CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement ("Agreement" or "Settlement Agreement") is entered into by and between Williams Furnace Co. ("Defendant"), on the one hand, and Yolanda Tembrina ("Tembrina") and Mac Rosales ("Rosales") (together, "Plaintiffs"), on the other hand. Plaintiffs and Defendant are collectively referred to herein as the "Parties," or individually as a "Party."

1. DEFINITIONS.

1.1 "Actions" means the claims alleged against Defendant in the following two matters:

1.1.1 *Yolanda Tembrina v. Williams Furnace Co.* (San Bernardino County Superior Court, Case No. CIVSB2127440), filed on September 14, 2021 (the "Tembrina Action");

1.1.2 *Mac Rosales v. Williams Furnace Co., et al.* (San Bernardino County Superior Court, Case No. CIVSB2302986), filed on January 24, 2023 (the "Rosales Action");

1.2 "Administrator" means Apex Class Action Administration, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 "Administration Expenses Payment" means the amount not to exceed $10,000.00 which the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses for administering the settlement.

1.4 "Aggrieved Employees" means all current and former non-exempt employees of Defendant in the State of California who worked for Defendant at any time during the PAGA Period.

1.5 "Class" or "Class Member" means all current and former non-exempt employees of Defendant in the State of California who worked for Defendant at any time during the Class Period.

1.6 "Class Counsel" means:

1.6.1 Lawyers *for* Justice PC, including Joanna Ghosh, Esq., Yasmin Hosseini, Esq., and Selena Matavosian, Esq., representing Tembrina.

1.6.2 Matern Law Group, PC, including Matthew J. Matern, Esq. and Julia Z. Wells, Esq., representing Rosales.

1.7 "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and actual costs and expenses, respectively, incurred to prosecute the Actions.

1.8 "Class Data" means Class Member identifying information in Defendant's possession including the Class Member's full name, last-known mailing address, Social Security number, email address (if available), number of Workweeks during the Class Period and number of PAGA Pay Periods during the PAGA Period.

1.9 "Class Member Address Search" means the Administrator's investigation and search for Class Members' current mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.10 "Class Notice" means the Notice of Class Action Settlement and Hearing Date for Final Court Approval, to be mailed to Class Members in English with a Spanish translation, in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.11 "Class Period" means the time period from January 24, 2019 through July 22, 2024.

1.12 "Class Representative" means the named plaintiff Rosales seeking Court approval to serve as Class Representative.

1.13 "Class Representative Enhancement Award" means the payment to the Class Representative for initiating the Rosales Action and providing services in support of the Rosales Action.

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

1.15 "Court" means the Superior Court of California, County of San Bernardino.

1.16 "Defendant" means the named Defendant, Williams Furnace Co.

1.17 "Defense Counsel" means Butzel Long, including Barbara E. Buchanan and Terrence J. Miglio; and Ogletree Deakins Nash Smoak & Stewart, P.C., including Vince M. Verde and Briana LaBriola.

1.18 "Effective Date" means the date by when both of the following have occurred: (a) the Court enters its Final Approval and Judgment of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Class Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Class Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19 "Final Approval" means the Court's entry of the Final Approval Order.

1.20 "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.21 "Final Approval Order" means the proposed order granting final approval of the Settlement.

1.22 "Gross Settlement Amount" means One Million Four Hundred Thousand Dollars and Zero Cents ($1,400,000.00) which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 10 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Enhancement Award, PAGA Representative Enhancement Award and Administration Expenses Payment. Defendant shall pay its share of any applicable payroll taxes on the wage portions of any settlement payments paid to Participating Class Members, separately from and in addition to the Gross Settlement Amount.

1.23 "Individual Class Payment" means a Participating Class Member's *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Class Settlement, calculated according to the number of Workweeks worked for Defendant during the Class Period.

1.24 "Individual PAGA Payment" means an Aggrieved Employee's *pro rata* share of the 25% portion of the PAGA Penalties, calculated according to the number of PAGA Pay Periods worked for Defendant during the PAGA Period.

1.25 "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.26 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled to the LWDA PAGA Payment, under Labor Code section 2699, subd. (i).

1.27 "LWDA PAGA Payment" means the 75% portion of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.28 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Enhancement Award, PAGA Representative Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.29 "Non-Participating Class Member" means any Class Member who opts out of the Class Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.30 "Operative Complaint" or "First Amended Complaint" means the First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq., to filed in the Tembrina Action, adding and consolidating into the Tembrina Action Rosales and his claims/causes of action based on the operative complaint in the Rosales Action, including but not limited to: (a) failure to pay minimum and straight time wages; (b) failure to pay overtime wages; (c) failure to provide meal periods or compensation in lieu thereof; (d) failure to provide rest periods or compensation in lieu thereof; (e) failure to furnish accurate itemized wage statements; (f) failure to timely pay all wages during employment; (g) failure to timely pay all wages due upon separation of employment; (h) failure to reimburse necessary business expenses; (i) failure to maintain business records; (j) violations of California's Unfair Competition Law; and (k) violations of the PAGA.

1.31 "PAGA" means the California Labor Code Private Attorneys General Act of 2004 (California Labor Code §§ 2698. et seq.). Unless otherwise specified, all citations and references to the PAGA statute are to the version of the statute prior to the recent amendment effective July 1, 2024; the amended statute does not apply to the Settlement pursuant to California Labor Code section 2699, subd. (v)(1), as amended, because the Actions were filed prior to June 19, 2024.

1.32 "PAGA Notices" means the (a) July 8, 2021 letter by Tembrina to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a) ("Tembrina PAGA Notice"); and (b) May 2, 2022 letter by Rosales to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a) ("Rosales PAGA Notice").

1.33 "PAGA Pay Period" means the number of pay periods each Aggrieved Employee worked for Defendant as a non-exempt employee in California during the PAGA Period, which will be calculated by Defendants in the same manner that was used to arrive at the 39,189 Workweeks provided in Paragraph 10 below (i.e., the Escalator Clause).

1.34 "PAGA Penalties" means the combined total of One Hundred Fifteen Thousand Dollars and Zero Cents ($115,000.00) allocated as PAGA civil penalties to be paid from the Gross Settlement Amount, allocated as 25% ($28,750.00) to the Aggrieved Employees and 75% ($86,250.00) to the LWDA in settlement of PAGA claims.

1.35 "PAGA Period" means the time period from January 12, 2020, through July 22, 2024.

1.36 "PAGA Representative Enhancement Award" means the payment to Tembrina for initiating the Tembrina Action and providing services in support of the Tembrina Action.

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

1.38 "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Class Settlement.

1.39 "Plaintiffs" means Tembrina and Rosales, the named plaintiffs in the Actions.

1.40 "Preliminary Approval" means the Court's entry of the Preliminary Approval Order.

1.41 "Preliminary Approval Order" means the proposed order granting preliminary approval of the Settlement.

1.42 "Released Class Claims" means the claims being released, as described in Paragraph 5.1 below.

1.43 "Released PAGA Claims" means the claims being released, as described in Paragraph 5.3 below.

