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AIRTECH INTERNATIONAL, INC;

7 AIRTECH ADVANCED MATERIALS GROUP

8
9 SUPERIOR COURT OF CALIFORNIA

10 COUNTY OF SAN BERNARDINO

11 FERNANDO HERRERA, individually, and on)
behalf of other members of the general public)
12 similarly situated,)

13 Plaintiff,)

14 vs.)

15 AIRTECH INTERNATIONAL, INC., a)
California corporation; ADVANCED)
16 MATERIALS GROUP, an unknown business)
entity; and DOES 1 through 100, inclusive,)

17 Defendants.)
18)

19 SALVADOR SALAMANCA, on behalf of)
himself and other members of the general public)
20 similarly situated,,)

21 Plaintiff,)

22 vs.)

23 AIRTECH INTERNATIONAL, INC., a)
California corporation; and DOES 1 through)
24 100,)

25 Defendants.)
26)

CASE NO. CIVDS 1930833

[Assigned to Hon. David Cohn, Dept. S26]

STIPULATION OF SETTLEMENT

Complaint Filed: October 15, 2019

CASE NO. CIVDS 2020465

[Assigned to Hon. David Cohn, Dept. S26]

Complaint Filed: September 28, 2020

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Attorneys for Plaintiff Salvador Salamanca

This Stipulation of Settlement, including Exhibits A and, B hereto (“Settlement,” “Settlement Agreement” or “Agreement”), is made and entered into by, between, and among Plaintiffs FERNANDO HERRERA, SALVADOR SALAMANCA, and LIZBETH CISNEROS (“Plaintiffs”) on behalf of themselves, the Settlement Class Members, on the one hand, and Defendants AIRTECH INTERNATIONAL INC. and AIRTECH ADVANCED MATERIALS GROUP (collectively “Defendants” or collectively “AIRTECH”) on the other hand. Plaintiffs and Defendants (collectively, the “Parties”) enter into this Agreement to effect a full and final settlement and preclusive judgment resolving all claims brought or that could have been brought against AIRTECH based on the factual allegations alleged in the cases entitled *Fernando Herrera v. Airtech International Inc. et al.*, Case No. CIVDS1930833 (“*Herrera Action*”) and *Salvador Salamanca v. Airtech International Inc.*, Case No. CIVDS2020465 (“*Salamanca Action*”) (referred to collectively as the “Action”). This Agreement is intended to fully and finally compromise, resolve, discharge, and settle the Released Claims, as defined and on the terms set forth below, and to the full extent reflected herein, subject to the approval of the Court.

1. RECITALS

This Agreement is made in consideration of the following facts:

1.1 WHEREAS, on October 15, 2019, Plaintiff Herrera commenced the *Herrera Action* by filing a Class Action Complaint for Damages (“*Herrera Complaint*”) asserting causes of action for: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Failure to Provide Meal Periods and Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7 (Failure to Provide Rest Periods and Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (8) Violation of California Labor Code § 1174(d) (Failure To Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); and (10) Violation of California Business &

1 Professions Code §§ 17200, *et seq.*;

2 1.2 WHEREAS, on July 1, 2020, Plaintiff Salamanca submitted notice to the Labor
3 and Workforce Development Agency (“LWDA”) seeking authority to pursue penalties under
4 the Private Attorneys General Act (“PAGA”) for violations of California law.

5 1.3 WHEREAS, on September 28, 2020 Plaintiff Salamanca commenced the
6 Salamanca Action by filing a Class Action Complaint for Damages (“*Salamanca* Complaint”) asserting causes of action for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay All
7 Overtime Wages; (3) Meal Period Liability under Labor Code Section 226.7; (4) Rest Break
8 Liability under Labor Code Section 226.7; (5) Failure to Provide Accurate Itemized Wage
9 Statements; (6) Failure to Pay All Wages Owed Timely and Upon Separation of Employment;
10 (7) Violation of Labor Code Section 1174(d); (8) Violation of Business and Professions Code
11 Section 17200, *et seq.*; and (9) Penalties Pursuant to Labor Code Section 2699.

12 1.4 WHEREAS on February 17, 2021, the Court consolidated the *Herrera* and
13 *Salamanca* Actions.

14 1.5 WHEREAS, the Parties have agreed to add a further named plaintiff and proposed
15 class representative, Lizbeth Cisneros.

