

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by and between Plaintiff Luke Grabeel (“Plaintiff”) and Defendant Papich Construction Company, Inc. (“Defendant”). Plaintiff and Defendant collectively are referred to in this Agreement as the “Parties.”

I. THE CONDITIONAL NATURE OF THIS AGREEMENT

This Agreement, including all associated exhibits or attachments, is made for the sole purpose of resolving the Action (as that term is defined below). This Agreement and the settlement it evidences are made in compromise of disputed claims. Because the Action was filed as class action and PAGA representative action, this Agreement and the settlement it evidences must receive preliminary and final approval from the Court. Accordingly, the Parties enter into this Agreement and associated settlement on a conditional basis. In the event that the Court does not grant final approval of this settlement, or in the event that the Court does not enter judgment or the associated judgment does not become for any reason, this Agreement shall be deemed null and void, it shall be of no force or effect whatsoever, it shall not be referred to or used for any purpose whatsoever, and the negotiation, terms and entry of it shall remain subject to the provisions of California Evidence Code §§ 1119 and 1152.

Defendant denies all of the claims in the Action including but not limited to all claims as to liability, damages and/or restitution. Defendant has agreed to resolve the Actions via this Agreement, but to the extent this Agreement is deemed void or does not take effect, Defendant does not waive, but rather expressly reserves, all rights to challenge all claims and allegations in the Action upon all procedural and factual grounds, including but not limited to the ability to challenge class or representative treatment on any grounds, or to assert any and all defenses or privileges. Plaintiff and his counsel agree that Defendant retains and reserves these rights. In particular, Plaintiff and his counsel waive and agree not to argue or to present any argument that Defendant would be estopped from contesting class certification, or from arguing that the PAGA representative claims are unmanageable, because it has entered into this Agreement.

II. DEFINITIONS

The terms below have the following meaning in this Agreement:

- A. “Action” means Case No. 20CV-0501 in the Superior Court for the State of California, County of San Luis Obispo.
- B. “Aggrieved Employees” means all current and former non-exempt employees employed by Papich Construction Company, Inc. between April 6, 2019 and the date of Preliminary Approval.
- C. “Aggrieved Employees Data” means, for each Aggrieved Employee, his or her name, last-known mailing address, and social security number.
- D. “Class” means all persons employed as drivers or similar field positions by PAPICH CONSTRUCTION COMPANY, INC. in the state of California from April 6, 2016 until the date of Preliminary Approval of the Settlement.

- E. "Class Counsel" means Paul Greco and Ruben Escobedo of Workworld Law Corp.
- F. "Class Counsel Fees and Costs Payment" means the amount awarded to Class Counsel by the Court as compensation for attorneys' fees and litigation expenses incurred in connection with the Action, including pre-filing investigation, filing of the Action and all related litigation activities, class outreach and damages analysis, negotiating this Settlement, and all post-Settlement compliance procedures and monitoring same, including administration of the Class notices. Class Counsel shall request up to \$60,000 for the Class Counsel Fees and Costs Payment.
- G. "Class Data" means, for each Class Member, his or her name, last-known mailing address, social security number, and any other information agreed on by the parties as necessary to effectuate the terms of this Settlement.
- H. "Class Member" is a member of the Class.
- I. "Class Notice" means the Notice of Class Action Settlement attached and incorporated as Exhibit A of this Agreement.
- J. "Class Period" means the period of time from April 6, 2016 through the date the Court grants preliminary approval of this settlement.
- K. "Class Representative" means Luke Grabeel.
- L. "Class Representative Payment" means the payment of up to \$15,000 to be approved by the Court to Plaintiff in his capacity as Class Representative to compensate him for initiating the Action, performing work in support of the Action, and undertaking the risk of liability in the event he was unsuccessful in the prosecution of the Action.
- M. "Class Settlement Adjustment Payment" means a \$1,250 baseline payment to each Participating Class Member who did not previously receive a \$1,250 payment settle their claims on an individual basis prior to the parties entering into this Settlement Agreement.
- N. "Court" means the Superior Court for the State of California, County of San Luis Obispo.
- O. "Defendant's Counsel" means Rafael Gonzalez, Brian T. Daly, Mullen & Henzell L.L.P.
- P. "Effective Date" means the date the Judgment becomes Final.
- Q. "Final" with respect to the Judgment means the date on which the Court grants Final Approval of the Settlement.

- R. "Final Approval of the Settlement" means the date on which the Court enters Judgment in this matter approving the fairness, reasonableness, and adequacy of the terms and conditions of the Settlement, entering the final approval order and Judgment, and awarding and ordering the payment of all required amounts pursuant to the terms of this Agreement.
- S. "Final Approval Hearing" means the hearing to be conducted by the Court to determine whether to finally approve the terms of this Agreement.
- T. "Gross Settlement Amount" means the amount of One Hundred Fifty Thousand Dollars (\$150,000.00) that Defendant will pay under this Agreement. This amount is inclusive of all payments required under the Settlement. Under no circumstances shall Defendant be obligated to pay any amounts in excess of the Gross Settlement Amount in connection with this Settlement.
- U. "Judgment" means the Order Granting Final Approval of Class Action Settlement and Entering Final Judgment entered by the Court.
- V. "Net Settlement Fund" means the Gross Settlement Amount minus the Class Counsel Fees and Costs Payment (which includes the Settlement Administrator payment), the Class Representative Payment, the PAGA Payment, and the employer and employee portion of payroll taxes and contributions (including the employer's payment of applicable FICA, FUTA, and SDI contributions, etc.) to appropriate local, state, and federal taxing authorities.
- W. "Non-Participating Class Member" means a Class Member who submits a valid and timely Request Not to Participate in the Settlement.
- X. "PAGA Class Period" means the period of time from April 6, 2019 through the date the Court grants preliminary approval of this Settlement.
- Y. "PAGA Payment" means the amount of Two Thousand Five Hundred Dollars (\$2,500.00) that Defendant has agreed to pay in settlement of the Private Attorneys General Act ("PAGA") cause of action in the Action, of which 75% will be paid to the California Labor and Workforce Development Agency ("LWDA") and 25% will be paid to the Aggrieved Employees.
- Z. "Participating Class Member" means a Class Member who does not submit a valid and timely Request Not to Participate in Settlement.
- AA. "Preliminary Approval of the Settlement" means the date upon which the Court grants preliminary approval of the Settlement without material change.
- BB. "Request Not to Participate in the Settlement" means a completed and signed Exclusion Form in the form attached hereto as Exhibit C, which is submitted to the Settlement Administrator according to the terms set forth in Section III.E.4.b.

CC. “Released Class Claims” means all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever including statutory, contractual or common law claims, whether known or unknown, whether or not concealed or hidden, against Defendant and/or the Released Parties, or any of them, for any type of relief that accrued during the Class Period, and as a result of the Participating Class Members’ employment with Defendant and/or the Released Parties, which were or could have been pled based on the facts, allegations, and claims alleged in the operative complaint in this matter, or are reasonably related to said facts, allegations, and claims, including but not limited to any and all claims for: unpaid minimum wages and/or off the clock work; unpaid overtime wages; violations of California’s meal and rest period laws; inaccurate or non-compliant wage statements; failure to timely pay final wages upon separation of employment; unfair competition; attorneys’ fees or litigation costs; violations of California Labor Code sections 200, 201, 202, 203, 204, 210, 218, 218.5, 218.6, 221-223, 226, 226.3, 226.7, 227.3, 500, 510, 512, 558, 1118.12, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2699, 2699.3, 2802, and 6407; all claims for penalties, restitution, attorney’s fees, and other equitable or other relief arising under the Private Attorneys General Act, Labor Code 2698 et seq. based on alleged Labor Code or other statutory or regulatory violations; all claims arising out of Business and Professions Code §§ 17200 et seq. based on alleged Labor Code violations; all claims for interest on unpaid wages; any claims arising out of Sections 3, 4, 7, 11, 12, and 20 of the applicable wage order(s); and the Released PAGA Claims.