1.44 "Released Parties" means: Defendant and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class Members or Aggrieved Employees, as well as each of their officers, directors, managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, successors, assigns or legal representatives and all parent companies, joint venturers, successors-in-interest, assigns, agents, insurers, attorneys and all persons or entities acting in concert with or affiliated with any of them.

1.45 "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member, in accordance with the requirements set forth in Paragraph 7.5.1 below.

1.46 "Response Deadline" means forty-five (45) calendar days after the Administrator mails Class Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) mail Requests for Exclusion from the Class Settlement, (b) mail an objection to the Class Settlement, or (c) mail a challenge to Workweeks and/or PAGA Pay Periods. For Class Members whom Class Notices are re-mailed to after having been returned as undeliverable to the Administrator, the Response Deadline shall be extended by an additional fourteen (14) calendar days beyond the original Response Deadline.

1.47 "Settlement" means the disposition of the Actions effected by this Agreement and the Judgment.

1.48 "Workweek" means the number of workweeks each Class Member worked for Defendant as a non-exempt employee in California during the Class Period, which will be calculated by Defendants in the same manner that was used to arrive at the 39,189 Workweeks provided in Paragraph 10 below (i.e., the Escalator Clause).

2. RECITALS.

2.1 On July 8, 2021, Tembrina provided written notice to the LWDA and to Defendant of the specific provisions of the California Labor Code that Defendant allegedly violated. Pursuant to Labor Code section 2699.3, subd.(a), Tembrina gave timely written notice to Defendant and the LWDA. On September 14, 2021, Tembrina commenced the Tembrina Action by filing a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. against Defendant, on behalf of herself and all other aggrieved employees.

2.2 On May 2, 2022, Rosales provided written notice to the LWDA and to Defendant of the specific provisions of the California Labor Code that Defendant allegedly violated. Pursuant to Labor Code section 2699.3, subd.(a), Rosales gave timely written notice to Defendant and the LWDA. On January 24, 2023, Rosales commenced the Rosales Action by filing a Complaint against Defendant, on behalf of himself and all other similarly situated employees.

2.3 On September 19, 2023, the Tembrina Action and the Rosales Action were deemed related, and the Tembrina Action was deemed as the lead case.

2.4 Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.5 On January 6, 2023, the parties in the Tembrina Action participated in an all-day mediation presided over by Hon. Lesley Green (Ret.). The parties in the Tembrina Action did not reach a resolution during the first mediation. On April 29, 2024, the Parties in the Actions participated in an all-day mediation presided over by Hon. Amy D. Hogue (Ret.). The Parties did not resolve the Actions at the second mediation and Hon. Amy D. Hogue presented a mediator's proposal, which the Parties rejected and ultimately did not reach a resolution. Hon. Amy D. Hogue presented an amended mediator's proposal, which both Parties accepted, and which led to this Agreement to settle the Actions.

2.6 Prior to mediation, Plaintiffs obtained, through formal and informal discovery, Plaintiffs' personnel files, including time and payroll records, work schedules, the employee handbooks in effect during the Class Period, including policies and procedures regarding the payment of wages, the provision of meal and rest breaks, timekeeping policies (including recording hours), issuance of wage statements, and termination wages, all payroll and time records for the Class Members (including current and former employees), and the estimated number of workweeks and pay periods, among other information. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 *and Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.7 The Court has not granted class certification.

2.8 Except for the Actions, the Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement, other than the matter entitled *Alexandra Santana v. Sync Staffing, Inc., et al.*, San Bernardino County Court, Case No. CIVSB2414973, from which Defendant was dismissed on May 1, 2025.

2.9 Prior to filing the Motion for Preliminary Approval, the Parties anticipate filing a stipulation seeking leave of Court in the Tembrina Action to allow Tembrina to file the Operative Complaint. As part of said stipulation and the Court's Order approving said stipulation, the Rosales Action shall be stayed pending the Court's Final Approval Order of the Settlement. In addition to the customary provisions required in a Final Approval Order of the Settlement (including those provisions requested by the Court), the Final Approval Order of the Settlement shall contain a provision dismissing the Rosales Action against Defendant with prejudice. In the event that the Court strikes the provision dismissing the Rosales Action against Defendant with prejudice, Rosales shall file a separate request for dismissal in the Rosales Action to effectuate this provision within seven (7) calendar days of Final Approval.

3. MONETARY TERMS.

3.1 **Gross Settlement Amount**. Except as otherwise provided by Paragraph 10 below, Defendant promises to pay One Million Four Hundred Thousand Dollars and Zero Cents ($1,400,000.00) as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the wage portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount to all Participating Class Members and Aggrieved Employees. None of the Gross Settlement Amount will revert to Defendant.

3.2 **Payments from the Gross Settlement Amount**. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval Order and Judgment:

3.2.1 **To Plaintiffs**: In addition to any Individual Class Payment and/or Individual PAGA Payment Tembrina and Rosales are entitled to receive as a Participating Class Member and/or Aggrieved Employee, a Class Representative Enhancement Award to Rosales in the amount of Fifteen Thousand Dollars and Zero Cents ($15,000.00) and a PAGA Representative Enhancement Award to Tembrina in the amount of Fifteen Thousand Dollars and Zero Cents ($15,000.00), and not to exceed a combined total amount of Thirty Thousand Dollars and Zero Cents ($30,000.00). Defendant will not oppose Plaintiffs' request for a Class Representative Enhancement Award and PAGA Representative Enhancement Award that do not exceed this amount. As part of the motion for final approval, Plaintiffs will seek Court approval for any Class Representative Enhancement Award and PAGA Representative Enhancement Award no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Enhancement Award or PAGA Representative Enhancement Award less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. The Administrator will pay the Class Representative Enhancement Award and PAGA Representative Enhancement Award using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Enhancement Award and PAGA Representative Enhancement Award.

3.2.2 **To Class Counsel**: A Class Counsel Fees Payment of not more than thirty-five percent (35%) of the Gross Settlement Amount, which is currently estimated to be Four Hundred Ninety Thousand Dollars and Zero Cents ($490,000.00) if the Gross Settlement Amount remains $1,400,000.00, and a Class Counsel Litigation Expenses Payment in an amount not to exceed $23,000.00, subject to Court approval. Counsel for Plaintiffs agree to determine, amongst themselves, how the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment shall be allocated amongst themselves. Defendants will not oppose requests for these payments provided they do not exceed these amounts. As part of the motion for final approval, Plaintiffs and/or Class Counsel will request approval of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. Released Parties shall have no liability to Class Counsel or any other counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. These amounts will cover any and all work performed and any and all costs incurred by Class Counsel in connection with the Action, including without limitation all work performed to date, and all work to be performed and all costs to be incurred in connection with obtaining the Court's approval of the Settlement, as well as any objections raised, and any appeals necessitated by those objections. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant and Released Parties harmless, and indemnifies Defendant and Released Parties, from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3 **To the Administrator**: The Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Ten Thousand Dollars and Zero Cents ($10,000.00), except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment is less or the Court approves payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount for distribution to Participating Class Members. To the extent the Administration Expenses Payment is greater than the estimated amount stated herein, such excess amount will be disclosed to the Court and deducted from the Gross Settlement Amount, subject to approval by the Court.

