendants
20 for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and
21 adequate and is in the best interest of the Class Members, the State of California, and the PAGA
22 Employees in light of all known facts and circumstances, including the risk of significant delay and
23 uncertainty associated with litigation and various defenses asserted by Defendants.

24 3. On February 20, 2026, Plaintiff filed a First Amended Class Action Complaint in the
25 Action that names Defendants.

26 4. On February 23, 2026, Plaintiff provided written notice to the Labor and Workforce
27 Development Agency (“LWDA”) by online submission and to Defendants by U.S. Certified Mail,
28 pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor

1 Code alleged to have been violated by Defendants (“PAGA Letter”).

2 5. The Parties agree that Plaintiff will file a Second Amended Class and Representative
3 Action Complaint (the “Operative Complaint”) in the Action, which will add one cause of action under
4 the Private Attorneys General Act of 2004 pursuant to California Labor Code section 2698, *et seq.*
5 (“PAGA”) against Defendants.

6 6. The Operative Complaint shall allege ten (10) causes of action for violations of the
7 California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to
8 provide compliant meal periods and/or premium payments in lieu thereof, failure to provide compliant
9 rest periods and/or premium payments in lieu thereof, failure to timely pay wages during employment,
10 failure to provide compliant wage statements, failure to timely pay wages upon termination, failure
11 to reimburse necessary business expenses, violation of California Business & Professions Code section
12 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil penalties
13 under PAGA based on the aforementioned California Labor Code violations.

14 7. Defendants deny all material allegations set forth in the Action and the Operative
15 Complaint, and have asserted numerous affirmative defenses. Notwithstanding, in the interest of
16 avoiding further litigation, Defendants desire to fully and finally settle the claims alleged in the Action
17 and Operative Complaint, including the Released Class Claims (as defined herein), and Released
18 PAGA Claims (as defined herein).

19 8. Class Counsel diligently investigated the class and PAGA claims against Defendants,
20 including any and all applicable defenses and the applicable law. The investigation included, *inter*
21 *alia*, the exchange of information, data, and documents, and review of corporate policies and practices.
22 The Parties have engaged in sufficient informal discovery and investigation to assess the relative
23 merits of the claims and contentions of the Parties.

24 9. The Parties expressly acknowledge that this Settlement Agreement is entered into
25 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
26 admission of liability or wrongdoing by Defendants. If for any reason this Settlement Agreement is
27 not approved by the Court of competent jurisdiction, it will be of no force or effect, and the Parties
28 shall be returned to their original respective positions.

DEFINITIONS

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

a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for Class Counsel’s litigation and resolution of the Action and Operative Complaint and all actual costs and expenses incurred and to be incurred by Class Counsel in connection with the Action and Operative Complaint, as set forth in Paragraph 13.

b. “Class” or “Class Member(s)” means all current and former non-exempt or hourly employees who worked for Defendants in the State of California during the Class Period.

c. “Class Counsel” means Jonathan M. Genish, Ryan A. Quadrel, Shelby L. Miner, Alexandra Rose, and Theodore R. Tang of Blackstone Law, APC, who will seek to be appointed counsel for the Class.

d. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security number; (4) Workweeks during the Class Period; and (5) Pay Periods during the PAGA Period.

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

f. “Class Period” means the period from March 5, 2021 through March 22, 2026.

g. “Class Settlement” means the settlement and resolution of all Released Class Claims.

h. “Court” means the Superior Court of the State of California for the County of Los Angeles.

i. “Defendants’ Counsel” means Anet Castro Drapalski, Harrison Thorne, and Carol A. Ibrahim of Fisher & Phillips LLP.

j. “Dispute” means a letter submitted by a Class Member disputing the number of

1 Workweeks and/or Pay Periods which have been credited to them, which must: (a) contain the case
2 name and number of the Action; (b) contain the Class Member's full name, signature, address,
3 telephone number, and the last four (4) digits of the Class Member's Social Security number; (c)
4 clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to
5 the Class Member and what the Class Member contends is the correct number; and (d) be returned by
6 mail to the Settlement Administrator at the specified address, postmarked on or before the Response
7 Deadline.

8 k. "Effective Date" means the later of the following: (i) if no timely objections are
9 filed or if all objections are withdrawn, the date upon which the Court enters an order granting the
10 motion for final approval of class settlement; (ii) if an objection is filed and not withdrawn, the date
11 for filing an appeal and no such appeal being filed; or (iii) if any timely appeal(s) are filed, the date of
12 the resolution (or withdrawal) of any such appeal in a way that does not alter the terms of the
13 Settlement.

14 l. "Employer Taxes" means the employers' share of taxes and contributions in
15 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendants
16 in addition to the Gross Settlement Amount.

17 m. "Enhancement Payment" means the amount to be paid to Plaintiff, in
18 recognition of her effort and work in prosecuting the Action on behalf of Class Members and PAGA
19 Employees, and general release of claims, as set forth in Paragraph 14.

20 n. "Final Approval" means the determination by the Court that the Settlement is
21 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

22 o. "Final Approval Hearing" means the hearing at which the Court will consider
23 and determine whether the Settlement should be granted Final Approval.

24 p. "Final Approval Order and Judgment" means the order granting final approval
25 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the
26 Parties, and subject to approval by the Court.

27 q. "Gross Settlement Amount" means the amount of One Million Eight Hundred
28 Thousand Dollars and Zero Cents (\$1,800,000.00) to be paid by Defendants in full satisfaction of the

claims alleged in the Action and Operative Complaint, including the Released Class Claims and Released PAGA Claims, and which includes all Attorneys' Fees and Costs, Enhancement Payment, PAGA Amount, Settlement Administration Costs, and Net Settlement Amount to be paid to the Settlement Class Members. Defendants shall pay the Employer Taxes separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Payment will return to Defendants. The Gross Settlement Amount is the maximum amount Defendants shall pay, subject to the terms in Paragraph 17.

r. "Individual PAGA Payment" means the *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be calculated in accordance with Paragraph 19.

s. "Individual Settlement Payment" means the net payment of each Settlement Class Member's Individual Settlement Share, after reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as provided in Paragraph 18.

t. "Individual Settlement Share" means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated in accordance with Paragraph 18.

u. "LWDA Payment" means the amount of Seventy-Eight Thousand Dollars and Zero Cents (\$78,000.00), i.e., 65% of the PAGA Amount, that the Parties have agreed to pay to the LWDA under the PAGA Settlement, as set forth in Paragraph 15.

v. "Net Settlement Amount" means the portion of the Gross Settlement Amount that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount less the Court-approved Attorneys' Fees and Costs, Enhancement Payment, PAGA Amount, and Settlement Administration Costs.

w. "Notice of Objection" means a Settlement Class Member's written objection to the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the objector's full name, signature, address, telephone number, and the last four (4) digits of the objector's Social Security number; (c) contain a written statement of all grounds for the objection accompanied

1 by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents
2 upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the
3 specified address, postmarked on or before the Response Deadline.