DD. “Released PAGA Claims” means all claims, demands, rights, liabilities and causes of action of every nature and description, whether known or unknown, whether or not concealed or hidden, against Defendant and/or the Released Parties, or any of them, for civil penalties, restitution, attorney’s fees, or other amounts or equitable or other relief arising under the Private Attorneys General Act, Labor Code 2698 et seq., and based on any alleged Labor Code or other statutory or regulatory violations that accrued during the PAGA Class Period, which were or could have been pled based on the facts, allegations, and claims alleged in the operative complaint, and/or in the written PAGA notices to the California Labor and Workforce Development Agency sent by Plaintiff, or are reasonably related to said facts, allegations, and claims, including but not limited to any and all claims for: unpaid minimum wages and/or off the clock work; unpaid overtime wages; failure to pay for or provide recovery periods; violations of California’s meal and rest period laws; untimely payment of wages; failure to keep accurate records of hours worked; inaccurate or non-compliant wage statements; failure to issue and keep record of wage statements; failure to timely pay final wages upon separation of employment; violation of heat illness prevention and health standards; unfair competition; attorneys’ fees or litigation costs; violations of California Labor Code sections 200, 201, 202, 203, 204, 210, 218, 218.5, 218.6, 221-223, 226, 226.3, 226.7, 227.3, 500, 510, 512, 558, 1118.12, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2699, 2699.3, 2802, and 6407; violations of 8 CCR § 3395; violations of Sections 3, 4, 7, 11, 12, and 20 of the applicable wage order(s); and any other claims for penalties under

the PAGA based on any other statutory or regulatory violation which were or could have been pled based on, or are reasonably related to, the facts, allegations, and claims alleged in the operative complaint and/or in the written PAGA notices.

- EE. "Released Parties" means Defendant Papich Construction Company, Inc. and any parent, subsidiary, affiliate, predecessor or successor in interest, or d/b/a's of Papich Construction Company, Inc., and each of their agents, employees, owners, officers, directors, and attorneys.
- FF. "Settlement" means the resolution of the Action and all related claims effectuated by this Agreement.
- GG. "Settlement Administrator" means ILYM Group or another settlement administrator agreed upon by the parties and appointed by the Court to administer the Settlement. The "Settlement Administrator Payment" shall be the amount of the payment to the Settlement Administrator as approved by the Court.
- HH. "Settlement Share" means each Participating Class Member's share of the Net Settlement Fund as provided by this Agreement.

III. RECITALS

- A. On September 25, 2020, Plaintiff filed a class action/PAGA Complaint against Defendant alleging that Defendant engaged in various violations of the California Labor Code.
- B. On October 4, 2021, the Parties participated in a joint, full-day mediation with Scott Radovich, a highly respected neutral mediator. At mediation the Parties engaged in intensive discussions regarding their evaluations of the Action, the relevant facts and legal arguments, and potential damages. Although the Parties did not reach a settlement at mediation they continued to discuss potential settlement through Mr. Radovich. As a result of these discussions the Parties agreed to the basic terms of a settlement, subject to the Parties entering into this more comprehensive, long-form settlement agreement.
- C. This Agreement represents a compromise and settlement of disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant bears any liability to Plaintiff or the Class on those claims or any other claims. Defendant denies all of the claims and contentions alleged by Plaintiff in this Action, including defenses based on liability, class certification, PAGA manageability, and damages. Nonetheless, Defendant has concluded that to continue litigating this Action would be protracted and expensive and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Agreement.

- D. The Parties agree that sufficient investigation and discovery has been conducted to evaluate the strengths and weaknesses of their respective claims and defenses and to recommend this Settlement to the Class and to the Court.

Based on these Recitals, the Parties agree as follows:

IV. SETTLEMENT TERMS AND CONDITIONS

- A. **Gross Settlement Amount.** Subject to the terms and conditions of this Agreement, the Gross Settlement Amount that Defendant will pay under this Settlement is \$150,000. The Gross Settlement Amount will be disbursed as provided for in this Agreement.
- B. **Settlement Payments.** Subject to the terms and conditions of this Agreement, and except as set forth below, Defendant shall make the following payments through the Settlement Administrator:
1. **To Plaintiff:** In addition to his respective Settlement Share, Plaintiff will apply to the Court for an award of up to \$15,000 to Plaintiff as the Class Representative Payment. Defendant will not oppose a Class Representative Payment in this amount. If the Court approves a Class Representative Payment of less than the amount requested, the difference will be placed in the Net Settlement Fund for distribution to Participating Class Members. The Class Representative Payment approved by the Court shall be paid by the Settlement Administrator from the Gross Settlement Amount. Payroll tax withholdings and deductions will not be taken from the Class Representative Payment, but an IRS Form 1099 will be issued to Plaintiff with respect to this payment.
 2. **To Class Counsel and the Settlement Administrator:** Class Counsel will apply to the Court for an award of attorney's fees and costs up to \$60,000.00, as the Class Counsel Fees and Costs Payment, including the Settlement Administrator's costs. Defendant will not oppose this request. If the Court approves a Class Counsel Fees and Costs Payment less than the amount requested by Class Counsel, the difference will be placed in the Net Settlement Fund for distribution to Participating Class Members. The Class Counsel Fees and Costs Payment approved by the Court shall be paid by the Settlement Administrator from the Gross Settlement Amount. Payroll tax withholdings and deductions will not be taken from the Class Counsel Fees and Costs Payment, but an IRS Form 1099 will be issued to Class Counsel. As a condition of payment, Class Counsel will be required to furnish the Settlement Administrator its tax identification number.
 3. **To the LWDA and the Aggrieved Employees on The PAGA Payment.** From the Gross Settlement Amount, the Settlement Administrator shall pay 75% of the PAGA Payment approved by the Court to the LWDA. The remaining 25% of the PAGA Payment shall be paid out of the Gross

Settlement Amount to the Aggrieved Employees on a pro-rata basis, based on the number of workweeks worked by each Aggrieved Employee during the PAGA Class Period, as documented in Defendant's records.

3. **To Each Participating Class Member.** The Settlement Administrator will pay out of the Net Settlement Fund each Participating Class Member's Settlement Share as determined below.

C. **Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay a Settlement Share from the Net Settlement Fund to each Participating Class Member.