3.2.4 **To Each Participating Class Member**: An Individual Class Payment calculated on a *pro rata* basis by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each Participating Class Member's individual number of Workweeks.

3.2.4.1 **Tax Allocation of Individual Class Payments**. Ten percent (10%) of each Participating Class Member's Individual Class Payment will be allocated as wages (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. Ninety percent (90%) of each Participating Class Member's Individual Class Payment will be allocated as interest and non-wage statutory damages (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. The Administrator will withhold (and remit to the appropriate taxing authorities) the employee's share of taxes with respect to the Wage Portions, and issue checks to Participating Class Members for their Individual Class Payment (i.e., payment of their Individual Class Payment net of these taxes and withholdings).

3.2.4.2 **Effect of Non-Participating Class Members on Calculation of Individual Class Payments.** Non-Participating Class Members will not receive any portion of the Net Settlement Amount and will not be issued an Individual Class Payment. The Administrator will retain amounts equal to Non-Participating Class Members' Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a *pro rata* basis. However, Non-Participating Class Members who are considered Aggrieved Employees will still receive an Individual PAGA Payment regardless of whether they submit a valid and timely Request for Exclusion and will be bound to the PAGA Settlement.

3.2.5 **To the LWDA and Aggrieved Employees**: PAGA Penalties in the amount of One Hundred Fifteen Thousand Dollars and Zero Cents ($115,000.00) to be paid from the Gross Settlement Amount shall be allocated as civil penalties under PAGA, with 75% ($86,250.00) allocated to the LWDA (i.e., LWDA PAGA Payment) and 25% ($28,750.00) allocated to the Aggrieved Employees as Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($28,750.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's individual number of PAGA Pay Periods during the PAGA Period. Aggrieved Employees shall receive an Individual PAGA Payment even if they are Non-Participating Class Members. One hundred percent (100%) of each Individual PAGA Payment will be allocated as penalties. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the remainder will be part of the Net Settlement Amount to be distributed to Participating Class Members. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 **Workweeks and PAGA Pay Periods.** Based on a review of its records, Defendant estimates there are approximately 287 Class Members who collectively worked a total of approximately 39,189 Workweeks from January 24, 2019 through September July 22, 2024, and approximately 268 Aggrieved Employees who worked a total of approximately 32,234 PAGA Pay Periods from January 12, 2020 through July 22, 2024.

4.2 **Class Data.** Not later than twenty (20) calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible.

4.3 **Funding of Gross Settlement Amount.** Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than fifteen (15) calendar days after the Effective Date.

4.4 **Payments from the Gross Settlement Amount.** Within fourteen (14) calendar days after Defendant funds the Gross Settlement Amount, the Administrator will issue payments for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, Class Representative Enhancement Award, and PAGA Representative Enhancement Award. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Class Representative Enhancement Award, and PAGA Representative Enhancement Award shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1 The Administrator will issue checks for the Individual Class Payments to Participating Class Members and Individual PAGA Payments to Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual

Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct a Class Member Address Search for all Participating Class Members and Aggrieved Employees whose checks are retuned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Participating Class Members and Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Participating Class Member and/or Aggrieved Employee whose original check was lost or misplaced, upon request by the Participating Class Member and/or Aggrieved Employee prior to the void date.

4.4.3 For any Participating Class Member and/or Aggrieved Employee whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member and/or Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of CCP section 384, subd. (b). Participating Class Members whose Individual Class Payment checks are canceled shall, nevertheless, be bound by the Class Settlement. Aggrieved Employees whose Individual PAGA Payment checks are canceled shall, nevertheless, be bound by the PAGA Settlement.

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Participating Class Members or Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Upon the Effective Date and the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Participating Class Members, and the Aggrieved Employees will release claims against all Released Parties as follows:

5.1 **Release by Plaintiff Rosales and the Participating Class Members**: Upon the Effective Date and the date that Defendant has fully funded the Gross Settlement Amount and all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff Rosales and all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, hereby release the Released Parties from all claims that were alleged, or reasonably could have been alleged, against Defendant based on the facts alleged in the Operative Complaint and any amendments thereto, arising during the Class Period, including, claims under the California Labor Code, Wage Orders, regulations, and/or other provisions of law for: Failure to Provide Required Meal Periods and Pay Meal Premiums [Cal. Labor Code §§ 226.7, 510, 512,1194,1197; IWC Wage Order Nos. 1-2001, § 11 and 16-2001, § 11]; Failure to Provide Required Rest Periods and Pay Rest Premiums [Cal. Labor Code §§ 226.7, 512; IWC Wage Order Nos. 1-2001, § 12 and 16-2001, § 12]; Failure to Pay Overtime Wages [Cal. Labor Code §§ 510, 1194, 1198; IWC Wage Order Nos. 1-2001, § 3 and 16-2001, § 3]; Failure to Pay Minimum Wages [Cal Labor Code §§ 1194, 1197, 1197.1; IWC Wage Order Nos. 1-2001, § 4 and 16-2001, § 4]; Failure to Pay All Wages Due to Discharged and Quitting Employees [Cal. Labor Code §§ 201, 202, 203]; Failure to Maintain Required Records [Cal. Labor Code § 226; IWC Wage Order Nos. 1-2001, § 7 and 16-2001, § 7]; Failure to Furnish Accurate Itemized Wage Statements [Cal. Labor Code §§ 226,1174; IWC Wage Order Nos. 1-2001, § 7 and 16-2001, § 7]; Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties [Cal. Labor Code § 2802]; Unfair and Unlawful Business Practices [Cal. Bus. & Prof. Code §§ 17200 et. seq.], and all other provisions of the Labor Code alleged in the Operative Complaint or arising out of the factual allegations in the Operative Complaint ("Released Class Claims").

5.2 **Release of Unknown Claims and Section 1542 Waiver By Tembrina and Rosales:** In addition to Paragraphs 5.1 and 5.3 of this Agreement, upon the Effective Date and full funding on the Gross Settlement Amount, Tembrina and Rosales specifically acknowledge that they have each been informed and are aware of the provisions of Section 1542 of the California Civil Code ("Section 1542") and shall be deemed to have expressly waived and relinquished all claims against the Released Parties, to the fullest extent permitted by law, including and not limited to, the provisions, rights, and benefits of Section 1542, which provides as follows:

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

Plaintiffs release the Released Parties from all claims relating to their employment with Defendant through the date of execution of this Agreement. This includes but is not limited to all claims pled in the operative complaints in the Tembrina Action and the Rosales Action, including all claims arising from and relating to Plaintiffs' employment with Defendant or separation therefrom, including, but not limited to claims for breach of contract, breach of the covenant of good faith and fair dealing, violation of public policy, infliction of emotional distress, misrepresentation, fraud, negligent retention/supervision, assault/battery, claims under the Fair Credit Reporting Act, under Title VII of the Civil Rights Act, under the California Fair Employment and Housing Act, under the California Labor Code, California Wage Orders, under the Age Discrimination and Employment Act, the Employee Retirement Income Security Act of 1974, under the California Business and Professions Code, or under the California Constitution.