4 x. “PAGA Amount” means the allocation of One Hundred Twenty Thousand
5 Dollars and Zero Cents (\$120,000.00) from the Gross Settlement Amount for the PAGA Settlement.
6 Sixty-five percent (65%) of the PAGA Amount, or \$78,000.00, will be paid to the LWDA (i.e., the
7 LWDA Payment) and the remaining thirty-five percent (35%), or \$42,000.00, will be distributed to
8 the PAGA Employees (i.e., the PAGA Employee Amount).

9 y. “PAGA Employee(s)” means all current and former non-exempt or hourly
10 employees who worked for Defendants in the State of California during the PAGA Period.

11 z. “PAGA Employee Amount” means the amount of Forty-Two Thousand Dollars
12 and Zero Cents (\$42,000.00), i.e., 35% of the PAGA Amount, to be distributed to PAGA Employees
13 on a *pro rata* basis based on their Pay Periods.

14 aa. “PAGA Period” means the period from February 23, 2025, through March 22,
15 2026.

16 bb. “PAGA Settlement” means the settlement and resolution of all Released PAGA
17 Claims.

18 cc. “Pay Periods” means the number of pay periods each PAGA Employee worked
19 for Defendants as a non-exempt or hourly employee in California during the PAGA Period.

20 dd. “Preliminary Approval” means the date on which the Court enters the
21 Preliminary Approval Order.

22 ee. “Preliminary Approval Order” means the order granting preliminary approval
23 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by
24 the Court.

25 ff. “Released Class Claims” means all claims, rights, demands, liabilities, and
26 causes of action that are alleged, or reasonably could have been alleged, based on the facts and claims
27 asserted in the Operative Complaint as to the Released Parties, arising during the Class Period,
28 including the following claims: (i) failure to pay minimum wages; (ii) failure to pay overtime wages;

(iii) failure to provide meal breaks; (iv) failure to provide rest breaks; (v) failure to timely pay wages during employment; (vi) violation of California Labor Code section 226; (vii) failure to timely pay final wages upon separation of employment; (viii) failure to reimburse necessary business expenses; and (ix) unfair or unlawful business practices under California Business & Professions Code section 17200, *et seq.*

gg. “Released PAGA Claims” means any and all claims for the recovery of civil penalties and attorneys’ fees and costs permissible under PAGA which Plaintiff and/or the PAGA Employees had, or may claim to have, against the Released Parties, arising out of the violations alleged in the Operative Complaint and/or the PAGA Letter, arising during the PAGA Period, including: (i) failure to pay minimum wages; (ii) failure to pay overtime wages; (iii) failure to provide meal breaks; (iv) failure to provide rest breaks; (v) failure to timely pay wages during employment; (vi) violation of California Labor Code section 226; (vii) failure to timely pay final wages upon separation of employment; (viii) failure to reimburse necessary business expenses; and (ix) violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698, *et seq.*, 2699, *et seq.*, 2800, and 2802.

hh. “Released Parties” means Defendants and any of their past, present, and future direct or indirect parents, subsidiaries, predecessors, successors, affiliates, sectors, divisions, assigns, joint venturers, third parties, and other related entities, as well as each of their present and/or future officers, directors, administrators, trustees, staff, members, managers, employees, agents, representatives, attorneys, insurers, re-insurers, partners, investors, and shareholders, as well as any individual or entity which could be jointly liable with Defendants.

ii. “Request for Exclusion” means a letter submitted by a Class Member indicating a request to be excluded from the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

jj. “Response Deadline” means the deadline by which Class Members must submit

1 a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five
2 (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator to
3 Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response
4 Deadline will be extended to the next day on which the United States Postal service is open. The
5 Response Deadline may also be extended by express agreement between Class Counsel and
6 Defendants' Counsel. In the event that a Class Notice is re-mailed to a Class Member, the Response
7 Deadline for that Class Member shall be extended fifteen (15) calendar days from the original
8 Response Deadline.

9 kk. "Settlement Administrator" means Apex Class Action Administration, or any
10 other third-party class action settlement administrator agreed to by the Parties and approved by the
11 Court for purposes of administering the Settlement. The Parties and their counsel each represent that
12 they do not have any financial interest in the Settlement Administrator or otherwise have a relationship
13 with the Settlement Administrator that could create a conflict of interest.

14 ll. "Settlement Administration Costs" means the costs payable from the Gross
15 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in
16 Paragraph 16.

17 mm. "Settlement Class" or "Settlement Class Member(s)" means all Class Members
18 who do not submit a timely and valid Request for Exclusion.

19 nn. "Workweeks" means the number of weeks each Class Member worked for
20 Defendants as a non-exempt or hourly employee in California during the Class Period.

21 **CLASS CERTIFICATION**

22 11. For the purposes of this Settlement only, the Parties stipulate to the certification of the
23 Class.

24 12. The Parties agree that certification for the purpose of settlement is not an admission
25 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
26 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as
27 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not
28 be admissible in connection with, the issue of whether or not certification would be appropriate in a

1 non-settlement context.

2 **TERMS OF THE AGREEMENT**

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

5 13. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application
6 or motion by Class Counsel for attorneys' fees in the amount up to one-third (1/3) of the Gross
7 Settlement Amount (e.g., \$600,000.00 if the Gross Settlement Amount is \$1,800,000.00) and
8 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement
9 of the Action, in an amount not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00),
10 both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all
11 work performed and any and all costs incurred by Class Counsel in connection with the litigation of
12 the Action and the Operative Complaint, including without limitation all work performed and costs
13 incurred to date, and all work to be performed and all costs to be incurred in connection with obtaining
14 the Court's Final Approval of this Settlement Agreement, including any objections raised and any
15 appeals necessitated by those objections. Class Counsel shall be solely and legally responsible for
16 correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts
17 received. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the
18 Attorneys' Fees and Costs. Any portion of the requested Attorneys' Fees and Costs that is not awarded
19 by the Court to Class Counsel shall be reallocated to the Net Settlement Amount for the benefit of the
20 Settlement Class Members.