1. **Calculation.** The Settlement Share for each Participating Class Member will be calculated as follows:
 - First, all Participating Class Members who did not previously receive a payment of \$1,250 from Defendant in exchange for an individual settlement of their claims shall receive a Class Settlement Adjustment Payment from the Net Settlement Fund in the amount of \$1,250.
 - Second, the remainder of the Net Settlement Fund will be distributed pro rata to each Participating Class Member based on the number workweeks worked by Participating Class Members from April 6, 2016 until the date of Preliminary Approval of the Settlement.
2. **Allocation and Withholding.** One-third of each Participating Class Member's Settlement Share shall be considered to be in settlement of wage claims (the "Wage Portion") and shall be subject to wage tax withholdings and reported on a Form W-2. One-third of each Participating Class Member's Settlement Share shall be considered to be in settlement of claims for interest and shall not be subject to wage tax withholdings but shall be reported on IRS Form 1099. One-third of each Participating Class Member's Settlement Share shall be considered to be in settlement of claims for penalties and shall not be subject to wage tax withholdings but shall be reported on IRS Form 1099. If the Court declines to approve the Settlement due to this allocation, the Parties agree to re-negotiate this allocation so that it receives Court approval.
3. **Maximum Amount to be Paid.** The total amount of all Settlement Shares may not exceed the Net Settlement Fund. Defendant shall have no obligation to segregate the funds comprising the Gross Settlement Amount, and Defendant shall retain exclusive authority over and responsibility for those funds, consistent with the terms of this Agreement. All payments that Defendant is required to make with respect to this Agreement shall be made from the Gross Settlement Amount. Other than the Class Representative Payment, Defendant shall have no obligation to pay any amounts to any Class Members in excess of the approved

Settlement Shares as calculated by the Claims Administrator in accordance with this Agreement.

4. **Effect of Non-Participating Class Members.** Non-Participating Class Members will receive no Settlement Share, and their request not to participate will reduce neither the Gross Settlement Amount nor the Net Settlement Fund. Their respective Settlement Shares will be retained in the Net Settlement Fund for pro-rata distribution to Participating Class Members.

D. **Appointment of Settlement Administrator.** Plaintiff will ask the Court to appoint ILYM Group, a qualified administrator, to serve as the Settlement Administrator, which, as a condition of appointment, will agree to be bound by this Agreement with respect to the performance of its duties and its compensation. The Settlement Administrator's duties will include preparing, translating, printing, and mailing the Class Notice to all Class Members; conducting a National Change of Address search on all Class Members whose names and contact information will be submitted to the Settlement Administrator by Defendant before the initial Class Notice mailing; conducting skip tracing on any Class Notice returned by the U.S. Postal Service as non-deliverable, as needed, and re-mailing the Class Notice to the Class Member's new address; providing the Parties with weekly status reports about the delivery of Class Notices and receipt of objections to and Requests Not to Participate in the Settlement; calculating Settlement Shares; estimating amounts of Settlement Shares for inclusion in the Class Notice; addressing any disputes by the Participating Class Members relating to their estimated Settlement Shares; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. After consultation with Class Counsel and Defendant's Counsel, the Settlement Administrator will have the final authority to resolve all disputes concerning the calculation of a Participating Class Member's Settlement Share, subject to the dollar limitations set forth in this Agreement. Class Counsel shall be responsible for hiring and supervising the Settlement Administrator.

E. **Procedure for Approving Settlement.**

1. **Motion for Conditional Certification of Class and Preliminary Approval of Settlement by the Court.**
 - a. Plaintiff will file, and Defendant will not oppose, a motion for an order conditionally certifying the Class, giving Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice (the "Motion for Preliminary Approval").
 - b. At the hearing on the Motion for Preliminary Approval, the Parties' counsel will appear and support the granting of the motion, and Plaintiffs' counsel will submit a Proposed Order Granting

Conditional Certification of Class and Preliminary Approval of Settlement, Approving Class Notice and Related Materials, Appointing Settlement Administrator, and Scheduling Final Approval Hearing.

- c. Should the Court decline to certify the Class or to preliminarily approve all material aspects of the Settlement without granting leave to correct any material or non-material aspects, this Agreement will be null and void and the Parties will have no further obligation hereunder. However, the Parties shall have no right to void the Agreement solely on the basis that the Court alters the agreed-upon allocation of each Participating Class Member's Settlement Share between wages, interest and penalties as described in Section III.C.2 herein, or because the Court orders the Parties to modify a nonmaterial term of the Agreement.

2. **Notice to Class Members.** After the Court enters its Order granting Preliminary Approval of the Settlement, Class Members will be provided with the Class Notice as follows:

- a. All Class Members will receive a Class Notice in the form evidenced by Exhibit A (other than formatting changes to facilitate printing by the Settlement Administrator). The Class Notice shall be provided to each Class Member in English and Spanish. The Administrator will have the Notice translated and will provide both Plaintiff and Defendant's counsel a copy prior to it being mailed. The Class Notice will be tailored for each individual and have pre-printed information regarding that individual's name, contact information, and the estimated amount of each individual's Settlement Share. The Class Notice and Exclusion Form will be enclosed in an envelope in the form evidenced by Exhibit B.
- b. Within fifteen (15) calendar days after the Court enters its Order granting Preliminary Approval of the Settlement, Defendant will provide the Settlement Administrator the Class Data necessary to calculate each Class Member's individual Settlement Share; Defendant will also at that time provide the Aggrieved Employees Data. All information provided to the Settlement Administrator will remain confidential and will not be disclosed to anyone, except as required to applicable taxing authorities, or pursuant to Defendant's express written authorization, or by Order of the Court.
- c. Upon receiving the Class Data and Aggrieved Employees Data, the Settlement Administrator will, as needed, conduct a National Change of Address search on all Class Members and Aggrieved Employees whose names and contact information are included in the data sets. Thereafter, the Settlement Administrator shall, no

later than fourteen (14) calendar days after receiving the data, (1) send Class Counsel and Defendant's Counsel a database containing the Settlement Administrator's calculations for each Class Member's Settlement Share, and each Aggrieved Employees' PAGA settlement share, and receive approval of same from all counsel; (2) send Class Counsel and Defendant's Counsel formatted copies of the English and Spanish Class Notices, and receive approval of same from all counsel; and (3) mail the Class Notices to all Class Members via first-class regular U.S. Mail. **Notice will not be provided to Aggrieved Employees who are not Class Members until after Final Approval of the Settlement, as set forth herein below.**

- d. If a Class Notice is returned because of an incorrect address, the Settlement Administrator will promptly, and not longer than five days from receipt of the returned packet, conduct a search for a more current address for the person and re-mail the notice to the person. In doing so, the Settlement Administrator shall be responsible for taking reasonable steps, consistent with its agreed-upon job parameters, Court Orders, and fee, as agreed to with Class Counsel and according to the following deadlines, to trace the mailing address of any Class Member for whom a notice is returned by the U.S. Postal Service as undeliverable. These reasonable steps shall include, as needed, the tracking of all undelivered mail; performing skip trace address searches for all returned mail; and promptly re-mailing the notice for the person for whom new addresses are found. If the notice is re-mailed, the Settlement Administrator will note for its own records and notify Class Counsel and Defendant's Counsel of each such re-mailing as part of its weekly status report provided to the Parties.
- e. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendant's Counsel of objections and Requests Not to Participate in Settlement that it receives.
- f. Not later than ten (10) Court days before the date by which Plaintiff files a motion for final approval of the Settlement, the Settlement Administrator will serve on the Parties and Class Counsel will file with the Court a declaration of due diligence setting forth its compliance with its obligations under this Agreement. Prior to the Final Approval Hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