5.3 **Release by Plaintiffs, the State of California, and Aggrieved Employees**: Upon the Effective Date and the date that Defendant has fully funded the Gross Settlement Amount and all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs and the State of California with respect to all Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, hereby release the Released Parties from all claims for civil penalties recoverable under the Private Attorneys General Act, California Labor Code section 2698, et seq., that were alleged, or reasonably could have been alleged, in the Operative Complaint and PAGA Notices, arising during the PAGA Period, including claims for violations of the California Labor Code, Wage Orders, regulations, and/or other provisions of law for: Failure to Provide Required Meal Periods and Pay Meal Premiums [Cal. Labor Code §§ 226.7, 510, 512,1194,1197; IWC Wage Order Nos. 1-2001, § 11 and 16-2001, § 11]; Failure to Provide Required Rest Periods and Pay Rest Premiums [Cal. Labor Code §§ 226.7, 512; IWC Wage Order Nos. 1-2001, § 12 and 16-2001, § 12]; Failure to Pay Overtime Wages [Cal. Labor Code §§ 510, 1194, 1198; IWC Wage Order Nos. 1-2001, § 3 and 16-2001, § 3]; Failure to Pay Minimum Wages [Cal Labor Code §§ 1194, 1197, 1197.1; IWC Wage Order Nos. 1-2001, § 4 and 16-2001, § 4]; Failure to Pay All Wages Due to Discharged and Quitting Employees [Cal. Labor Code §§ 201, 202, 203]; Failure to Maintain Required Records [Cal. Labor Code § 226; IWC Wage Order Nos. 1-2001, § 7 and 16-2001, § 7]; Failure to Furnish Accurate Itemized Wage Statements [Cal. Labor Code §§ 226,1174; IWC Wage Order Nos. 1-2001, § 7 and 16-2001, § 7]; Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties [Cal. Labor Code § 2802]; Unfair and Unlawful Business Practices [Cal. Bus. & Prof. Code §§ 17200 et. seq.], and all other provisions of the Labor Code alleged in the Operative Complaint and PAGA Notices or arising out of the factual allegations in the Operative Complaint and PAGA Notices ("Released PAGA Claims").

6. MOTION FOR PRELIMINARY APPROVAL. Plaintiffs will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.1 **Plaintiffs' Responsibilities**. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subd. (f)(2); (ii) a draft proposed Preliminary Approval Order; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency;

operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; and (vi) a signed declaration from each Class Counsel firm attesting to their competency to represent the Class Members; timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 **Responsibilities of Counsel**. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 **Duty to Cooperate**. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant preliminary approval or conditions preliminary approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. The Parties reserve the right to rescind the settlement if the Court does not approve a material term of the settlement, subject to the Parties' agreement to attempt to resolve any disputes, which will include seeking the mediator's assistance if needed. The Court's decision to award less than the amounts requested for the Class Representative Enhancement Award, PAGA Representative Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

7. SETTLEMENT ADMINISTRATION.

7.1 **Selection of Administrator**. The Parties have jointly selected Apex Class Action Administration ("Apex") to serve as the Administrator and verified that, as a condition of appointment, Apex agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 **Employer Identification Number**. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3 **Qualified Settlement Fund**. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4 **Notice to Class Members.**

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice with Spanish translation, substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member and/or Aggrieved Employee, and the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Members' addresses using the National Change of Address database.

7.4.3 Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections to the Class Settlement, challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) calendar days beyond the original forty-five (45) calendar days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) calendar days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 **Requests for Exclusion from the Class Settlement (Opt-Outs).**

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by mail, a signed written Request for Exclusion not later than the Response Deadline. A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Class Settlement and includes the Class Member's full name, mailing address, telephone number, and must be signed and dated by the Class Member or his or her legal representative. To be valid, a Request for Exclusion must be timely postmarked by the Response Deadline. Aggrieved Employees shall be bound to the PAGA Settlement irrespective of whether they exercise their option to opt out of the Class Settlement.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion from the Class Settlement is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' release of Released Class Claims and Released PAGA Claims under Paragraphs 5.1 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Class Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the Class Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved

Employees are deemed to release the Released PAGA Claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 **Challenges to Calculation of Workweeks.** Each Class Member shall have until the Response Deadline (plus an additional 14 calendar days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and/or PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculations of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel (with identifying information other than names redacted) and the Administrator's determination the challenges.

7.7 **Objections to Settlement.**

7.7.1 Only Participating Class Members may object to the Class Settlement and/or this Agreement, including contesting the fairness of the Class Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Enhancement Award, and/or PAGA Representative Enhancement Award.

7.7.2 Participating Class Members may send written objections to the Administrator, by mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to the Class Settlement.

7.8 **Administrator Duties**. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 **Website, Email Address and Toll-Free Number.** The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Enhancement Award, and PAGA Representative Enhancement Award, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls and emails.

7.8.2 **Requests for Exclusion (Opt-outs) and Exclusion List**. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the Response Deadline, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the full names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the full names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from the Class Settlement submitted (whether valid or invalid).

7.8.3 **Weekly Reports**. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 **Workweek and/or PAGA Pay Period Challenges**. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or PAGA Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 **Administrator's Declaration**. Not later than fourteen (14) days after the Response Deadline, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of the Class Notice, the total number of Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from the Class Settlement it received (both valid or invalid), the number of written objections to the Class Settlement and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.6 **Final Report by Settlement Administrator**. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES.

8.1 Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, there are approximately 287 Class Members who worked approximately 39,189 Workweeks from January 24, 2019 through July 22, 2024.

9. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List is ten percent (10%) or more of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement, by providing written notice to Class Counsel. The Parties agree that, if Defendants withdraw, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all settlement administration expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. Escalator Clause: Defendant represents there are approximately 287 Class Members who have worked approximately 39,189 Workweeks from January 24, 2019 through July 22, 2024. If the number of Workweeks worked by all Class Members *as of* July 22, 2024 is determined to exceed 43,108 (*i.e.*, 39,189 + 10%), then Defendant shall have the option to either: (a) increase the Gross Settlement Amount by a *pro rata* amount for each additional Workweek over 43,108 Workweeks; or (b) cut off the Class Period as of the date the 43,108 Workweek threshold is reached.

11. MOTION FOR FINAL APPROVAL. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA Settlement under Labor Code section 2699, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval").

11.1 **Response to Objections**. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

11.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Participating Class Members or Aggrieved Employees), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Enhancement Award, PAGA Representative Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

11.3 **Continuing Jurisdiction of the Court**. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Actions, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post Judgment matters as are permitted by law.

11.4 **Waiver of Right to Appeal.** Provided the Final Approval and Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Class Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

11.5 **Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment.** If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Participating Class Members or Aggrieved Employees), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional administration expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Enhancement Award, PAGA Representative Enhancement Award, or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this Paragraph, as long as the Gross Settlement Amount remains unchanged.

12. AMENDED JUDGMENT. If any amended judgment is required under California Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

13. ADDITIONAL PROVISIONS.

13.1 **No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes.** This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint or Actions have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Operative Complaint or Actions have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Operative Complaint or Actions, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Actions will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement)).

13.2 **Confidentiality Prior to Preliminary Approval.** Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or with 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, or to undertake required submissions of information and/or documents to the LWDA pursuant to PAGA.