16 1.6 WHEREAS, the Parties engaged in extensive discovery, exchanging information,
17 documents and reviewing and analyzing extensive data made available by AIRTECH which
18 enabled the Parties to thoroughly evaluate Plaintiffs’ claims, the claims of the PAGA Group
19 Members, the claims of the putative Class, AIRTECH’s defenses, and the likely outcomes, risks
20 and expense of pursuing litigation;

21 1.7 WHEREAS, the Parties attended a mediation session with professional mediator
22 Eve Wagner and reached the terms of this arm’s-length Settlement;

23 1.8 WHEREAS, a *bona fide* dispute exists as to whether any amount of wages or
24 penalties are due from AIRTECH to any putative Class Member (as defined below), to the
25 LWDA and/or to any allegedly aggrieved employees;

26 1.9 WHEREAS, the Parties desire to compromise and settle all issues and claims that
27 have been or could have been brought against AIRTECH based on the factual allegations alleged
28

1 in the Action, including all claims brought on a putative class and representative basis in the
2 Action;

3 1.10 WHEREAS, the Parties further agree that this Agreement, the fact of this
4 Settlement, any of the terms of this Agreement, and any documents filed in connection with the
5 Settlement shall not constitute, or be offered, received, claimed, construed, or deemed as an
6 admission, finding, or evidence of: (i) any wrongdoing by any Released Parties, (ii) any violation
7 of any statute or law by Released Parties, (iii) any liability on the claims or allegations in the
8 Action on the part of any Released Parties, (iv) any waiver of AIRTECH's right to arbitration
9 or the enforceability of any arbitration agreement, or (v) the propriety of certifying a class or
10 pursuing representative relief under the PAGA in the Action or any other civil or administrative
11 proceeding; and this Agreement shall not be used by any person for any purpose whatsoever in
12 any administrative or legal proceeding, including but not limited to arbitrations, other than a
13 proceeding to enforce the terms of the Agreement;

14 1.11 NOW, THEREFORE, IT IS HEREBY STIPULATED, CONSENTED TO, AND
15 AGREED, by Plaintiffs for themselves and on behalf of the Settlement Class Members and the
16 PAGA Group Members, and by AIRTECH, that, subject to the approval of the Court, the Action
17 shall be settled and compromised, and the Released Claims shall be finally and fully
18 compromised and settled as to the Released Parties, in the manner and upon the terms and
19 conditions hereafter set forth in this Agreement.

20 2. DEFINITIONS

21 Unless otherwise defined herein, capitalized terms used in this Agreement shall have the
22 meanings set forth below:

23 2.1 "Released Claims" means all claims actually alleged or that could have been
24 alleged in the Action by Plaintiffs, on behalf of themselves and the Settlement Class Members,
25 based on the facts alleged in the Action including but not limited to: (1) Violation of California
26 Labor Code §§ 510, 1194 and 1198, and IWC Wage Order 4-2001, § 3 (Unpaid Overtime); (2)
27 Violation of California Labor Code §§ 226.7, 510, 512, 1194, 1197, and IWC Wage Order 4-
28 2001, § 11 (Failure to Provide Meal Periods and Unpaid Meal Period Premiums); (3) Violation

1 of California Labor Code §§ 226.7, 512 and IWC Wage Order 4-2001, § 12 (Failure to Provide
2 Rest Periods and Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§
3 1194, 1197, and 1197.1, and IWC Wage Order 4-2001, § 4 (Unpaid Minimum Wages); (5)
4 Violation of California Labor Code §§ 201, 202, and 203 (Final Wages Not Timely Paid); (6)
5 Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7)
6 Violation of California Labor Code § 226(a) and IWC Wage Order 4-2001, § 7 (Non-Compliant
7 Wage Statements); (8) Violation of California Labor Code §§ 226, 1174, and Industrial Welfare
8 Commission Wage Order 4-2001, § 7 (Failure To Keep Requisite Payroll Records); (9)
9 Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10)
10 Violation of California Business & Professions Code §§ 17200, *et seq.*; (11) PAGA Claims,
11 defined further in ¶ 2.9 *infra*, in violation of California Labor Code § 2699, *et seq.*; and (12)
12 attorneys' fees and costs of litigation associated with this Action.

13 2.2 "Class Members" means all current and former hourly-paid or non-exempt
14 employees who worked for Defendants in the state of California at any time during the Class
15 Period.