3. **Disputing Information in Class Notice.**

- a. Class Members will have the opportunity to challenge the Class Data pre-printed on their individualized Class Notice by submitting via first class mail, postmarked no later than 60 days after the date on which the Settlement Administrator mails the Class Notices (the "Response Deadline"), a written challenge along with any supporting documentation to the Settlement Administrator. The written challenge must contain the Class Member's full name, address, and telephone number, and a statement of why the Class Member is challenging the information. The Response Deadline for remailed notice packets will be the same as for original notice packets. The Response Deadline will not be extended due to remailings. In the event of such a challenge, Defendant will review its records to verify the correct information. Defendant's records will have a rebuttable presumption of correctness. After consultation with Class Counsel and Defendant's Counsel, the Settlement Administrator will make a determination and resolve the dispute. The Settlement Administrator's determination as to disputes submitted by Class Members shall be binding and constitute the final resolution of such disputes.
- b. In the event that a challenge to the Class Data is timely submitted, but is deficient in one or more respects, the Settlement Administrator will notify the Class Member within seven calendar days of receipt explaining any deficiency and stating that the Class Member will have fifteen (15) calendar days from the date of the deficiency notice, or until the Response Deadline if the notification is provided less than fifteen (15) calendar days prior to the Response Deadline, to correct the deficiency and resubmit the challenge. To be considered timely, the envelope containing the resubmitted challenge must be postmarked within fifteen (15) calendar days of the date of the deficiency notice, or by the Response Deadline, whichever is earlier.

4. **Objections to Settlement; Requests Not to Participate in Settlement.** Class Members may submit objections to the Settlement or, alternatively, Requests Not to Participate in Settlement pursuant to the following procedures:

- a. **Objections to Settlement.** The Class Notice will provide that Class Members who wish to object to the Settlement must submit to the Settlement Administrator, by first class mail postmarked no later than the Response Deadline, a written objection to the Settlement setting forth all factual and legal grounds for the objection with supporting documents, if any. The Settlement Administrator will email Class Counsel and Defendant's counsel a copy of any objections it receives forthwith. Class Counsel will

lodge a copy of any objection with the Court. Only those Class Members who do not submit a Request Not to Participate in Settlement may object to the Settlement. A Class Member who does not submit a written objection in the manner and by the deadline specified above will be deemed to have waived any written objection. In addition to or in lieu of a written objection, Class Members may also appear at the Final Approval Hearing and object orally to the Settlement and will be apprised of their right to do so in the Class Notice. If a Class Member fails to object in one of the two methods described herein, the Class Member will be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. A Class Member may hire an attorney to appear on his/her behalf at the Final Approval Hearing, at his or her own expense.

- b. **Requests Not to Participate in Settlement.** The Class Notice will provide that Class Members may exclude themselves from the Settlement by mailing to the Settlement Administrator a completed and signed Exclusion Form (attached as Exhibit C hereto), postmarked no later than the Response Deadline. To be effective, any Exclusion Form must be fully completed and signed by the Class Member. If a question is raised about the authenticity of a signed Exclusion Form, the Settlement Administrator will have the right to demand additional proof of the Class Member's identity. A Non-Participating Class Member will not participate in or be bound by the Settlement and the Judgment. A Class Member who does not complete and mail a valid Exclusion Form in the manner and by the deadline specified above will automatically become a Participating Class Member, will receive a Settlement Share, and will be bound by all terms and conditions of the Settlement and the Judgment, including its release of claims, if the Settlement is approved by the Court.
- c. **Report.** The Settlement Administrator will provide Class Counsel and Defendant's Counsel a weekly report with information setting forth the number of objections and the number of Non-Participating Class Members.

- 5. **No Solicitation of Objection or Request Not to Participate.** Neither the Parties nor their respective counsel will solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, appeal from the Judgment, or elect not to participate in the Settlement. This provision does not foreclose Class Counsel from providing information about the Settlement to any inquiring Class Members.

6. **Additional Briefing and Final Approval.**

- a. Not later than sixteen (16) Court days before the Final Approval Hearing, or another date to be set by the Court, Plaintiff will file, and Defendant agrees not to oppose, a motion for final approval of the Settlement, award of the Class Representative Payment, award of the Class Counsel Fees and Costs Payment, award of the PAGA Payment, and payment of the Settlement Administrator's reasonable fees and expenses.
- b. If the Court does not grant final approval of the Settlement or grants final approval conditioned on any material change to the Settlement (including, but not limited to, the scope of the release to be granted by Participating Class Members), then this Agreement will be null and void and the Parties will have no further obligation hereunder, including any obligation by Defendant to pay the Gross Settlement Amount or any amount that otherwise would have been owed under this Agreement, except that the Parties agree to negotiate in good faith to attempt to amend the Agreement in such a manner that complies with the Court's requirements and is agreeable to the Parties. If the Court does not grant final approval of the Settlement or the Parties are unable to agree on an amendment to the Agreement that complies with the Court's requirements for final approval of the Agreement, then this Agreement will be null and void and the Parties will have no further obligation hereunder, except that Plaintiff and Defendant shall each pay fifty percent (50%) of the Settlement Administrator's reasonable fees and expenses incurred as of the date that the Agreement becomes void under this paragraph. An award by the Court of a lesser amount than that sought for the Class Representative Payment or the Class Counsel Fees and Costs Payment will not constitute a material change to the Settlement within the meaning of this paragraph.
- c. Upon final approval of the Settlement by the Court at or after the Final Approval Hearing, the Parties will present for the Court's approval and entry the Judgment. After entry of the Judgment, the Court will have continuing jurisdiction over the Action and the Settlement solely for purposes of: (i) enforcing this Agreement; (ii) addressing settlement administration matters; and (iii) addressing such post-Judgment matters as may be appropriate under Court rules or applicable law. Notice of the Judgment shall be posted on the Settlement Administrator's website.

7. **Funding of Settlement.** Within thirty calendar days after the Effective Date, Defendant will provide the Settlement Administrator with the Gross Settlement Amount. If the 30th calendar day is a weekend or holiday, the deposit shall be made by the next business day thereafter. The Gross

Settlement Amount shall be deposited into a Qualified Settlement Fund to be managed by the Settlement Administrator.

8. **Timing of Provision of Settlement Shares and Other Payments.** Within fifteen (15) calendar days after its receipt of the Gross Settlement Amount from Defendant, the Settlement Administrator will pay the Settlement Shares to Participating Class Members, the Class Representative Payment to Plaintiff, the PAGA Payment allocations to the Aggrieved Employees and the LWDA, the Settlement Administrator's fees and expenses, the employer portion of payroll taxes, contributions and other required withholdings (including the employer's payment of applicable FICA, FUTA, and SDI contributions, etc.) to appropriate local, state, and federal taxing authorities out of the Gross Settlement Amount, the amount of the employees' portion of normal payroll withholding taxes out of the Net Settlement Amount, and the Class Counsel Fees and Costs Payment to Class Counsel.
9. **Notice to Aggrieved Employees.** Along with their share of the PAGA Payment, Aggrieved Employees who are not Class Members shall each receive the Notice of PAGA Settlement attached hereto as Exhibit D explaining the nature of the action and why they are receiving a portion of the PAGA Payment.
10. **Uncashed Settlement Share/Aggrieved Employee Checks.**
 - a. Participating Class Members and Aggrieved Employees must cash the checks with any amounts paid to them pursuant to this Settlement within one hundred eighty (180) days after the check is mailed. If a check is returned to the Settlement Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the Participating Class Member or Aggrieved Employee at his or her correct address. If a check is not cashed within one hundred fifty (150) days after its last mailing to the Participating Class Member or Aggrieved Employee, the Settlement Administrator will send the Participating Class Member or Aggrieved Employee a postcard informing him or her that unless the check is cashed in the next thirty (30) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced but not cashed.
 - b. If any settlement checks issued pursuant to this Settlement are not cashed within one hundred and eighty (180) days after mailing, the remaining residual shall thereafter be paid to the California State Controller in the name of the Class Member or Aggrieved Employee who did not cash his or her check.
 - c. In the event that a Participating Class Member or Aggrieved Employee fails to cash or deposit a settlement check he or she

receives pursuant to this Agreement, he or she nevertheless will be bound by the terms and releases of this Settlement.