13.3 **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 Class Settlement, or appeal from the 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.

13.4 **Integrated Agreement**. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

13.5 **Attorney Authorization.** Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

13.6 **Cooperation.** The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to promote and encourage 100% participation among the Class Members, implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. At no time will any of the Parties seek to solicit or otherwise encourage Class Members to object to, or opt-out of, the Class Settlement. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of the mediator and/or the Court for resolution.

13.7 **No Prior Assignments**. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

13.8 **No Tax Advice**. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

13.9 **Modification of Agreement**. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court. Notwithstanding the foregoing, the Parties agree that any dates contained or contemplated in this Agreement may be modified by agreement of counsel for the Parties in writing without approval by the Court if the Parties agree and cause exists for such modification.

13.10 **Agreement Binding on Successors**. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

13.11 **Applicable Law**. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

13.12 **Cooperation in Drafting**. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

13.13 **Confidentiality**. To the extent permitted by law, all agreements made, and orders entered during the Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

13.14 **Limited Use of Class Data**. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant 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. Not later than sixty (60) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement Funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant.

13.15 **Headings**. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

13.16 **Calendar Days**. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

13.17 **Notice**. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

13.18 **To Plaintiff**:
Yolanda Tembrina:
Joanna Ghosh
joanna@calljustice.com
Yasmin Hosseini
yasmin@calljustice.com
Selena Matavosian

selena@calljustice.com
LAWYERS *FOR* JUSTICE, PC
450 North Brand Boulevard, Suite 900
Glendale, California 91203

Mac Rosales
Matthew J. Matern
MMatern@maternlawgroup.com
Julia Z. Wells
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MATERN LAW GROUP
2101 E. El Segundo Boulevard, Suite 403
El Segundo, California 90245

To Defendant:
Barbara E. Buchanan
buchanan@butzel.com
Terrence J. Miglio
miglio@faegredrinker.com
BUTZEL LONG
201 W. Big Beaver Rd., Suite 1200
Troy, Michigan 48084

Vince M. Verde (SBN 202472)
vince.verde@ogletreedeakins.com
Briana LaBriola (SBN 293548)
briana.labriola@ogletree.com
OGLETREE DEAKINS NASH SMOAK & STEWART, P.C.
695 Town Center Drive, Suite 1500
Costa Mesa, California 92626
Tel: (951) 683-1122 / Fax: (951) 683-1144

13.19 **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

13.20 **Stay of Litigation**. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process. 03/18/2026

DATED: _________ ____, 2026 ______________________________

YOLANDA TEMBRINA

DATED: _________ ____, 2026 ______________________________

MAC ROSALES

DATED: _________ ____, 2026 ______________________________

WILLIAMS FURNACE CO.
AUTHORIZED AGENT

LAWYERS *for* JUSTICE, PC

DATED: March 18, 2026 ______________________________

Joanna Ghosh
Yasmin Hosseini
Selena Matavosian
Attorneys for Plaintiff Yolanda Tembrina

MATERN LAW GROUP, PC

DATED: _________ ____, 2026 ______________________________

Matthew J. Matern
Julia Wells
Attorneys for Plaintiff Mac Rosales

BUTZEL LONG

DATED: _________ ____, 2026 ______________________________

Barbara E. Buchanan
Terrence J. Miglio
Attorneys for Defendant Williams Furnace Co.

date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

DATED: _______________, 2026

____
YOLANDA TEMBRINA

DATED: 03/17/2026, 2026

Mac Rosales
MAC ROSALES

DATED: 16-Mar-2026, 2026

JIM MCTAGGART
JIM MCTAGGART (Mar 16, 2026 14:40:02 PDT)
WILLIAMS FURNACE CO.
AUTHORIZED AGENT

LAWYERS *for* JUSTICE, PC

DATED: _______________, 2026

____
Joanna Ghosh
Yasmin Hosseini
Selena Matavosian
Attorneys for Plaintiff Yolanda Tembrina

MATERN LAW GROUP, PC

DATED: March 17, 2026

Matthew J. Matern
Julia Wells
Attorneys for Plaintiff Mac Rosales

BUTZEL LONG

DATED: March 17 ____, 2026

Barbara E. Buchanan

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DATED: March 17 ____, 2026

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Signature: MR
Mac Rosales (Mar 17, 2026 15:42:04 PDT)

Email: rosalrs.mac@gmail.com

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

San Bernardino County Superior Court
Yolanda Tembrina v. Williams Furnace Co., Case No. CIVSB2127440
Mac Rosales v. Williams Furnace Co., et al., Case No. CIVSB2302986

A court authorized this Notice. This is not a solicitation by a lawyer. You are not being sued.
PLEASE READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.

A settlement in the above-referenced actions may affect your rights if you are a current or former non-exempt employee of Williams Furnace Co. who worked for Williams Furnace Co. in California at any time from January 24, 2019 through July 22, 2024.

WHY SHOULD YOU READ THIS NOTICE?

A proposed settlement ("Settlement") has been reached in the class action and representative action lawsuits titled *Yolanda Tembrina v. Williams Furnace Co*. and *Mac Rosales v. Williams Furnace Co., et al., et al.,* pending in the San Bernardino County Superior Court as Case Nos. CIVSB2127440 and CIVSB2302986, respectively (collectively, hereinafter, the "Actions").

You received this Notice because the records of Williams Furnace Co. ("Defendant") reflect that you worked for Defendant as a current or former non-exempt employee in California at any time during the Class Period (the period from January 24, 2019 through July 22, 2024) ("Class Members") and/or worked for Defendant as a current or former non-exempt employee in California at any time during the PAGA Period (the period from January 12, 2020 through July 22, 2024) ("Aggrieved Employees"). The San Bernardino County Superior Court has granted preliminary approval of a proposed settlement of the Actions (the "Settlement") and has directed that you should receive notice of the Settlement. The purpose of this Notice of Class Action Settlement and Hearing Date for Final Court Approval ("Notice") is to describe the Actions and the Settlement, and to inform you of your rights and options in connection with the Settlement. This Notice explains what steps you may take to participate in, object to, or exclude yourself from the Class Settlement.

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

A hearing will be held to determine whether the Settlement is fair, reasonable, and adequate ("Final Approval Hearing"). The Final Approval Hearing will be held on [DATE] at [TIME] before the Honorable [Joseph T. Ortiz] in Department S17 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415-0210.