21 14. Enhancement Payment. Defendants agree not to oppose or impede any application or
22 motion by Plaintiff for an Enhancement Payment in the amount up to Ten Thousand Dollars and Zero
23 Cents (\$10,000.00). The Enhancement Payment, which will be paid from the Gross Settlement
24 Amount, subject to Court approval, will be in addition to any other payments Plaintiff is entitled to
25 under the Settlement. Plaintiff shall be solely and legally responsible for correctly characterizing this
26 compensation for tax purposes and for paying any taxes on the amounts received. The Settlement
27 Administrator shall issue an IRS Form 1099 to Plaintiff for the Enhancement Payment. Any portion
28 of the requested Enhancement Payment that is not awarded by the Court to Plaintiff shall be reallocated

1 to the Net Settlement Amount for the benefit of the Settlement Class Members.

2 15. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
3 One Hundred Twenty Thousand Dollars and Zero Cents (\$120,000.00) shall be allocated from the
4 Gross Settlement Amount toward penalties under the Private Attorneys General Act, California Labor
5 Code section 2698, *et seq.* (i.e., the PAGA Amount), of which sixty-five percent (65%), or \$78,000.00,
6 will be paid to the LWDA (i.e., the LWDA Payment) and thirty-five percent (35%), or \$42,000.00,
7 will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based
8 on the total number of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e.,
9 the Individual PAGA Payments).

10 16. Settlement Administration Costs. The Settlement Administrator will be paid for the
11 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
12 which is currently estimated not to exceed Seven Thousand Seven Hundred Ninety Dollars and Zero
13 Cents (\$7,790.00). These costs, which will be paid from the Gross Settlement Amount, subject to
14 Court approval, will include, *inter alia*, translating the Class Notice to Spanish, printing, distributing,
15 and tracking Class Notices and other documents for the Settlement, calculating and distributing
16 payments due under the Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting,
17 filings, withholdings, and remittances, providing necessary reports and declarations, and other duties
18 and responsibilities set forth herein to process the Settlement, and as requested by the Parties. To the
19 extent the actual Settlement Administrator's costs are greater than the estimated amount stated herein,
20 such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the
21 Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs
22 which are not in fact required to fulfill payment to the Settlement Administrator to undertake the
23 required settlement administration duties shall be reallocated to the Net Settlement Amount for the
24 benefit of the Settlement Class Members.

25 17. Escalator Clause. Defendants have represented that the Class Members worked a total
26 of approximately 42,000 workweeks between March 5, 2021 and the date of mediation. If the total
27 number of Workweeks worked by the Class Members during the Class Period actually exceeds 42,000
28 by more than 10% (i.e., if the Workweeks exceed 46,200), then the Gross Settlement Amount will be

increased on a *pro rata* basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks increases by 11% to 46,620 Workweeks, then the Gross Settlement Amount will increase by 1% (to \$1,818,000.00).

18. 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, as follows:

a. After Preliminary Approval, the Settlement Administrator will divide the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value to yield each Class Member's estimated Individual Settlement Share that the Class Member may be entitled to receive under the Class Settlement.

b. After Final Approval, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek Value to yield each Settlement Class Member's final Individual Settlement Share.

19. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees' number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 35% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the "Pay Period Value," and multiply each PAGA Employee's individual Pay Periods by the Pay Period Value to yield each PAGA Employee's Individual PAGA Payment.

20. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: fifteen percent (15%) wages and eighty-five percent (85%) 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 (if applicable) 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). The Employer Taxes will be paid separately and in addition to the Gross Settlement Amount. 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.

21. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll taxes and other legally required withholdings to the appropriate government authorities.

22. Tax Liability. Plaintiff, Class Counsel, Defendants, and Defendants' Counsel do not intend anything contained in this Settlement Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement Class Members, and PAGA Employees are not relying on any statement, representation, or calculation by Defendants, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement Class Members, and PAGA Employees understand and agree that Plaintiff, Settlement Class Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties assessed on the payments described in this Settlement Agreement. Plaintiff, Settlement Class Members, and PAGA Employees should consult with their tax advisors concerning the tax consequences of any payment they receive under the Settlement.

23. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, 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

1 MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART
2 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY
3 UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE
4 (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B)
5 HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE
6 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY
7 OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR
8 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
9 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
10 ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION
11 THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S
12 TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY
13 BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX
14 TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY
15 TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

16 24. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
17 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
18 are issued to the payee. It is expressly understood and agreed that payments made under this
19 Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or PAGA Employees to
20 additional compensation or benefits under any new or additional compensation or benefits, or any
21 bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period,
22 nor will it entitle Plaintiff, Settlement Class Members, or PAGA Employees to any increased
23 retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding
24 any contrary language or agreement in any benefit or compensation plan document that might have
25 been in effect during the Class Period).

26 25. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.
27 Plaintiff will obtain a hearing date from the Court for Plaintiff's motion for preliminary approval of
28 the Settlement, which Class Counsel will be responsible for drafting, and submit this Settlement

1 Agreement to the Court in support of said motion. Class Counsel will provide Defendants' Counsel a
2 draft of the preliminary approval motion before filing it with the Court. Defendants agree not to
3 oppose the motion for preliminary approval of the Settlement consistent with this Settlement
4 Agreement. By way of said motion, Plaintiff will apply for the entry of the Preliminary Approval
5 Order seeking the following:

- 6 a. Conditionally certifying the Class for settlement purposes only;
- 7 b. Granting Preliminary Approval of the Settlement;
- 8 c. Preliminarily appointing Plaintiff as the representative of the Class;
- 9 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 10 e. Approving as to form and content, the mutually-agreed upon and proposed
11 Class Notice and directing its mailing by First Class U.S. Mail;
- 12 f. Approving the manner and method for Class Members to request exclusion
13 from or object to the Class Settlement as contained herein and within the Class Notice; and
- 14 g. Scheduling a Final Approval Hearing at which the Court will determine whether
15 Final Approval of the Settlement should be granted.

16 26. Notice of Settlement to the LWDA. Pursuant to California Labor Code section
17 2699(s)(2), Class Counsel shall notify the LWDA of the Settlement.

18 27. Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval,
19 Defendants will provide the Class List to the Settlement Administrator.

20 28. Notice by First-Class U.S. Mail.

21 a. Within fourteen (14) calendar days after receiving the Class List from
22 Defendants, the Settlement Administrator will perform a search based on the National Change of
23 Address Database or any other similar services available, such as provided by Experian, for
24 information to update and correct for any known or identifiable address changes, and will mail a Class
25 Notice in English and Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all
26 Class Members via First-Class U.S. Mail, using the most current, known mailing addresses identified
27 by the Settlement Administrator.