11. **Tax Treatment.** Plaintiff and Participating Class Members shall be exclusively liable for any and all of their respective tax liability, if any. Plaintiff and Participating Class Members should consult with their tax advisors concerning the tax consequences of the payments they may receive under this Agreement. The settlement payments received by Participating Class Members and Plaintiff will be reported as required to the state and federal taxing authorities as specified in this Agreement on IRS forms 1099 and W-2 or similar forms. Each Participating Class Member and Plaintiff will be responsible for paying all applicable state, local, and federal income taxes on all amounts received pursuant to this Agreement. Participating Class Members and Plaintiff shall cooperate with Defendant and the Claims Administrator and provide documentation as requested to demonstrate such payment should any taxing authority challenge the allocation of settlement payments. Each Party to this Agreement and each Class Member acknowledges and agrees that: 1) no provision of this Agreement and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); 2) he or she (a) has relied exclusively upon his, her or its own, independent legal and tax advisers for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on him or her; and 3) no attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by him or her of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.
12. **Final Report by Settlement Administrator to Court.** Within ten (10) days after final disbursement of all funds from the Gross Settlement Amount or a date specified by the Court, the Settlement Administrator will serve on the Parties and Class Counsel will file with the Court a declaration providing a final report on the disbursements of all funds.

F. Release of Claims.

1. **Participating Class Members.** Provided there is final approval of this Settlement, then as of the Effective Date, all Participating Class Members, individually and on behalf of all their respective successors, assigns, agents, attorneys, executors, heirs and personal representatives, shall be

deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Defendant and the Released Parties, and each of them, from the Released Class Claims.

2. **Aggrieved Employees.** Provided there is final approval of this Settlement, then as of the Effective Date, all Aggrieved Employees, individually and on behalf of all their respective successors, assigns, agents, attorneys, executors, heirs and personal representatives, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged Defendant and the Released Parties, and each of them, from the Released PAGA Claims.
3. **Class Counsel.** Upon final approval of the Settlement by the Court, and except as otherwise provided by this Agreement, Class Counsel waives any claim to attorneys' fees and costs against the Released Parties arising from or related to the Action. Except with respect to the Class Counsel Fees and Costs Payment approved by the Court and paid through the Settlement Administrator, the Released Parties shall not pay any of Class Counsel's attorneys' fees or costs.
4. **Plaintiff.** Provided there is final approval of this Settlement, then as of the Effective Date, Plaintiff, for himself and each of his successors, assigns, agents, executors, heirs and personal representatives, spouses, and attorneys, and any and all of them, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished and discharged Defendant and the Released Parties, and each of them, from the Named Plaintiff Released Claims. The "Named Plaintiff Released Claims" include the Released Class Claims and Released PAGA Claims (defined above) as well as any and all claims, obligations, demands, actions, rights, causes of action, and liabilities against Defendant and any of the Released Parties of whatever kind and nature, character, and description, whether in law or equity, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation, constitution, common law, or other source of law or contract, whether known or unknown, and whether anticipated or unanticipated, arising from or relating to any and all acts, events and omissions occurring prior to the date the Plaintiff signs this Agreement, including, but not limited to, all claims which relate in any way to Plaintiff's employment with or termination of employment from Defendant or any of the Released Parties. Plaintiff further releases all unknown claims against Defendant and/or the Released Parties which are covered by California Civil Code Section 1542, and he waives this section, which states: "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." Notwithstanding anything

above, the Named Plaintiff Released Claims do not include those claims which cannot be released as a matter of law.

G. **No Effect on Other Benefits.** This Agreement shall not be construed to require Defendant to make any deduction or payment to any insurance, retirement, 401(k), profit-sharing or any other employee benefit plan or union relating to any payment of monies under this Settlement. Plaintiff and Participating Class Members will be deemed to have waived all such claims as part of their release of claims under this Agreement. The Wage Portion of the Settlement Shares shall not be considered wages for any purpose unrelated to this Agreement. It is the Parties' intent that the settlement payments provided for in this Agreement are the sole payments to be made by Defendant to the Participating Class Members, and that the Participating Class Members are not entitled to any new or additional compensation or benefits as a result of having received the settlement payments, notwithstanding any contrary terms in any agreement, contract, benefit or compensation plan document that might have been in effect during the Class Period.

H. **Miscellaneous Terms.**

1. **No Admission of Liability or Class Certification for Other Purposes.**

- a. Defendant denies that it has engaged in any unlawful activity, has failed to comply with the law in any respect, has any liability to anyone under the claims asserted in the Action, or that but for the Settlement a class should be certified in the Action. This Agreement is entered into solely for the purpose of compromising disputed claims. Nothing in this Agreement is intended or will be construed as an admission of liability or wrongdoing by Defendant. Since this is a good faith settlement of bona fide disputed claims, the Parties agree that Labor Code Section 206.5 is not applicable.
- b. Whether or not the Judgment becomes Final, neither the Settlement, this Agreement, any document, statement, proceeding or conduct related to the Settlement or the Agreement, nor any reports or accounting of those matters, will be: (i) construed as, or offered or admitted in evidence for any purpose adverse to Defendant or any of the Released Parties, including but not limited to evidence of a presumption, concession, indication or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession or damage; or (ii) disclosed, referred to or offered in evidence in any civil, criminal or administrative action or proceeding, except for the purpose of effectuating the Settlement pursuant to this Agreement.
- c. This Section and all other provisions of this Agreement notwithstanding, any and all provisions of this Agreement may be

admitted in evidence and otherwise used in any and all proceedings to enforce any or all terms of this Agreement, or in defense of any claims released or barred by this Agreement.

2. **No Publicity.** The Parties and their attorneys agree to keep this settlement confidential through preliminary approval. Plaintiff shall be advised that, prior to preliminary approval, this Agreement is confidential and shall be advised to keep the Agreement confidential prior to preliminary approval. Thereafter, the parties will agree to make no comments to the media or otherwise publicize the terms of the settlement. Neither Plaintiff nor Class Counsel shall issue any press release related in any way to the Settlement and shall not use or publicize this Settlement or the name of Defendant or any Released Party in any website or other public forum. From and after preliminary approval of the Settlement, Plaintiff and Class Counsel may comment regarding the specific terms of the Settlement only: (1) as required by law; (2) as required under the terms of the Settlement; or (3) as required under counsel's duties and responsibilities as Class Counsel. In all other cases, Plaintiff and Class Counsel agree to limit their statements in response to any inquiries from outside parties regarding the terms of the Settlement, whether oral, written or electronic (including the internet), to say the Action has been resolved. Nothing in this paragraph is intended to interfere with Class Counsel's duties and obligations to faithfully discharge their duties as Class Counsel, including but not limited to, answering questions from Class Members.
3. **Integrated Agreement.** This Agreement constitutes the entire agreement between the Parties relating to the Settlement, and no oral representations, warranties, covenants, or inducements have been made to any Party concerning this Agreement or the Settlement other than the representations, warranties, covenants, and inducements expressly set forth in this Agreement.
4. **Attorney Authorization.** Class Counsel and Defendant's Counsel warrant and represent that they are authorized by Plaintiff 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 required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect the implementation of the Settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court.
5. **Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written agreement signed by all Parties.