As a Class Member, you are eligible to receive a payment under the Class Settlement. You will be bound by a release of certain claims described in this Notice unless you timely submit a Request for Exclusion, as described below.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will remain a Participating Class Member and you will be eligible to receive payment under the Class Settlement for the Released Class Claims. You also will give up rights to pursue a separate legal action against Defendant for the claims settled in the Actions, as explained more fully below.
EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT	You have the option to not be a Participating Class Member in the Class Settlement regarding the Released Class Claims being settled and to forego the benefits to which you would be entitled as a Participating Class Member. If you choose to do so, you may exclude yourself from the Class Settlement by completing and timely submitting a written Request for Exclusion as described herein, postmarked by no later than [**Response Deadline**]**,** in which case you will not receive a payment for the Class Settlement and will not release the Released Class Claims being settled, as explained more fully below**.** Notwithstanding the foregoing, if you are an Aggrieved Employee, there is no exclusion procedure (i.e., no ability to exclude yourself) with respect to the PAGA Settlement under the California Private Attorneys General Act of 2004, Labor Code § 2698 *et seq*. ("PAGA"). Even if you request exclusion from the Class Settlement, eligible Aggrieved Employees will receive a payment related to the PAGA Settlement ("Individual PAGA Payment"), and upon approval of the Settlement, will be deemed to have released the Released PAGA Claims.
HOW TO OBJECT TO THE CLASS SETTLEMENT	To object to the Class Settlement, you may timely mail a written objection to the Administrator, postmarked by **[Response Deadline]**, or you may appear at the Final Approval Hearing to state your objection orally. This option is only available if you do not exclude yourself from, i.e., opt out of, the Class Settlement.

WHAT IS THIS ACTION ABOUT?

Plaintiffs Yolanda Tembrina and Mac Rosales (together, "Plaintiffs") are former employees of Defendant.

On July 8, 2021, Plaintiff Yolanda Tembrina provided written notice to the California Labor and Workforce Development Agency ("LWDA") and to Defendant of the specific provisions of the California Labor Code that Defendant allegedly violated. On September 14, 2021, Plaintiff Yolanda Tembrina commenced the action styled *Yolanda Tembrina v. Williams Furnace Co.*, San Bernardino County Superior Court, Case No. CIVSB2127440, by filing a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("PAGA") against Defendant, on behalf of herself and all other aggrieved employees (the "*Tembrina* Action"). The Tembrina Action's PAGA cause of action is premised on alleged violations by Defendant of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802.

On May 2, 2022, Plaintiff Mac Rosales provided written notice to the LWDA and to Defendant of the specific provisions of the California Labor Code that Defendant allegedly violated. On January 24, 2023, Plaintiff Mac Rosales commenced the action styled *Mac Rosales v. Williams Furnace Co., et al.,* San

Bernardino County Superior Court Case No. CIVSB2302986, by filing a putative class and representative PAGA action complaint against Defendant, on behalf of himself and all other similarly situated employees (the *"Rosales* Action"). The complaint in the *Rosales* Action alleged claims against Defendant for: (1) failure to provide required meal periods, (2) failure to provide required rest breaks, (3) failure to pay overtime wages (4) failure to pay minimum wages, (5) failure to pay all wages due to discharged and quitting employees, (6) failure to maintain required records, (7) failure to furnish accurate itemized wage statements, (8) failure to indemnify employees for necessary expenditures incurred in discharge of duties, (9) unfair and unlawful business practices, and (10) a representative action claim for civil penalties under the California Private Attorneys General Act, based on alleged violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1197, 1198, and 2802. Together, the *Rosales* Action and the *Tembrina* Action are referred to as the "Actions."

Plaintiffs seek to recover various damages and costs and penalties, including unpaid wages, restitution (including under California Business and Professions Code section 17200 *et seq.*), interest, penalties (including under PAGA), and attorneys' fees and costs.

The Court has not ruled on the merits of the Plaintiffs' claims or Defendant's defenses to those claims. The Settlement is a compromise reached after good faith, arms' length negotiations between Plaintiffs and Defendant (collectively, the "Parties"). Defendant denies each and all of the claims and contentions alleged by Plaintiffs. Defendant believes strongly that it has multiple valid defenses to the claims and that its employees have been properly paid and treated in accordance with the law. Absent the Settlement, Defendant would vigorously contest the lawsuit. By agreeing to this Settlement, Defendant is not admitting that it has any liability. Plaintiffs believe that they would prevail on the claims that are subject to the Settlement.

After investigation and analysis of the claims, the Parties engaged in good faith, arms-length negotiations, and as a result, the Parties reached a settlement. The Parties have since entered into the Class Action and PAGA Settlement Agreement ("Agreement," "Settlement," or "Settlement Agreement").

After engaging in formal discovery and private mediation before an experienced mediator, the Parties agreed to the proposed Settlement, which was preliminarily approved by the court ("Court") on ________.

All Parties agree that, in light of the risks and expenses associated with continued litigation, the Settlement is fair, adequate, and reasonable. Plaintiffs and their Counsel ("Class Counsel") also believe that the Settlement is in the best interests of all Class Members and Aggrieved Employees.

WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more persons called "Class Representatives" sue on behalf of other people who have similar claims. The Class Representative(s) and all of the people whose claims are being pursued in the case are called the "Class" or "Class Members." One court resolves the issues for everyone in the Class, except for those people who choose to exclude themselves from the Class Settlement.

WHO IS INCLUDED IN THE SETTLEMENT CLASS?

The settlement class in the Actions includes all current and former non-exempt employees of Defendant in the State of California from January 24, 2019 through July 22, 2024 (referred to as the "Class Members"). Class Members who do not submit a valid and timely Request for Exclusion from the Class Settlement are referred to as "Participating Class Members," as further discussed below.

DO I HAVE A LAWYER IN THIS CASE?

On [PRELIMINARY APPROVAL DATE], the Court granted preliminary approval of the Settlement. On that date, the Court also preliminarily approved the law firms Lawyers *for* Justice, PC and Matern Law Group, PC ("Class Counsel"), to serve as counsel for Plaintiffs and the Class Members and Aggrieved Employees. Class Counsel's contact information is as follows:

LAWYERS *for* JUSTICE, PC
Joanna Ghosh
Yasmin Hosseini
Selena Matavosian
450 North Brand Boulevard, Suite 900
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

MATERN LAW GROUP, PC
Matthew J. Matern
Julia Wells
Anahi C. Contreras
2101 E. El Segundo Boulevard, Suite 403
El Segundo, California 90245
Telephone: (310) 531-1900 / Facsimile: (310) 531-1901

WHAT ARE THE TERMS OF THE CLASS SETTLEMENT?

Subject to approval of the Court, the Settlement provides that Defendant will pay a total "Gross Settlement Amount" of One Million and Four Hundred Thousand Dollars and Zero Cents ($1,400,000.00).

The Gross Settlement Amount includes the following payments:

- <u>Class Representative Enhancement Award to Plaintiff Mac Rosales and PAGA Representative Enhancement Award to Plaintiff Yolanda Tembrina:</u> The Settlement provides for a Class Representative Enhancement Award in the amount of up to $15,000.00 to be paid to Plaintiff Mac Rosales and a PAGA Representative Enhancement Award in the amount of up to $15,000.00 to be paid to Plaintiff Yolanda Tembrina.

- <u>Class Counsel Fees Payment to Class Counsel:</u> Class Counsel will seek an award of attorneys' fees in an amount not to exceed 35% of the Gross Settlement Amount, or Four Hundred Ninety Thousand Dollars and Zero Cents ($490,000.00) if the Gross Settlement Amount remains $1,400,000.00.

- Class Counsel Litigation Expenses Payment to Class Counsel: Class Counsel will seek reimbursement of litigation costs and expenses incurred in the Actions in an amount not to exceed $23,000.00.