16 2.3 "Settlement Class Members" means all Class Members who do not opt out of this
17 Settlement.

18 2.4 "Class Period" means October 15, 2015 through the date of Preliminary Approval,
19 or the date on which the Workweeks are equal to or do not exceed 56,100, whichever comes
20 first.

21 2.5 "Class Counsel" means Edwin Aiwazian and Arby Aiwazian of Lawyers *for*
22 Justice, PC and Anthony J. Orshansky, Justin Kachadoorian, and Jennifer Connor of
23 CounselOne, PC.

24 2.6 "Class Counsel Award" means the attorneys' fees and reimbursement of litigation
25 costs and expenses awarded by the Court to Class Counsel to fully satisfy all claims for
26 attorneys' fees and costs incurred by Plaintiffs to litigate and settle this Action. The attorneys'
27 fees may not exceed thirty-five percent (35%) of the Total Settlement Amount, or \$1,160,250.
28

1 In addition, Class Counsel shall be entitled to recover from the Total Settlement Amount all
2 litigation costs and expenses incurred subject to proof not to exceed \$30,000.

3 2.7 "Class Information" means information regarding the Class Members that
4 AIRTECH will in good faith compile from its records and provide to the Settlement
5 Administrator. Class Information shall be provided in a Microsoft Excel spreadsheet and shall
6 include, if possible, each Class Member's full name, last known address, Social Security
7 number, number of Pay Periods and workweeks during the Class Period and PAGA Period, and
8 employment dates as a non-exempt employee during the Class Period. Because Class Members'
9 private information is included in the Class Information, the Settlement Administrator shall
10 maintain the Class Information in confidence, shall limit access to the information to only those
11 employees of the Settlement Administrator with a need to use the Class Information as part of
12 the administration of the Settlement, and shall use and disclose Class Information only for
13 purposes of this Settlement and for no other purpose.

14 2.8 "Class Notice" means the Notice of Class Action Settlement to be provided to
15 Class Members, substantially in the form attached hereto as "**Exhibit A.**"

16 2.9 "Complete and General Release" means an irrevocable and unconditional release
17 given only by Plaintiffs releasing the Released Parties from any and all charges, complaints,
18 claims, causes of action, debts, sums of money, controversies, agreements, promises, damages
19 and liabilities of any kind or nature whatsoever, both at law and equity, known or unknown,
20 suspected or unsuspected, arising from conduct occurring on or before the date Plaintiffs sign
21 this Settlement Agreement, including but not limited to a release of any and all rights Plaintiffs
22 have to sue or bring any type of claim under: (a) California state law, (b) the Fair Labor
23 Standards Act; (c) Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et.
24 seq., (d) the Employment Act of 1967, (e) the Civil Rights Act of 1991, (f) the Civil Rights Act
25 of 1866 and 1870, (g) 42 U.S.C. § 1981, as amended, (h) Executive Order 11246, (i) the
26 Americans with Disabilities Act 42 U.S.C. § 12101, et. seq, as amended, (j) the Family and
27 Medical Leave Act, as amended, (k) the Equal Pay Act of 1963, as amended, (l) the Immigration
28 and Reform Control Act, as amended, (m) the Occupational Safety and Health Act, as amended,

(n) the Sarbanes-Oxley Act of 2002, as amended, (o) the Employment Retirement Income Security Act of 1974, as amended (except vested benefits), (p) the Worker Adjustment and Benefit Protection Act of 1990, as amended, (q) the Worker Adjustment and Retraining Notification Act, as amended, (r) any federal, state or common law claim or cause of action based on any alleged failure to pay wages, breach of contract, wrongful discharge, constructive discharge, retaliation, defamation, slander, libel, intentional or negligent infliction of emotional distress, misrepresentation, fraud, promissory estoppel, (s) any other tort or negligence claim or obligations arising out of any of AIRTECH's employment policies or practices, employee handbooks, and/or any statements by any employee or agent of AIRTECH whether oral or written; and (t) for reinstatement, back pay, bonus, attorneys' fees, compensatory damages, costs, front pay, any form of equitable or declaratory relief, liquidated damages, emotional distress, personal injury, punitive damages, pain and suffering, medical expenses, damage to reputation, damage for personal, emotional or economic injury or damage of any kind. This provision is intended by the Parties to act as a full and total release of any claim, whether specifically enumerated herein or not, that Plaintiff might have or have had, that exists or ever has existed on or prior to the date this Settlement Agreement is signed against the Released Parties. The Parties understand and agree that the word "claims" includes all actions, group actions (including any pending or future collective, class, private attorney general or representative actions for which Plaintiffs may otherwise qualify as a putative class member or represented party), complaints and grievances that could potentially be brought by Plaintiffs against the Released Parties, excluding only claims that, by law, may not be privately released, including but not limited to recovery under State workers' compensation laws. Plaintiffs hereby expressly waive and relinquish any and all claims, rights or benefits that either or both may have under California Civil Code § 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 may hereafter discover claims or facts in addition to, or different from, those which