6. **Agreement Binding on Successors.** This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties and Participating Class Members.
7. **Applicable Law.** All terms and conditions of this Agreement and its Exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
8. **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.
9. **Fair Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arm's-length negotiations, taking into account all relevant factors.
10. **Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted for reference only and does not constitute a part of this Agreement.
11. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts by facsimile or email, which for purposes of this Agreement shall be accepted as an original. All executed counterparts will be deemed to be one and the same instrument.

V. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: 12/20/2021

By: _____

LUKE G
ID HSc7bXix7hRu9W2nMUg6Q5G5

Luke Grabeel

PAPICH CONSTRUCTION COMPANY, INC.

Dated: 12/8/21

By: _____

APPROVED AS TO FORM AND CONTENT:

WORKWORLD LAW CORP.

Dated: 12-22-2021

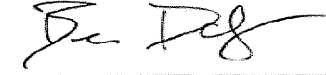
By: 

Ruben Escobedo

Attorneys for Plaintiff Luke Grabeel,
Individually and on behalf of the Class

MULLEN & HENZELL L.L.P.

Dated: November 29, 2021

By: 

Rafael Gonzalez/ Brian T. Daly

Attorneys for Defendant
Papich Construction Company, Inc.

EXHIBIT A

CLASS NOTICE FOR MAILING

NOTICE OF CLASS ACTION SETTLEMENT

Luke Grabeel v. Papich Construction Company, Inc.
San Luis Obispo County Superior Court
Case No. 20CV-0501

If you have worked for Papich Construction Company, Inc. in California as a driver between April 6, 2016 and [DATE OF PRELIMINARY APPROVAL], you could receive money from a class action settlement.

A Court authorized this Notice. This is not a solicitation from a lawyer.

- A settlement has been reached in a class action lawsuit that affects your rights.
- The settlement resolves a class action lawsuit against Papich Construction Company, Inc. (“Papich” or the “Company”) alleging that Papich failed to pay certain wages owing and violated other applicable wage and hour and health and safety laws. Papich denies the allegations being made against it.
- The Court has not decided whether to finally approve the settlement. Payments will be made only after the Court approves the settlement.
- The decision whether to participate in, request to be excluded from, or object to the settlement is entirely yours. Papich will not retaliate against anyone for participating (or not participating) in the settlement.

YOUR RIGHTS AND OPTIONS REGARDING THE SETTLEMENT	
DO NOTHING AND RECEIVE YOUR SHARE OF THE SETTLEMENT AWARD	Do nothing. Automatically receive your settlement award. Release the claims referenced herein. See Sections 25-26 below for more information about your settlement award. See Section 27 below for more information about the release.
REQUEST TO BE EXCLUDED FROM THE SETTLEMENT	Ask to be excluded. Receive no payment. See Section 11 below.
OBJECT TO THE TERMS OF THE SETTLEMENT	Serve an objection that the settlement is unfair or inadequate. See Section 12 below.

Please read this Notice carefully. It describes your rights, and the steps you have to take, if any, to receive money from the settlement or to exclude yourself from the settlement.

BASIC INFORMATION

1. Why did I receive this Notice?

Papich's employment records show that you were employed by the Company in California as a driver between April 6, 2016, and [DATE OF PRELIMINARY APPROVAL]. A settlement has been reached in a class action lawsuit against Defendant that affects your rights. The Superior Court of California, County of San Luis Obispo, which is overseeing this class action, ordered that you be sent this Notice.

2. What is this class action about?

This class action, known as *Luke Grabeel v. Papich Construction Company, Inc., Case No. 20CV-0501*, alleges that Papich failed to pay certain wages owing and violated other applicable wage and hour and health and safety laws between April 6, 2016, and [DATE OF PRELIMINARY APPROVAL]. It also alleges that, as a result of the foregoing, Papich is liable for civil penalties under the Private Attorneys General Act ("PAGA").

3. What does Papich contend?

Papich denies all of the allegations in the lawsuit. Papich contends that it has complied with its legal obligations. Papich also contends that the lawsuit could not be maintained as a class and/or PAGA action if it was litigated.

4. What is a class action and who is involved?

In a class action lawsuit, one or more people called "Class Representatives" sue on behalf of other people who have similar claims. The Class Representative in this lawsuit is Luke Grabeel. The employees he represents are the "Class" or "Class Members." The Class Representatives and all the Class Members are called the "Plaintiffs." Papich Construction Company, Inc. is called the "Defendant." One Court resolves the issues for everyone in the Class, except for those people who request to exclude themselves from the Class.

5. Why is this lawsuit being settled?

After settlement negotiations and the exchange of information and documents, the Class Representative and Papich have agreed to settle this case. The settlement represents a compromise of disputed claims and is not an admission that Papich violated the law. The Class Representative and his attorneys believe the settlement is in the best interests of the Class given the risks and expense.

6. Has the Court decided who is right?

No. The Court has not decided anything yet, only that you should get a copy of this Notice so that you can review the settlement and determine whether you want to participate in the settlement, object to it, or exclude yourself from the settlement.

7. Who is the Settlement Administrator?

The Settlement Administrator is ILYM Group, a third party appointed by the Court to send this Notice, process and issue settlement checks, and otherwise administer the settlement. You may contact the Settlement Administrator to provide updated contact information, make corrections regarding your employment at Papich, or ask questions regarding the processing of settlement payments. You may contact the Settlement Administrator at:

ILYM GROUP, INC.

14771 Plaza Dr., Unit L
Tustin, CA 92780
Telephone (888) 250-6810

YOUR RIGHTS AND OPTIONS

8. Am I part of this Class?

In preliminarily approving the settlement, the Court has defined the Class to include all current and former employees of Papich who worked in California as a driver between April 6, 2016, and [DATE OF PRELIMINARY APPROVAL]. Records indicate that you are a class member. (If you do not want to be part of this case, read Section 11 below).

9. What does the settlement provide?

The parties have agreed to create a settlement fund to be distributed to Class Members, as discussed below. In return, Class Members who do not timely request to be excluded from the Class will release claims they might have against Papich that were or could have been raised based on the factual allegations in the lawsuit. For more information about your estimated payment out of the settlement fund and the way it was calculated, see Sections 25-26 below. For more information about the claims being released as part of the settlement, see Section 27 below.

10. How do I participate in the settlement?

You do not need to do anything to participate. You will automatically receive a settlement payment and release claims against Papich unless you request to be excluded from the settlement.

11. How do I request to be excluded from the settlement?

If you wish to be excluded from the settlement, you must complete and sign the enclosed Exclusion Form and mail it to the Settlement Administrator at the address specified above in Section 7. **To be effective, your signed Exclusion Form request must be postmarked no later than <<date>>.**

If you do not complete, sign, and timely mail an Exclusion Form, you will be bound by all terms and conditions of the settlement, including its release of claims. If you do submit a timely and valid Exclusion Form, you will not receive any money from the settlement and will not be bound by its release of claims.