28 b. Any Class Notice returned to the Settlement Administrator as undeliverable on

1 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
2 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
3 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
4 attempt to determine the correct address using a skip-trace or other search, using the name, address,
5 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
6 calendar days.

7 c. Compliance with the procedures described herein above shall constitute due and
8 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
9 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendants' Counsel to
10 provide notice of the Settlement.

11 29. Disputes Regarding Workweeks and/or Pay Periods. Class Members and PAGA
12 Employees will have an opportunity to dispute the number of Workweeks and/or Pay Periods which
13 have been credited to them, as reflected in their respective Class Notices, by submitting a timely and
14 valid Dispute to the Settlement Administrator, by mail, postmarked on or before the Response
15 Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to
16 determine whether a Dispute has been timely submitted. Absent evidence rebutting the accuracy of
17 Defendants' records and data as they pertain to the number of Workweeks and/or Pay Periods to be
18 credited to a disputing Class Member and/or PAGA Employee, Defendants' records will be presumed
19 to be correct and determinative of the dispute. However, if a Class Member and/or PAGA Employee
20 produces information and/or documents to the contrary, the Settlement Administrator will evaluate
21 the materials submitted by the Class Member/PAGA Employee and the Settlement Administrator will
22 resolve and determine the number of eligible Workweeks and/or Pay Periods that the disputing Class
23 Member/PAGA Employee should be credited with under the Settlement. The Settlement
24 Administrator's decision on such disputes will be final and non-appealable.

25 30. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be
26 excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the
27 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
28 postmark on the return mailing envelope will be the exclusive means to determine whether a Request

1 for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class
2 Counsel and Defendants' Counsel the number of timely and valid Requests for Exclusion that are
3 submitted, and also identify the individuals who have submitted a timely and valid Request for
4 Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing.
5 At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members
6 to request exclusion from the Class Settlement. Any Class Member who submits a Request for
7 Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who
8 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will
9 not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively
10 request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion
11 will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining
12 to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants
13 Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be bound to
14 the PAGA Settlement and will be issued their Individual PAGA Payment, irrespective of whether they
15 submit a Request for Exclusion.

16 31. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
17 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by
18 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing
19 envelope will be the exclusive means to determine whether a Notice of Objection has been timely
20 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendants'
21 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely
22 and complete and which were not), and also attach them to a declaration that is to be filed with the
23 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel
24 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or
25 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or
26 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of
27 whether they have submitted a Notice of Objection.

28 32. Reports by the Settlement Administrator. The Settlement Administrator shall provide

1 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed
2 Class Notices; (ii) the number of Class Members who have submitted Disputes; (iii) the number of
3 Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class
4 Members who have submitted Notices of Objection. Additionally, the Settlement Administrator will
5 provide to counsel for the Parties any updated reports regarding the administration of the Settlement
6 Agreement as needed or requested, and immediately notify the Parties when it receives a request from
7 an individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a
8 Dispute.

9 33. Defendants' Right to Rescind. If more than ten percent (10%) of the Class Members
10 submit timely and valid Requests for Exclusion, Defendants may, in their sole discretion, elect to
11 rescind the Settlement Agreement. Defendants must exercise this right of rescission in writing that is
12 provided to Class Counsel within fifteen (15) calendar days of the Settlement Administrator notifying
13 the Parties of the number of Class Members who have submitted timely and valid Requests for
14 Exclusion following the Response Deadline. If Defendants exercise this option, Defendants shall pay
15 any costs of settlement administration owed to the Settlement Administrator incurred up to that date.
16 Defendants shall meet and confer with Class Counsel before withdrawing from the Settlement
17 pursuant to this Paragraph.

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

21 35. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
22 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final
23 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)
24 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'
25 Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. Plaintiff and
26 Class Counsel will be responsible for drafting the motion seeking Final Approval of the Settlement.
27 Class Counsel will provide Defendants' Counsel a draft of the final approval motion before filing it
28 with the Court. By way of said motion, Plaintiff will apply for the entry of the Final Approval Order

1 and Judgment, which will provide for, in substantial part, the following:

- 2 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
3 consummation of its terms and provisions;
- 4 b. Certification of the Settlement Class;
- 5 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 6 d. Approval of the application for Enhancement Payment to Plaintiff;
- 7 e. Directing Defendants to fund all amounts due under the Settlement Agreement
8 and ordered by the Court; and
- 9 f. Entering judgment in the Action, while maintaining continuing jurisdiction, in
10 conformity with California Rules of Court 3.769 and the Settlement Agreement.

11 36. Funding of the Gross Settlement Amount. No later than twenty-one (21) calendar days
12 after the Effective Date, Defendants will deposit the Gross Settlement Amount and Employer Taxes
13 into a Qualified Settlement Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-
14 1, *et seq.*, to be established by the Settlement Administrator. Defendants shall provide all information
15 necessary for the Settlement Administrator to calculate necessary payroll taxes.

16 37. Distribution of the Gross Settlement Amount. Within ten (10) business days of the
17 funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual
18 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,
19 LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys' Fees and Costs to Class
20 Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set
21 aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and
22 timely forward these to the appropriate government authorities.

23 38. Settlement Checks. The Settlement Administrator will be responsible for undertaking
24 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
25 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
26 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
27 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
28 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
Members and PAGA Employees are not required to submit a claim to be issued an Individual

1 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
2 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
3 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds
4 associated with such canceled checks shall be distributed by the Settlement Administrator to the State
5 of California's Unclaimed Property Division in the name of the Settlement Class Member and/or
6 PAGA Employee. The Parties agree that this disposition results in no "unpaid residue" under
7 California Civil Procedure Code Section 384, as the entire Net Settlement Amount will be paid out to
8 Settlement Class Members, whether or not they cash their settlement checks. Therefore, Defendants
9 will not be required to pay any interest on such amounts. The Settlement Administrator shall undertake
10 amended and/or supplemental tax filings and reporting required under applicable local, state, and
11 federal tax laws that are necessitated due to the cancelation of any Individual Settlement Payment
12 and/or Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement
13 Payment checks are canceled shall, nevertheless, be bound by the Class Settlement, and PAGA
14 Employees whose Individual PAGA Payment checks are canceled shall, nevertheless, be bound by the
15 PAGA Settlement.

16 39. Class Settlement Release. Upon the Effective Date and full funding of the Gross
17 Settlement Amount and Employer Taxes, Plaintiff and all Settlement Class Members will be deemed
18 to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the
19 Released Parties of all Released Class Claims.