1 they now know or believe to exist, but they expressly agree to fully, finally, and forever settle
2 and release any and all claims against the Released Parties, known or unknown, suspected or
3 unsuspected, which exist or may exist, at the time of execution of this Agreement, including,
4 but not limited to, any and all claims relating to or arising from Plaintiffs' employment with
5 Defendants, excluding claims that, by law, may not be privately released, including but not
6 limited to recovery under State workers' compensation laws. The Parties further acknowledge,
7 understand, and agree that this representation and commitment is essential to the Agreement and
8 that this Agreement would not have been entered into were it not for this representation and
9 commitment.

10 2.10 "Court" means the San Bernardino County Superior Court.

11 2.11 "Effective Date" means the date by which this Settlement is finally approved as
12 provided herein and the Court's Final Approval Order becomes binding. For purposes of this
13 Settlement Agreement, the Final Approval Order becomes binding upon the later of: (1) the day
14 after the last day by which a notice of appeal of the Final Approval Order and/or of an order
15 rejecting any motion to intervene may be timely filed, and none is filed; (2) if such an appeal is
16 filed, and the Final Approval Order is affirmed, the day after the last date for filing a request for
17 further review of the decision passes and no further review is requested; (3) if an appeal is filed
18 and further review of the decision affirming the Final Approval Order is requested, the day after
19 the request for review is denied with prejudice and/or no further review of the decision can be
20 requested, or (4) if review is accepted, the day after the United States or California Supreme
21 Court affirms the Settlement. The Effective Date cannot occur, and AIRTECH will not be
22 obligated to fund this Settlement, until and unless there is no timely possibility of an appeal or
23 further appeal that could potentially prevent this Settlement Agreement from becoming final
24 and binding. Absent intervention, the Parties further agree there is no right or opportunity for
25 any PAGA Group Member to appeal the approval of the Settlement by the Court.

26 2.12 "Final Approval Date" means the date of the Court's order finally approving this
27 Settlement.
28

1 2.13 “Final Approval Order” means the Court’s order finally approving this
2 Settlement.

3 2.14 “Final Approval Hearing” means the hearing at or after which the Court will make
4 a final decision as to whether the Settlement is fair, reasonable, and adequate, and therefore, is
5 finally approved by the Court.

6 2.15 “Individual Settlement Share” means the *pro rata* share by Pay Periods of the Net
7 Distribution Fund to each Settlement Class Member.

8 2.16 “Judgment” means the judgment to be entered in the Action upon final approval
9 of the Settlement.

10 2.17 “Mailed Notice Date” means the date of the initial mailing of the Class Notice to
11 Class Members.

12 2.18 “Net Distribution Fund” means the Total Settlement Amount, less the amount that
13 the Court awards for: the Service Awards; the Class Counsel Award; the Settlement
14 Administrator Expenses; and the PAGA Payment.

15 2.19 “PAGA Claims” means claims for civil penalties for violations of law that were
16 asserted or that could have been asserted based on the facts alleged in the Action and include,
17 but are not limited to: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid
18 Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Failure to Provide Meal
19 Periods and Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7
20 (Failure to Provide Rest Periods and Unpaid Rest Period Premiums); (4) Violation of California
21 Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California
22 Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor
23 Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor
24 Code § 226(a) (Non-Compliant Wage Statements); (8) Violation of California Labor Code §
25 1174(d) (Failure To Keep Requisite Payroll Records); and (9) Violation of California Labor
26 Code §§ 2800 and 2802 (Unreimbursed Business Expenses).