12. May I object to the settlement?

If you believe the settlement is unfair or inadequate, you may object, personally or through an attorney at your own expense, by mailing a copy of your objection to the Settlement Administrator at the address set forth above in Section 7. You cannot object to the settlement **and** exclude yourself from the settlement.

Any written objection must include: (1) your name, address, and phone number; (2) the case name and number of this lawsuit; (3) all factual and legal reasons why you object to the settlement; (4) any documents you contend support your objection; (5) a list of any witnesses you contend support your objection; and (6) your dated signature. **To be effective, any written objection must be postmarked no later than <<date>>. Do not telephone the Court or Papich's counsel.**

You may also object by appearing in person at the Final Approval Hearing, scheduled for _____, 2022 at _____, in Department 9 of the San Luis Obispo County Superior Court, located at 1050 Monterey St, San Luis Obispo, CA 93408.

If the Court rejects your objection, you will be bound by the terms of the settlement and you will not be able to exclude yourself from the settlement.

13. When is the final approval hearing?

A final approval hearing on the fairness and adequacy of the proposed settlement will be held on _____, 2022, at _____m. in Department 9 of the Superior Court of California for the County of San Luis Obispo, located at 1050 Monterey St., San Luis Obispo, CA 93408. The final approval hearing may be continued without further notice. If the settlement is not approved, the lawsuit will continue.

14. When will I receive my payment?

Payments will be sent approximately 45 days after the Court gives the settlement its final approval.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court has determined that Paul Greco and Ruben Escobedo of Workworld Law Corp. are qualified to represent you and all Class Members, and has appointed them as “Class Counsel.” They are experienced in handling similar cases. Mr. Escobedo’s contact information is at the end of this Notice.

16. May I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. Nonetheless, you may hire your own lawyer if you wish. If you hire your own lawyer, however, you are responsible for paying that lawyer.

17. How will Class Counsel be paid?

You do not have to pay Class Counsel’s fees and costs. The fees and costs that the Court approves will be paid by Papich as part of the Gross Settlement Amount. More information about the attorneys’ fees and costs is contained in Section 20 below.

TERMS OF THE SETTLEMENT

18. What has Papich agreed to do?

Papich has agreed to pay a total of \$150,000.00 (the “Gross Settlement Amount”), which includes among other things the payments to the Class Members, the Class Representative Payment, Class Counsel’s Attorney’s Fees and Costs, the PAGA Payment, and the Settlement Administrator’s fees and costs incurred in administering the Settlement. The “Net Settlement Fund” that will be distributed to the Class Members is the amount of the Gross Settlement Amount, minus certain amounts including the Class Representative Payment, the Class Counsel’s Fees and Costs Payment, the PAGA Payment, and the Settlement Administrator’s Payment.

19. What is a “Class Representative Payment”?

In class actions such as this one, a Court may provide the class representative a “Class Representative Payment” in recognition of the time, effort, and risks the Class Representative took to prosecute the class action. In the present case, the Settlement provides that Plaintiff will request the Court approve a Class Representative Payment of up to \$15,000.00.

20. How much is the Class Counsel fee and expense award?

Class Counsel will ask the Court to receive up to \$60,000 to pay for the attorneys' fees and costs incurred in connection with their work in this case. Class Members are not personally liable for any fees and costs.

21. How much will it cost to administer the Settlement?

It is estimated that it will cost approximately up to \$2,500.00 to fully administer the settlement.

22. What is the PAGA Payment?

Under the Settlement, \$2,500 has been set aside to resolve Plaintiff's claim that Papich is liable for civil penalties under the PAGA. Pursuant to the PAGA, 75% of that amount, or \$1,875, will be paid to the California Labor & Workforce Development Agency ("LWDA"), and the remaining 25%, or \$625, will be paid to Participating Class Members and other affected employees as part of the Net Settlement Fund.

23. How will the Net Settlement Fund be distributed to Class Members?

The Net Settlement Fund will be distributed to Class Members as follows:

- Certain Participating Class Members previously received a payment of \$1,250 from Defendant in individual settlement of their claims. Participating Class Members that did not previously receive this payment shall receive a Class Settlement Adjustment Payment in the amount of \$1,250.
- The remaining amount in the Net Settlement Fund will be distributed pro rata to each Participating Class Member based on the number workweeks worked by Participating Class Members from April 6, 2016 until the date of Preliminary Approval of the Settlement.
- If any settlement checks are not cashed within 180 calendar days after mailing, that money will be paid to the California State Controller in the name of the Class Members who did not cash their settlement checks.

24. Will I have to pay taxes on my award?

One-third of your award will be considered to be wages and will be reported on IRS Form W-2 with all appropriate taxes withheld. The rest of your award will be reported on IRS Form 1099 as payment of interest and penalties.

You are responsible for the proper income tax treatment of your Settlement Share. You should consult a tax professional for more information about your own specific situation and the tax consequences of your settlement award. Neither the Settlement Administrator, Class Representative, Class Counsel, Papich, nor Papich's counsel can provide you with tax advice.

25. How will my share of the settlement be calculated?

Your share of the settlement will be calculated pro rata based on the number of workweeks worked by all Participating Class Members, including you, from April 6, 2016 until the date of Preliminary Approval of the Settlement. The more workweeks you have during this period, the larger the payment. Conversely, the fewer workweeks you have, the smaller the payment.

According to Papich's records, you worked workweeks during the relevant period. In addition, prior to the class action settlement, Papich paid 6 Class Members a one-time payment of \$1,250 to resolve their claims on an individual basis. If you did not previously receive this payment, the amount of \$1,250 will be added to your payment.

Papich's records indicate you did/did not previously receive the \$1,250 payment and you therefore will/will not be receiving the additional \$1,250 payment as a part of the class action settlement.

If the information above is incorrect and you wish to correct the information, you must submit a signed, written statement explaining why you dispute this information. Attach copies (not originals) of any relevant documents supporting your dispute. You must mail the signed and completed statement to the Settlement Administrator at the address set forth above in Section 7 no later than <<date>>. **If your signed and completed statement is not postmarked by that date, you will not be able to dispute the calculation of your settlement share.** After consultation with you, Class Counsel, and Papich, the Settlement Administrator will attempt to resolve any dispute. Any dispute that cannot be resolved informally will be resolved by the Court.

26. What is my estimated share of the settlement?

Based on the records supplied to the Settlement Administrator, your **estimated** settlement award is \$. Please note that this amount may change depending on various factors, including the number of Class Members, if any, who request to be excluded from the settlement.