20 40. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross
21 Settlement Amount and Employer Taxes, Plaintiff, the State of California with respect to all PAGA
22 Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released,
23 settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA
24 Claims.

25 41. Plaintiff's General Release. Upon the Effective Date and full funding of the Gross
26 Settlement Amount and Employer Taxes, Plaintiff, individually and on her own behalf, will be deemed
27 to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the
28 Released Parties from any and all claims, debts, liabilities, demands, obligations, guarantees, costs,

1 expenses, attorneys' fees, damages, or causes of action of any kind or nature whatsoever, known or
2 unknown, suspected or unsuspected, asserted or unasserted, arising out of, relating to, or resulting
3 from her employment and/or separation of employment with Defendants, which Plaintiff, at any time
4 up until the execution of the Settlement Agreement, had or claimed to have or may have. It is agreed
5 that this is a general release and is to be broadly construed as a release of all claims, provided that,
6 notwithstanding the foregoing, this Paragraph expressly does not include a release of any claims that
7 cannot be released hereunder by law. Any and all rights granted under any state or federal law or
8 regulation limiting the effect of the Settlement Agreement, including the provisions of Section 1542
9 of the California Civil Code, ARE HEREBY EXPRESSLY WAIVED. Section 1542 of the California
10 Civil Code reads as follows:

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

16 42. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants,
17 and Defendants' Counsel shall, until the motion for preliminary approval of Settlement is filed, not
18 disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or
19 publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any
20 person, corporation, association, government agency, or other entity except: (1) to the Parties'
21 attorneys, accountants, or spouses, all of whom shall be instructed to keep the Agreement confidential;
22 (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing
23 authorities; (4) in response to a court order or subpoena; (5) in response to an inquiry or subpoena
24 issued by a state or federal government agency; or (6) to the extent necessary to prepare the motion
25 for preliminary approval of Settlement to be filed. Each Party shall immediately notify the other Party
26 of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class
27 Counsel, Defendants, and Defendants' Counsel shall not, directly or indirectly, initiate any
28 conversation or other communication, before the filing of the motion for preliminary approval, with

any third party regarding the Agreement or the matters giving rise to the Agreement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

43. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Final Approval Order and Judgment. Nothing in this Paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

44. Use and Return of Class List. Information provided to Class Counsel pursuant to California Evidence Code section 1152, and all copies and summaries of the Class List provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. No later than ninety (90) calendar days after the date when the Court discharges the Settlement Administrator’s obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff and Class Counsel shall destroy all paper and electronic versions of Class List received from Defendants unless, prior to the Court’s discharge of the Settlement Administrator’s obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class List.

45. 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. No individualized notice of the Final Approval Order and Judgment to the Class will be required.

46. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,

1 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
2 Settlement Agreement.

3 47. Effects of Termination or Rescission of Settlement. Termination or rescission of the
4 Settlement Agreement shall have the following effects:

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

7 b. In the event the Settlement Agreement is terminated, Defendants shall have no
8 obligation to make any payments to any Party, Class Member, PAGA Employee, attorney, or the
9 LWDA, except that the terminating Party shall pay the Settlement Administrator for services rendered
10 up to the date the Settlement Administrator is notified that the Settlement has been terminated;

11 c. The Preliminary Approval Order and Final Approval Order and Judgment,
12 including any order certifying the Class, shall be vacated;

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

16 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
17 statements, or filings in furtherance of the Settlement (including all matters associated with the
18 mediation) shall be admissible or offered into evidence in the Action or any other action for any
19 purpose whatsoever; and

20 f. Any documents generated to bring the Settlement into effect, will be null and
21 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
22 likewise be treated as void from the beginning.

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

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

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

11 51. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
12 the Action (including with respect to California Code of Civil Procedure Section 583.310), except
13 such proceedings necessary to implement and complete this Settlement Agreement, pending the Final
14 Approval Hearing to be conducted by the Court.

15 52. Amendment or Modification. Prior to the filing of the motion for preliminary approval
16 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
17 except by written agreement signed by all Parties and counsel for all Parties. After the filing of the
18 motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision
19 of this Settlement Agreement except by written agreement signed by all Parties and counsel for all the
20 Parties and subject to Court approval. A waiver or amendment of any provision of this Settlement
21 Agreement will not constitute a waiver of any other provision.

22 53. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
23 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
24 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
25 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
26 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
27 full authority to enter into this Settlement Agreement, and further intend that this Settlement
28 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.

1 54. Signatories. It is agreed that because the members of the Class are so numerous, it is
2 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this
3 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
4 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement
5 as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have
6 the same force and effect as if this Settlement Agreement were executed by each Settlement Class
7 Member and PAGA Employee.

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

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

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

16 58. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
17 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
18 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into
19 account all relevant factors, present and potential. The Parties further acknowledge that they are each
20 represented by competent counsel and that they have had an opportunity to consult with their counsel
21 regarding the fairness and reasonableness of this Settlement Agreement.

22 59. Enforcement Action. In the event that one or more of the Parties institutes any legal
23 action or other proceeding against any other Party or Parties to enforce the provisions of this
24 Settlement Agreement or to declare rights and/or obligations under this Settlement, the prevailing
25 Party or Parties will be entitled to recover from the non-prevailing Party or Parties reasonable
26 attorneys' fees and costs, including expert witness fees, in connection with any enforcement actions.

27 60. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by
28 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate
to implement the Settlement.

1 61. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
2 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
3 continued litigation. In entering into this Settlement Agreement, Defendants do not admit, and
4 specifically deny, they have violated any federal, state, or local law; violated any regulations or
5 guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal
6 requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation
7 or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this
8 Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with
9 it, shall be construed as an admission or concession by Defendants of any such violations or failures
10 to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this
11 Settlement Agreement, this Settlement Agreement and its terms and provisions shall not be offered or
12 received as evidence in any action or proceeding to establish any liability or admission on the part of
13 Defendants or to establish the existence of any condition constituting a violation of, or a non-
14 compliance with, federal, state, local, or other applicable law.

15 62. Captions. The captions and paragraph numbers in this Settlement Agreement are
16 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or
17 intent of the provisions of this Settlement Agreement.

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

24 64. Representation By Counsel. The Parties acknowledge that they have been represented
25 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
26 that this Settlement Agreement has been executed with the consent and advice of counsel, and
27 reviewed in full.

28 65. All Terms Subject to Final Court Approval. All amounts and procedures described in

1 this Settlement Agreement herein will be subject to final Court approval.