- Administration Expenses Payment to the Administrator: The Gross Settlement Amount includes an allocation for the Administration Expenses Payment in an amount not to exceed Ten Thousand Dollars ($10,000.00), which pays for tasks such as mailing this Notice, mailing checks and tax forms, reporting to the Parties and the Court, tracking submitted Requests for Exclusion and objections, and other tasks.

- PAGA Penalties: One Hundred Fifteen Thousand Dollars and Zero Cents ($115,000.00) of the Gross Settlement Amount will be allocated towards the settlement of claims under California Labor Code Section 2698 *et seq.*, known as the Private Attorneys General Act or "PAGA." Pursuant to the PAGA, seventy-five percent (75%) of the PAGA Penalties ($86,250.00) will be paid to the LWDA (the "LWDA PAGA Payment"). The remaining twenty-five percent (25%) of the PAGA Penalties (or $28,750.00) will be distributed among Aggrieved Employees who worked for Defendant in California PAGA Period on a *pro rata* basis, based on each individual's respective number of PAGA Pay Periods worked during the PAGA Period ("Individual PAGA Payments").

The "Net Settlement Amount" means the Gross Settlement Amount, less the Court-approved amounts for the Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Enhancement Award, PAGA Representative Enhancement Award, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

Each Class Member who does not submit a valid and timely Request for Exclusion from the Class Settlement (i.e., Participating Class Members) will receive a share of the Net Settlement Amount ("Individual Class Payment"). The amount of each Participating Class Member's Individual Class Payment will be calculated *pro rata* based on each Class Member's respective number of workweeks worked for Defendant as a non-exempt employee in California during the Class Period ("Workweeks").

For tax purposes, Individual Class Payments will be allocated as follows: twenty percent (10%) as alleged unpaid wages subject to all applicable payroll withholdings; and ninety percent (90%) in compromise of claims for alleged statutory penalties and alleged unpaid interest. Separately, Individual PAGA Payments paid to Aggrieved Employees will be allocated one hundred percent (100%) as payment in compromise of claims for alleged civil penalties.

Defendant will pay all employer payroll taxes owed on the wage portion of the Individual Class Payments separately from and in addition to the Gross Settlement Amount.

None of the Parties or attorneys makes any representations concerning the tax consequences of this Settlement or your participation in it. Class Members should consult with their own tax advisors concerning the tax consequences of the Settlement. Class Counsel is unable to offer advice concerning the state or federal tax consequences of payments to any Class Member.

Your estimated Workweeks, PAGA Pay Periods, Individual Class Payment, and/or Individual PAGA Payment are as follows:

Based on Defendant's records, your Individual Class Payment is estimated to be $________ (less withholding) and your Individual PAGA Payment is estimated to be $________. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then, according to Defendant's records, you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on Defendant's records showing that you worked ________ Workweeks during the Class Period, and you worked ________ PAGA Pay Periods during the PAGA Period. If you believe that these calculations are incorrect, you can submit a dispute by the Response Deadline, as discussed below.

Disputes: If you disagree with the number of Workweeks and/or PAGA Pay Periods attributed to you as listed above, you must submit a written dispute to the Administrator by mail, postmarked no later than **[Response Deadline]**, at the following address: **[Address]**. Any such written dispute must contain your full name, your employee identification number or the last four digits of your social security number, your address, your dates of employment, the correct number of Workweeks and/or PAGA Pay Periods you contend to have worked during the relevant time period, a statement of the reason(s) why you dispute the number of Workweeks and/or PAGA Pay Periods attributed to you (as listed above), the case name and number (*Yolanda Tembrina v. Williams Furnace Co*., Case No. CIVSB2127440, or *Mac Rosales v. Williams Furnace Co., et al.,* Case No. CIVSB2302986), your signature, and any documentary evidence which supports your position as to the correct information regarding the number of Workweeks and/or PAGA Pay Periods you contend to have worked during the Class Period or PAGA Period. Any such disputes will be resolved by the Administrator.

WHAT AM I RELEASING UNDER THE SETTLEMENT?

Upon the Effective Date and the date that Defendant has fully funded the Gross Settlement Amount and all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff Rosales and all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, hereby release Defendant and any of its former and/or current parents, subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class Members or Aggrieved Employees, as well as each of their officers, directors, managers, owners, executives, partners, executive-level employees, shareholders, agents, attorneys, and any other predecessors, successors, assigns or legal representatives and all parent companies, joint venturers, successors-in-interest, assigns, agents, insurers, attorneys and all persons or entities acting in concert with or affiliated with any of them ("Released Parties") from the Released Class Claims, as defined below.

"Released Class Claims" means all claims that were alleged, or reasonably could have been alleged, against Defendant based on the facts alleged in the Operative Complaint and any amendments thereto, arising during the Class Period, including, claims under the California Labor Code, Wage Orders, regulations, and/or other provisions of law for: Failure to Provide Required Meal Periods and Pay Meal Premiums [Cal. Labor Code §§ 226.7, 510, 512,1194,1197; IWC Wage Order Nos. 1-2001, § 11 and 16-2001, § 11]; Failure to Provide Required Rest Periods and Pay Rest Premiums [Cal. Labor Code §§

226.7, 512; IWC Wage Order Nos. 1-2001, § 12 and 16-2001, § 12]; Failure to Pay Overtime Wages [Cal. Labor Code §§ 510, 1194, 1198; IWC Wage Order Nos. 1-2001, § 3 and 16-2001, § 3]; Failure to Pay Minimum Wages [Cal Labor Code §§ 1194, 1197, 1197.1; IWC Wage Order Nos. 1-2001, § 4 and 16-2001, § 4]; Failure to Pay All Wages Due to Discharged and Quitting Employees [Cal. Labor Code §§ 201, 202, 203]; Failure to Maintain Required Records [Cal. Labor Code § 226; IWC Wage Order Nos. 1-2001, § 7 and 16-2001, § 7]; Failure to Furnish Accurate Itemized Wage Statements [Cal. Labor Code §§ 226,1174; IWC Wage Order Nos. 1-2001, § 7 and 16-2001, § 7]; Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties [Cal. Labor Code § 2802]; Unfair and Unlawful Business Practices [Cal. Bus. & Prof. Code §§ 17200 et. seq.], and all other provisions of the Labor Code alleged in the Operative Complaint or arising out of the factual allegations in the Operative Complaint ("Released Class Claims").