1 2.20 "PAGA Payment" means a total payment of \$100,000 to settle all claims under
2 PAGA. From this amount, 75% will be paid to the LWDA and 25% will be distributed to PAGA
3 Group Members. The PAGA Payment shall be payable from the Total Settlement Amount.

4 2.21 "PAGA Period" means July 1, 2019 through the date of Preliminary Approval, or
5 the date on which the Workweeks are equal to or do not exceed 56,100, whichever comes first.

6 2.22 "PAGA Group Members" means all Class Members who worked for AIRTECH
7 any time during the PAGA Period.

8 2.23 "Pay Periods" means the number of pay periods during which a Class Member
9 worked for AIRTECH in the State of California.

10 2.24 "Plaintiffs" means Fernando Herrera, Lizbeth Cisneros, and Salvador Salamanca.

11 2.25 "Preliminary Approval" means entry of the Preliminary Approval Order.

12 2.26 "Preliminary Approval Order" means the order granting preliminary approval of
13 this Settlement Agreement.

14 2.27 "Released Parties" means (i) Airtech International, Inc., Airtech Advanced
15 Materials Group, and their past, present, and future parents, subsidiaries, affiliates, divisions,
16 joint ventures, licensees, franchisees, and any other legal entities, whether foreign or domestic,
17 and (ii) the past, present, and future shareholders, officers, directors, members, investors, agents,
18 employees, consultants, representatives, fiduciaries, insurers, attorneys, legal representatives,
19 predecessors, successors, and assigns of the entities listed in (i).

20 2.28 "Response Deadline" means the date by which a Class Member may (i) request to
21 be excluded from the Settlement, (ii) object to the Settlement, and/or (iii) dispute the number of
22 Pay Periods credited to him or her. The Response Deadline shall be forty-five (45) calendar
23 days after the Mailed Notice Date, and shall be specifically identified and set forth in the
24 Preliminary Approval Order and the Class Notice. The Response Deadline may be extended in
25 the event the Class Notice is re-mailed to any Class Members as set forth in Paragraph 6.7 *infra*.
26 In the even the Class Notice is re-mailed, the Settlement Administrator shall advise the Class
27 Member of the Extended Response Deadline.
28

1 2.29 “Service Awards” means the amounts approved by the Court to be paid to
2 Plaintiffs, in addition to their respective Individual Settlement Payments. The Service Award
3 payable to Plaintiffs shall not exceed \$24,000, allocated as \$10,000 to Plaintiff Fernando
4 Herrera, \$10,000 to Plaintiff Salvador Salamanca, and \$4,000 to Plaintiff Lizbeth Cisneros, and
5 shall be payable from the Total Settlement Amount.

6 2.30 “Settlement,” “Settlement Agreement” and “Agreement” mean the settlement of
7 this Action between and among Plaintiffs and AIRTECH, as set forth in this document.

8 2.31 “Settlement Administrator” means CPT Group, Inc.

9 2.32 “Settlement Administrator Expenses” means the maximum amount to be paid to
10 the Settlement Administrator, which shall not exceed \$18,000. All Settlement Administrator
11 Expenses are to be paid exclusively from the Total Settlement Amount.

12 2.33 “Total Settlement Amount” means Three Million Three Hundred Fifteen
13 Thousand Dollars (\$3,315,000), which is the maximum amount that AIRTECH is obligated to
14 pay under this Settlement Agreement, except for the employer’s share of payroll taxes with
15 respect to the wage portion of Individual Settlement Shares, in order to resolve and settle this
16 Action, subject to Court approval. The \$3,315,000 plus the employer’s share of payroll taxes is
17 the maximum amount AIRTECH is obligated to pay under this Settlement Agreement. The
18 Total Settlement Amount includes the Class Counsel Award, the Service Awards, the Settlement
19 Administrator Expenses, the PAGA Payment (which includes Individual PAGA Payments to
20 PAGA Group Members and payment to the LWDA), the Individual Settlement Shares, all
21 related interest, and all employee-side payroll and employment taxes on the wage portion of
22 Individual Settlement Shares. The Total Settlement Amount does not include the employer-side
23 payroll and employment taxes on the wage portion of Individual Settlement Shares, which
24 AIRTECH agrees to pay separately.

25 2.34 “Void Date” means the date by which any checks issued to Settlement Class
26 Members shall become void, i.e. on the 181st day after mailing.