2 66. Notices. All notices, demands, and other communications to be provided concerning
3 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
4 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
5 as follows:

6 To Plaintiff and Class Counsel:

7 Jonathan M. Genish

8 jgenish@blackstonepc.com

9 Ryan A. Quadrel

10 rquadrel@blackstonepc.com

11 Shelby L. Miner

12 sminer@blackstonepc.com

13 Alexandra Rose

14 arose@blackstonepc.com

15 Theodore R. Tang

16 ttang@blackstonepc.com

17 **BLACKSTONE LAW, APC**

18 8383 Wilshire Boulevard, Suite 745

19 Beverly Hills, California 90211

20 Tel: (310) 622-4278 / Fax: (855) 786-6356

21 To Defendants:

22 Anet Castro Drapalski

23 adrapalski@fisherphillips.com

24 Harrison Thorne

25 hthorne@fisherphillips.com

26 Carol A. Ibrahim

27 cibrahim@fisherphillips.com

28 **FISHER & PHILLIPS LLP**

444 South Flower Street, Suite 1500

Los Angeles, California 90071

Tel: (213) 330-4500 / Fax: (213) 330-4501

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

1 does not grant Preliminary Approval or conditions Preliminary Approval on any material change to
2 the Agreement, Class Counsel and Defendants' Counsel shall expeditiously work together on behalf
3 of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and
4 otherwise satisfy the Court's concerns.

5 68. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
6 Approval on any material change to the Settlement, including, but not limited to, the scope of release to
7 be granted by Settlement Class Members and/or PAGA Employees, the Parties will expeditiously work
8 together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain
9 Final Approval. The Court's decision to award less than the amounts requested for the Attorneys' Fees
10 and Costs, PAGA Amount, Enhancement Payment, and/or Settlement Administration Costs shall not
11 constitute a material modification to the Agreement within the meaning of this Paragraph.

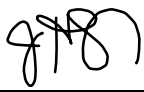
12 69. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
13 reviewing Court vacates, reverses, or modifies the Final Approval Order and Judgment in a manner that
14 requires a material modification of this Agreement (including, but not limited to, the scope of release to
15 be granted by Settlement Class Members and/or PAGA Employees), the Parties shall expeditiously work
16 together in good faith to address the appellate court's concerns and to obtain Final Approval and entry
17 of Final Approval Order and Judgment, sharing, on a 50-50 basis, any additional administration expenses
18 reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's
19 award of the Enhancement Payment or any payments to Class Counsel shall not constitute a material
20 modification of the Final Approval Order and Judgment within the meaning of this Paragraph, as long
21 as the Gross Settlement Amount remains unchanged.

22 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Joint
23 Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendants:

24 **IT IS SO AGREED.**

25 **PLAINTIFF JOSEPHINE HERNANDEZ**

26
27 Dated: 04/28/2026

28


Plaintiff Josephine Hernandez

**DEFENDANT LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER)
CORP.**

Dated: _____

Full Name: Moses Thompson

Title: President
On behalf of Defendant Liberty Utilities (Apple
Valley Ranchos Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER)
CORP.**

Dated: _____

Full Name: Sharon Yang

Title: Secretary
On behalf of Defendant Liberty Utilities (Apple
Valley Ranchos Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(PARK WATER) CORP.**

Dated: _____

Full Name: Moses Thompson

Title: President
On behalf of Defendant Liberty Utilities (Park
Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(PARK WATER) CORP.**

Dated: _____

Full Name: Sharon Yang

Title: Secretary
On behalf of Defendant Liberty Utilities (Park
Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(CALPECO ELECTRIC) LLC**

Dated: _____

Full Name: Eric Schwarzrock
Title: President
On behalf of Defendant Liberty Utilities
(CalPeco Electric) LLC

**DEFENDANT LIBERTY UTILITIES
(CALPECO ELECTRIC) LLC**

Dated: _____

Full Name: Crystal Greene
Title: Secretary
On behalf of Defendant Liberty Utilities
(CalPeco Electric) LLC

APPROVED AS TO FORM.

BLACKSTONE LAW, APC

Dated: 04/28/2026

Theodore R. Tang
Full Name: Theodore R. Tang
Counsel for Plaintiff, Josephine Hernandez

FISHER & PHILLIPS LLP

Dated: _____

Full Name: _____
Counsel for Defendants, Liberty Utilities
(Apple Valley Ranchos Water) Corp.; Liberty
Utilities (Park Water) Corp.; and Liberty
Utilities (CalPeco Electric) LLC

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**DEFENDANT LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER)
CORP.**



Moses A Thompson (Apr 22, 2026 11:09:42 PDT)

Dated: 04/22/2026

Full Name: Moses Thompson

Title: President
On behalf of Defendant Liberty Utilities (Apple Valley Ranchos Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER)
CORP.**

Dated: _____

Full Name: Sharon Yang

Title: Secretary
On behalf of Defendant Liberty Utilities (Apple Valley Ranchos Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(PARK WATER) CORP.**



Moses A Thompson (Apr 22, 2026 11:09:42 PDT)

Dated: 04/22/2026

Full Name: Moses Thompson

Title: President
On behalf of Defendant Liberty Utilities (Park Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(PARK WATER) CORP.**

Dated: _____

Full Name: Sharon Yang

Title: Secretary
On behalf of Defendant Liberty Utilities (Park Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER)
CORP.**

Dated: _____

Full Name: Moses Thompson

Title: President
On behalf of Defendant Liberty Utilities (Apple
Valley Ranchos Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(APPLE VALLEY RANCHOS WATER)
CORP.**

Dated: 04/22/2026


Sharon Yang (Apr 22, 2026 08:43:15 PDT)

Full Name: Sharon Yang

Title: Secretary
On behalf of Defendant Liberty Utilities (Apple
Valley Ranchos Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(PARK WATER) CORP.**

Dated: _____

Full Name: Moses Thompson

Title: President
On behalf of Defendant Liberty Utilities (Park
Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(PARK WATER) CORP.**

Dated: 04/22/2026


Sharon Yang (Apr 22, 2026 08:43:15 PDT)

Full Name: Sharon Yang

Title: Secretary
On behalf of Defendant Liberty Utilities (Park
Water) Corp.

**DEFENDANT LIBERTY UTILITIES
(CALPECO ELECTRIC) LLC**

Dated: 04/22/2026

Eric Schwarzrock
Eric Schwarzrock (Apr 22, 2026 07:40:50 PDT)

Full Name: Eric Schwarzrock
Title: President
On behalf of Defendant Liberty Utilities
(CalPeco Electric) LLC

**DEFENDANT LIBERTY UTILITIES
(CALPECO ELECTRIC) LLC**

Dated: _____

Full Name: Crystal Greene
Title: Secretary
On behalf of Defendant Liberty Utilities
(CalPeco Electric) LLC

APPROVED AS TO FORM.