Upon the Effective Date and the date that Defendant has fully funded the Gross Settlement Amount and all employer-side payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs and the State of California with respect to all Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, hereby release the Released Parties from all claims for civil penalties recoverable under the Private Attorneys General Act, California Labor Code section 2698, et seq., that were alleged, or reasonably could have been alleged, in the Operative Complaint and PAGA Notices, arising during the PAGA Period, including claims for violations of the California Labor Code, Wage Orders, regulations, and/or other provisions of law for: Failure to Provide Required Meal Periods and Pay Meal Premiums [Cal. Labor Code §§ 226.7, 510, 512,1194,1197; IWC Wage Order Nos. 1-2001, § 11 and 16-2001, § 11]; Failure to Provide Required Rest Periods and Pay Rest Premiums [Cal. Labor Code §§ 226.7, 512; IWC Wage Order Nos. 1-2001, § 12 and 16-2001, § 12]; Failure to Pay Overtime Wages [Cal. Labor Code §§ 510, 1194, 1198; IWC Wage Order Nos. 1-2001, § 3 and 16-2001, § 3]; Failure to Pay Minimum Wages [Cal Labor Code §§ 1194, 1197, 1197.1; IWC Wage Order Nos. 1-2001, § 4 and 16-2001, § 4]; Failure to Pay All Wages Due to Discharged and Quitting Employees [Cal. Labor Code §§ 201, 202, 203]; Failure to Maintain Required Records [Cal. Labor Code § 226; IWC Wage Order Nos. 1-2001, § 7 and 16-2001, § 7]; Failure to Furnish Accurate Itemized Wage Statements [Cal. Labor Code §§ 226,1174; IWC Wage Order Nos. 1-2001, § 7 and 16-2001, § 7]; Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties [Cal. Labor Code § 2802]; Unfair and Unlawful Business Practices [Cal. Bus. & Prof. Code §§ 17200 et. seq.], and all other provisions of the Labor Code alleged in the Operative Complaint and PAGA Notices or arising out of the factual allegations in the Operative Complaint and PAGA Notices ("Released PAGA Claims").

WHAT DO I NEED TO DO TO RECEIVE AN INDIVIDUAL CLASS PAYMENT?

If you wish to participate in the Class Settlement and receive an Individual Class Payment, you do not need to do anything. You must, however, notify the Administrator of any change in your name, mailing address and/or telephone number. It is your responsibility to keep the Administrator informed of any such change, as your Individual Class Payment and/or Individual PAGA Payment will be mailed to the address on file.

The Administrator will mail Individual Class Payments to Participating Class Members, and Individual PAGA Payments to Aggrieved Employees, following final approval of the Settlement.

Once the Administrator mails you your Individual Class Payment and/or Individual PAGA Payment, you will have one hundred and eighty (180) calendar days from the date of issuance to cash your settlement check(s). If you do not cash your check(s) within that period, your check(s) will become void, and the amount represented by the check(s) will be transmitted to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member and/or Aggrieved Employee, subject to approval by the Court.

Neither the Parties nor their counsel offer tax advice regarding this Settlement. You may consider contacting an accountant and/or tax attorney to determine the appropriate amount of taxes that should be paid on your Individual Class Payment. Payments awarded to you will not form the basis for additional contributions to or benefits under any benefit plans, policies or bonus programs that may exist and/or be offered to you through, by or in conjunction with Defendant or the Released Parties.

WHAT IF I DO NOT WANT TO PARTICIPATE IN THIS SETTLEMENT?

You have the right to request exclusion from the Class Settlement; however, if you are an Aggrieved Employee, there is no option to be excluded from the PAGA Settlement.

To request to be excluded from the Class Settlement, you must mail a completed, signed written Request for Exclusion to the Administrator, by mail, at the following address: [address].

To be valid, the Request for Exclusion must be sent to the Administrator and must be postmarked by no later than **[Response Deadline].** In addition, the Request for Exclusion must include your full name, mailing address, telephone number, and a statement that you wish to "opt out" of the Class Settlement, and be signed and dated by either the Class Member or his or her legal representative. As noted above, Requests for Exclusion do not apply to the PAGA Settlement and will not exclude Aggrieved Employees from the release of the Released PAGA Claims.

Unless you timely request to be excluded from the Class Settlement, you will be bound by the judgment upon final approval of the Settlement, and you will be barred from pursuing the Released Class Claims.

If you timely request to be excluded from the Class Settlement, you will not be entitled to receive any payment under the Class Settlement other than related to the PAGA Settlement. Class Counsel will not represent your interests if you request to be excluded from the Class Settlement.

WHAT IF I WANT TO OBJECT TO THIS SETTLEMENT?

Any Participating Class Member (that is, a Class Member who has not submitted a valid and timely Request for Exclusion from the Class Settlement) may object to the Class Settlement. To object, you may either appear at the Final Approval Hearing to state your objection orally, or you may mail a written statement of objection to the Administrator at the following address, postmarked no later than [**Response Deadline**]: Administrator, P.O. Box _____, [City], [State] [Zip]. If you choose to submit your objection in writing, the written objection should include your full name and your signature (or the signature of your legal representative), and a brief explanation of the basis for your objection, and must be mailed to the Administrator at the foregoing address, postmarked no later than [**Response Deadline**]. You have the right to retain your own attorney, at your own expense, to submit an objection or appear on your behalf at the Final Approval Hearing.

You may, but you are not required to, appear at the Final Approval Hearing wherein the Court will make a final decision whether or not to approve the Settlement. Your objection will be received by the Court so long as you submit a written objection as set forth above or appear at the Final Approval Hearing. The Final Approval Hearing is scheduled to take place on ____________, at ____ in Department S17 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415-0210. The hearing may be continued (i.e., moved to another date) without further notice to you. You can confirm the hearing date by accessing the Court's online docket.

Submitting an objection will *not* exclude you from the Class Settlement. If the Court grants final approval of the Settlement, you will still have the right to receive an Individual Class Payment and will be barred from pursuing the Released Class Claims. Do not submit both a written objection and a written Request for Exclusion. If you submit both an objection and a Request for Exclusion, your Request for Exclusion will be deemed invalid, and the objection will remain valid.

WHAT HAPPENS IF I EXCLUDE MYSELF FROM THIS SETTLEMENT?

Any Class Member who submits a timely and valid Request for Exclusion will have no further role in the Class Settlement, will not be entitled to any benefit as a result of the Class Settlement, and will not be entitled or permitted to assert an objection to the Class Settlement. As noted above, however, there is no exclusion option for Aggrieved Employees, who will receive an Individual PAGA Payment and will be bound by the release of PAGA claims regardless of whether or not they submit a Request for Exclusion.

WHAT IS THE NEXT STEP IN THE SETTLEMENT?

The Court will hold a Final Approval Hearing regarding the fairness, reasonableness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, the enhancement awards to Plaintiffs, and the settlement administration costs on [DATE] at [TIME] in Department S17 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415-0210. The Final Approval Hearing may be continued without further notice to Class Members. You are not required to attend the Final Approval Hearing, but you may do so at your own expense.

HOW CAN I GET FURTHER INFORMATION?

This Notice summarizes the Actions and the basic terms of the Settlement. More details are contained in the Settlement Agreement, the pleadings, and other records in this matter, all of which are on file with the Court. The Settlement, pleadings and all other records of this litigation may be examined and copied any time during regular office hours in the Clerk's Office of the Sacramento County Superior Court, located at 247 West Third Street, San Bernardino, California 92415-0210

Any questions regarding this Notice should be directed to Class Counsel, whose contact information is listed on pages 3-4 of this Notice. For more information, you may also call the Administrator toll-free at [Telephone Number].

WHAT SHOULD I DO IF MY ADDRESS CHANGES?

If you need to update your contact information, please promptly contact the Administrator toll-free at [Telephone Number]. This will ensure that you receive further notices about the Settlement and that you receive your Individual Class Payment if the Settlement is approved by the Court.

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.