RELEASE OF CLAIMS

27. What claims are being released as part of the settlement?

Provided there is final approval of this Settlement, then as of the Effective Date, all Participating Class Members, individually and on behalf of all their respective successors, assigns, agents, attorneys, executors, heirs and personal representatives, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever released,

relinquished, and discharged Defendant and the Released Parties, and each of them, from the Released Class Claims. “Released Parties” means Defendant Papich Construction Company, Inc. and any parent, subsidiary, affiliate, predecessor or successor in interest, or d/b/a’s of Papich Construction Company, Inc., and each of their agents, employees, owners, officers, directors, and attorneys. “Released Class Claims” means all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever including statutory, contractual or common law claims, whether known or unknown, whether or not concealed or hidden, against Defendant and/or the Released Parties, or any of them, for any type of relief that accrued during the Class Period, and as a result of the Participating Class Members’ employment with Defendant and/or the Released Parties, which were or could have been pled based on the facts, allegations, and claims alleged in the operative complaint in this matter, or are reasonably related to said facts, allegations, and claims, including but not limited to any and all claims for: unpaid minimum wages and/or off the clock work; unpaid overtime wages; violations of California’s meal and rest period laws; inaccurate or non-compliant wage statements; failure to timely pay final wages upon separation of employment; unfair competition; attorneys’ fees or litigation costs; violations of California Labor Code sections 200, 201, 202, 203, 204, 210, 218, 218.5, 218.6, 221-223, 226, 226.3, 226.7, 227.3, 500, 510, 512, 558, 1118.12, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2699, 2699.3, 2802, and 6407; all claims for penalties, restitution, attorney’s fees, and other equitable or other relief arising under the Private Attorneys General Act, Labor Code 2698 et seq. based on alleged Labor Code or other statutory or regulatory violations; all claims arising out of Business and Professions Code §§ 17200 et seq. based on alleged Labor Code violations; all claims for interest on unpaid wages; any claims arising out of Sections 3, 4, 7, 11, 12, and 20 of the applicable wage order(s); and the Released PAGA Claims.

FINAL SETTLEMENT APPROVAL HEARING

28. When will the Court consider whether to finally approve the settlement?
--

The Court will hold a hearing in Department 21 of the Superior Court of California for the County of San Luis Obispo, located at 1050 Monterey St., San Luis Obispo, CA 93408, on _____, 2022 at _____.m., to decide whether to finally approve the Settlement. At that time, the Court will also decide whether to approve Class Counsel’s request for attorneys’ fees and reimbursement of costs, the Class Representative Payment, the PAGA payment, and the Settlement Administrator’s payment.

It is not necessary for you to appear at this hearing. You may appear and speak at the hearing if you want to do so. Any attorney who will represent you must file a notice of appearance with the Court and serve the notice of appearance on Class Counsel and counsel for Papich on or before <<RESPONSE DEADLINE>>. If you choose to hire your own attorney, you will be solely responsible for the fees and costs of that attorney.

The Final Settlement Approval hearing may be postponed without further notice to the Class. If the settlement is not approved, the lawsuit will continue. Notice of the final judgment will be posted on the Settlement Administrator’s website, www.ilymgroup.com.

FURTHER INFORMATION

29. How do I get more information?

This Notice provides a summary of the basic terms of the settlement. For the Settlement's complete terms and conditions, please consult the Settlement Agreement that was filed with the Court. You may do so by inspecting the Court's files and the Settlement Agreement at the Office of the Clerk of the San Luis Obispo County Superior Court, located at 1050 Monterey St, San Luis Obispo, CA 93408, during regular court hours. You may also contact Class Counsel using the contact information listed below for more information.

If you have more questions about this Notice or the lawsuit, you can contact Class Counsel at:

RUBEN ESCOBEDO (SBN 277866)
WORKWORLD LAW CORP.
A Professional Corporation
731 S. Lincoln Street
Santa Maria, CA 93458
Telephone: (805) 335-2476
Facsimile: (805) 892-6213
Email: ruben@workworldlaw.com

PLEASE DO NOT TELEPHONE OR WRITE THE COURT, THE OFFICE OF THE CLERK, PAPICH OR ITS COUNSEL FOR INFORMATION REGARDING THIS SETTLEMENT

EXHIBIT B
[ENVELOPE FOR MAILING CLASS NOTICE]

(Name of Settlement
Administrator
Street Address
City, State, Zip)

<<Name>>
<<Address>>
<<City>>, <<State>>
<<Zip Code>>

Court-Ordered Class Action Notice Inside
Your Rights Could Be Affected by a Class Action
Settlement in *Luke Grabeel v. Papich Construction Co., Inc.*

EXHIBIT C
[EXCLUSION FORM]

REQUEST FOR EXCLUSION FORM

Luke Grabeel v. Papich Construction Co., Inc.
San Luis Obispo County Superior Court
Case No.: 20CV-0501

IF YOU DO NOT WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MUST COMPLETE, SIGN AND MAIL THIS FORM, POSTMARKED ON OR BEFORE [INSERT DATE], ADDRESSED AS FOLLOWS:

ILYM GROUP
LUKE GRABEEL V. PAPICH CONSTRUCTION CO., INC.
SETTLEMENT ADMINISTRATOR
ADDRESS
ADDRESS
PHONE
FAX

DO NOT SUBMIT THIS FORM IF YOU WISH TO RECEIVE A PAYMENT UNDER THE SETTLEMENT.

By signing, filling out, and returning this form, I confirm that I do not want to be included in the Settlement of the lawsuit entitled Luke Grabeel v. Papich Construction Co., Inc., San Luis Obispo County Superior Court Case No. 20CV-0501.

I WISH TO BE EXCLUDED FROM THE CLASS IN THE LUKE GRABEEL V. PAPICH CONSTRUCTION CO., INC. SETTLEMENT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT.

Name Telephone Number

Address

Dated Signature

Last Four Digits of Social Security Number _____

EXHIBIT D
[NOTICE OF PAGA SETTLEMENT]

<<FIRST NAME>> <<LAST NAME>>
<<ADDRESS>>

Re: Payment From *Luke Grabeel v. Papich Construction Co., Inc.*

Dear <<FIRST NAME>> <<LAST NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Luke Grabeel v. Papich Construction Co., Inc.*, San Luis Obispo County Superior Court Case No. 20CV-0501 (the "Action").

The Action was filed against Papich Construction Co., Inc. ("Papich") under the California Private Attorneys General Act of 2004, California Labor Code section 2698 et seq. ("PAGA"). The claim was brought by Luke Grabeel, a former employee of Papich, on behalf of the State of California for all current and former non-exempt employees employed by Papich Construction Company, Inc. between April 6, 2019 and [PRELIMINARY APPROVAL DATE] ("Aggrieved Employees"). You have been identified as an individual on whose behalf the case was brought.

The Plaintiff in the lawsuit claims Papich owes penalties under PAGA for alleged violations of the California Labor Code and/or applicable regulations, including failure to timely pay minimum wages and overtime wages, failure to provide rest, recovery, and meal periods, failure to provide accurate wage statements, and failure to comply with heat illness prevention health-and-safety standards. Papich denies all such allegations, maintains its policies and practices were lawful and that all employees were provided with all wages and working conditions owed at the appropriate times.

The Court has not ruled on the merits of the lawsuit, but it has approved the settlement the parties reached. By law, a portion of the settlement amount goes to the State of California. Another portion of the settlement amount goes to the Aggrieved Employees. In agreeing to this settlement, Papich does not admit it is liable in any way to its current or former employees.

Enclosed is a check for your share of the settlement.

If you have further questions about this settlement, please contact the lawyer for Mr. Grabeel, Ruben Escobedo, 731 S. Lincoln Street, Santa Maria, CA 93458, (805) 335-2476.

Sincerely,

[NAME AND TITLE OF SIGNATORY]

eSignature Details

Signer ID:	HSc7bXix7hRu9W2nMUg6Q5G5
Signed by:	Luke G. Grabeel
Sent to email:	grabeelluke@gmail.com
IP Address:	24.6.162.162
Signed at:	Dec 20 2021, 1:50 pm PST