BLACKSTONE LAW, APC

Dated: _____

Full Name: _____
Counsel for Plaintiff, Josephine Hernandez

FISHER & PHILLIPS LLP

Dated: April 22, 2026

Harrison Thorne
Full Name: Harrison Thorne
Counsel for Defendants, Liberty Utilities
(Apple Valley Ranchos Water) Corp.; Liberty
Utilities (Park Water) Corp.; and Liberty
Utilities (CalPeco Electric) LLC

**DEFENDANT LIBERTY UTILITIES
(CALPECO ELECTRIC) LLC**

Dated: _____

Full Name: Eric Schwarzrock
Title: President
On behalf of Defendant Liberty Utilities
(CalPeco Electric) LLC

**DEFENDANT LIBERTY UTILITIES
(CALPECO ELECTRIC) LLC**

Dated: 04/22/2026

Crystal L Greene
Crystal L Greene (Apr 22, 2026 09:16:13 PDT)

Full Name: Crystal Greene
Title: Secretary
On behalf of Defendant Liberty Utilities
(CalPeco Electric) LLC

APPROVED AS TO FORM.

BLACKSTONE LAW, APC

Dated: _____

Full Name: _____
Counsel for Plaintiff, Josephine Hernandez

FISHER & PHILLIPS LLP

Dated: _____

Full Name: _____
Counsel for Defendants, Liberty Utilities
(Apple Valley Ranchos Water) Corp.; Liberty
Utilities (Park Water) Corp.; and Liberty
Utilities (CalPeco Electric) LLC

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Josephine Hernandez v. Liberty Utilities (Apple Valley Ranchos Water) Corp., et al
Superior Court of California for the County of Los Angeles, Case No. 25STCV06335

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or Pay Periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Josephine Hernandez ("Plaintiff") and Defendants Liberty Utilities (Apple Valley Ranchos Water) Corp., Liberty Utilities (Park Water) Corp., and Liberty Utilities (CalPeco Electric) LLC (collectively, "Defendants") (Plaintiff and Defendants are collectively referred to as the "Parties") in the case entitled *Josephine Hernandez v. Liberty Utilities (Apple Valley Ranchos Water) Corp., et al*, Los Angeles County Superior Court, Case No. 25STCV06335 (the "Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

You have received this Class Notice because Defendants' records reflect that you are a Class Member and/or PAGA Employee (both defined below). Because the Settlement, which has been preliminarily approved by the Court, affects Class Members' and PAGA Employees' legal rights, the Court ordered that this Class Notice be sent to you. This Class Notice provides you with information about (1) the Action, (2) the monetary terms of the Settlement, (3) your estimated Individual Settlement Share, provided you do not request to be excluded from the Settlement, (4) your estimated Individual PAGA Payment, (5) the terms of the Settlement, including the claims that are being released, (6) how to participate in, exclude yourself from, or object to the Settlement, and (7) where to find additional information regarding the Action and Settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member(s)" means all current and former non-exempt or hourly employees who worked for Defendants in the State of California during the Class Period.

"Class Period" means the period from March 5, 2021, through March 22, 2026.

"Class Settlement" means the settlement and resolution of all Released Class Claims.

"PAGA Employee(s)" means all current and former non-exempt or hourly employees who worked for Defendants in the State of California during the PAGA Period.

"PAGA Period" means the period from February 23, 2025, through March 22, 2026.

"PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTION

On March 5, 2025, Plaintiff commenced a putative class action lawsuit by filing a Class Action Complaint in the Action. On February 20, 2026, Plaintiff filed a First Amended Class Action Complaint in the Action. On February 23, 2026, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code that Plaintiff contends were violated ("PAGA Letter"). On May 28, 2026, Plaintiff filed a Second Amended Class and Representative Action Complaint ("Operative Complaint") in the Action.

Plaintiff contends that Defendants failed to properly pay minimum and overtime wages, provide compliant meal and rest

breaks, timely pay wages during employment and upon separation, provide accurate wage statements, and reimburse necessary business expenses, that these failures were in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* (“PAGA”).

Defendants deny all of the allegations in the Action and maintain that they fully complied with all applicable laws. Defendants deny any liability or wrongdoing of any kind and contend, among other things, that they complied at all times with the California Labor Code, the California Business and Professions Code, all Industrial Welfare Commission Wage Orders, and all applicable law.

The Parties participated in mediation and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Apex Class Action Administration as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Josephine Hernandez as representative of the Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Class (“Class Counsel”):

Jonathan M. Genish
Ryan A. Quadrel
Shelby L. Miner
Alexandra Rose
Theodore R. Tang
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

The Court has preliminarily appointed Class Counsel as counsel for the Class for purposes of settlement. Other than the Attorneys’ Fees and Costs approved by the Court and to be paid out of the Gross Settlement Amount, you will not be charged for their services.

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

Additionally, the Court has not ruled on the merits of the claims alleged by Plaintiff. By preliminarily approving the Settlement and issuing this Class Notice, the Court is not suggesting which side would win or lose the Action on the merits. Rather, the Court has determined only that there is sufficient evidence to determine, on a preliminary basis, that the proposed Settlement is fair, adequate, and reasonable. The final determination of this question will be made at the Final Approval Hearing. Defendants reserve their rights, if for any reason the Settlement fails, to contest any factual or legal allegations, including to contest whether the Action should proceed as a class and/or representative action.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

Without admitting any wrongdoing, and to avoid the business disruptions caused by litigating these claims, Defendants have agreed to pay a total gross settlement amount of One Million Eight Hundred Thousand Dollars and Zero Cents (\$1,800,000.00) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Settlement Class Members is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees, in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (*i.e.*, \$600,000.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) to Class Counsel; (2) an Enhancement Payment in an amount not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff for her services in the Action; (3) the amount of One Hundred Twenty Thousand Dollars and Zero Cents (\$120,000.00) allocated toward civil penalties under the Private Attorneys General Act (“PAGA Amount”), of which the LWDA will be paid 65% (\$78,000.00) (“LWDA Payment”) and the remaining 35% (\$42,000.00) will be distributed to PAGA Employees (“PAGA Employee Amount”); and (4) Settlement Administration Costs currently estimated not to exceed Seven Thousand Seven Hundred Ninety Dollars and Zero Cents (\$7,790.00) to the Settlement Administrator. If the Court awards less than the requested amounts for Attorneys’ Fees and Costs, the Enhancement Payment, or Settlement Administration Costs, or if any awarded Settlement Administration Costs are not needed, the difference will be added to the Net Settlement Amount for distribution to Settlement Class Members.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks each Class Member worked for Defendants as a non-exempt or hourly employee in California during the Class Period (“Workweeks”). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) will be issued their final Individual Settlement Payment, which may be different from the estimate.

Each Individual Settlement Share will be allocated as fifteen percent (15%) wages, which will be reported on an IRS Form W-2, and eighty-five percent (85%) penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099, if applicable. Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Share, resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employers’ share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendants separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of pay periods each PAGA Employee worked for Defendants as a non-exempt or hourly employee in California during the PAGA Period (“Pay Periods”). The Settlement Administrator has divided the PAGA Employee Amount, *i.e.*, 35% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the “Pay Period Value,” and multiplied each PAGA Employee’s individual Pay Periods by the Pay Period Value to yield each PAGA Employee’s estimated Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to payroll tax withholding, and will be reported on IRS Form 1099, if applicable.

Plaintiff, Settlement Class Members, and PAGA Employees are solely responsible for the payment of any taxes and penalties assessed on payments received under the Settlement and should consult their tax advisors concerning the tax consequences of any payment they receive.

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as**

possible to ensure you receive any payment that you may be entitled to under the Settlement.

Defendants will fund the Gross Settlement Amount and Employer Taxes no later than twenty-one (21) calendar days after the Effective Date, and the Settlement Administrator will issue Individual Settlement Payments and Individual PAGA Payments within ten (10) business days after funding.

Settlement checks will be valid and negotiable for one hundred eighty (180) calendar days from the date the checks are issued. After that period, uncashed checks will be canceled, and the funds associated with those canceled checks will be distributed by the Settlement Administrator to the State of California's Unclaimed Property Division in the name of the Settlement Class Member and/or PAGA Employee.

B. Your Workweeks and Pay Periods (if applicable) Based on Defendants' Records

According to Defendants' records:

- **From March 5, 2021 through March 22, 2026 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From February 23, 2025 through March 22, 2026 (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.**

If you wish to dispute the Workweeks and/or Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator ("Dispute"). The Dispute must: (a) contain the case name and number of the Action (*Josephine Hernandez v. Liberty Utilities (Apple Valley Ranchos Water) Corp., et al.*, Case No. 25STCV06335); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) are based on the number of Workweeks and Pay Periods (if applicable) credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The wages portion of your Individual Settlement Share will be subject to reduction for the employee's share of applicable taxes and withholdings. Your Individual Settlement Payment will be distributed only if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount and Employer Taxes, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

"Released Parties" means Defendants and any of their past, present, and future direct or indirect parents, subsidiaries, predecessors, successors, affiliates, sectors, divisions, assigns, joint venturers, third parties, and other related entities, as well as each of their present and/or future officers, directors, administrators, trustees, staff, members, managers, employees, agents, representatives, attorneys, insurers, re-insurers, partners, investors, and shareholders, as well as any individual or entity which could be jointly liable with Defendants.

“Released Class Claims” means all claims, rights, demands, liabilities, and causes of action that are alleged, or reasonably could have been alleged, based on the facts and claims asserted in the Operative Complaint as to the Released Parties, arising during the Class Period, including the following claims: (i) failure to pay minimum wages; (ii) failure to pay overtime wages; (iii) failure to provide meal breaks; (iv) failure to provide rest breaks; (v) failure to timely pay wages during employment; (vi) violation of California Labor Code section 226; (vii) failure to timely pay final wages upon separation of employment; (viii) failure to reimburse necessary business expenses; and (ix) unfair or unlawful business practices under California Business & Professions Code section 17200, *et seq.*

Upon the Effective Date and full funding of the Gross Settlement Amount and Employer Taxes, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims

“Released PAGA Claims” means any and all claims for the recovery of civil penalties and attorneys’ fees and costs permissible under PAGA which Plaintiff and/or the PAGA Employees had, or may claim to have, against the Released Parties, arising out of the violations alleged in the Operative Complaint and/or the PAGA Letter, arising during the PAGA Period, including: (i) failure to pay minimum wages; (ii) failure to pay overtime wages; (iii) failure to provide meal breaks; (iv) failure to provide rest breaks; (v) failure to timely pay wages during employment; (vi) violation of California Labor Code section 226; (vii) failure to timely pay final wages upon separation of employment; (viii) failure to reimburse necessary business expenses; and (ix) violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 227.3, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698, *et seq.*, 2699, *et seq.*, 2800, and 2802.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (i.e., \$600,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) (“Enhancement Payment”), in recognition of her services in connection with the Action. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to any other payments that she is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is currently estimated not to exceed Seven Thousand Seven Hundred Ninety Dollars and Zero Cents (\$7,790.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement. The Settlement Administration Costs will be paid from the Gross Settlement Amount, subject to approval by the Court. To the extent the actual Settlement Administration Costs are greater than the estimated amount, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs that is not required to complete settlement administration will be added to the Net Settlement Amount for the benefit of Settlement Class Members.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You do not need to submit a claim form to receive an Individual Settlement Payment and/or Individual PAGA Payment. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless

you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

PAGA EMPLOYEES CANNOT OPT OUT OF THE PAGA SETTLEMENT OR THE RELEASE OF RELEASED PAGA CLAIMS.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter ("Request for Exclusion") to the Settlement Administrator, at the following address:

[Settlement Administrator]

[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Josephine Hernandez v. Liberty Utilities (Apple Valley Ranchos Water) Corp., et al.*, Case No. 25STCV06335); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before** [Response Deadline].

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. **PAGA Employees will be bound by the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion from the Class Settlement.**

If more than ten percent (10%) of Class Members submit timely and valid Requests for Exclusion, Defendants may elect to rescind the Settlement Agreement, subject to the terms of the Settlement Agreement.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection ("Notice of Objection") to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Josephine Hernandez v. Liberty Utilities (Apple Valley Ranchos Water) Corp., et al.*, Case No. 25STCV06335); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before** [Response Deadline].

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 15 of the Los Angeles County Superior Court, located at 312 N. Spring Street, Los Angeles, CA 90012 on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant Attorneys' Fees and Costs to Class Counsel, the Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator, all subject to the terms of the Settlement Agreement.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://lacc.lacourt.org>). Check the Court's website for the most current information.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action by going to (<https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access>) and entering the Case Number for the Action, Case No. 25STCV06335.

You may also visit the Settlement Administrator's website at [redacted] for key documents in the Action.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.