27 2.35 “1542 Waiver” means a waiver of the rights conferred by California Civil Code
28 Section 1542, which provides:

1 A general release does not extend to claims that the creditor or releasing party does
2 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.

3 2.36 "Workweeks" means the number of weeks during which a Class Member worked
4 for AIRTECH in the State of California during the Class Period.

5 **3. CERTIFICATION FOR SETTLEMENT PURPOSES ONLY**

6 3.1 Certification Of Class: Solely for the purposes of this Settlement, the Parties
7 stipulate and agree that the Court may certify the Class.

8 3.2 Appointment Of Class Representatives. Solely for the purposes of this Settlement,
9 the Parties stipulate and agree Plaintiffs Fernando Herrera, Salvador Salamanca, and Lizbeth
10 Cisneros shall be appointed as representatives of the Class.

11 3.3 Appointment Of Class Counsel. Solely for the purposes of this Settlement, the
12 Parties stipulate and agree that Class Counsel shall be approved as counsel for Settlement Class
13 Members.

14 3.4 Appointment Of Settlement Administrator. Solely for the purposes of this
15 Settlement, the Parties stipulate and agree that CPT Group, Inc. shall be appointed to serve as
16 Settlement Administrator. The Settlement Administrator shall be responsible for establishing: a
17 case specific hosted website, a toll-free telephone number through which Class Members may
18 make inquiries about the Settlement; a Post Office Box for receipt of Class Members'
19 communications; preparing, printing and mailing the Class Notice; receiving and reviewing
20 requests for exclusion, objections and/or disputes, if any, submitted by Class Members;
21 calculating Individual Settlement Shares and Individual PAGA Payments; calculating and
22 paying any and all payroll tax or other required withholdings from the wage portion of the
23 Individual Settlement Shares as required under this Settlement Agreement and applicable law;
24 providing weekly status reports to AIRTECH's Counsel and Class Counsel; providing a due
25 diligence declaration for the Court prior to the Final Approval Hearing; mailing Individual
26 Settlement Payments, the Service Awards, the Class Counsel Award and 75% of the PAGA
27 Payment to the LWDA; printing and providing Plaintiffs, Class Counsel, and Settlement Class
28 Members with IRS Forms W-2 and/or 1099 as required under this Settlement Agreement and

1 applicable law; providing a due diligence declaration for submission to the Court upon the
2 completion of the Settlement; and for such other tasks as the Parties mutually agree. The Parties
3 agree to cooperate in the settlement administration process and to make all reasonable efforts to
4 control and minimize Settlement Administrator Expenses. The Parties each represent they do
5 not have any financial interest in the Settlement Administrator or otherwise have a relationship
6 with the Settlement Administrator that could create a conflict of interest.

7 3.5 Conditional Nature Of Stipulation For Certification. Solely for the purposes of
8 this Settlement, the Parties stipulate and agree to the certification of the Class. Should for
9 whatever reason the Settlement not become effective, the fact that the Parties were willing to
10 stipulate to certification as part of the Settlement shall have no bearing on, and shall not be
11 admissible in connection with, the issue of whether the Class should be certified in a non-
12 Settlement context in this Action or in any other lawsuit. AIRTECH expressly reserves its right
13 to oppose any claim or class certification in this or any other action should this Settlement not
14 become effective.

15 3.6 The Parties agree to stay all proceedings in the Action, except such proceedings
16 necessary to implement and complete the Settlement, pending the Final Approval Hearing to be
17 conducted by the Court.

18 3.7 The Settlement is not intended to and may not be deemed to affect the
19 enforceability of any arbitration agreement between AIRTECH and Plaintiffs and/or between
20 AIRTECH and any Class Member.

21 **4. SETTLEMENT CONSIDERATION**

22 4.1 AIRTECH's total monetary obligation under this Settlement is the Total
23 Settlement Amount (\$3,315,000). This is an "all in" number that includes, without limitation,
24 all monetary benefits and payments for Settlement Class Members, Service Awards, Class
25 Counsel Award, the Settlement Administrator Expenses, and the PAGA Payment, and all other
26 claims for interest, fees, and costs. Under no circumstances shall AIRTECH be required to pay
27 anything more than the Total Settlement Amount, except that AIRTECH will separately pay the
28 employer payroll and employment taxes due for the wages portion of Individual Settlement

1 Shares made under this Agreement. In no event shall AIRTECH be liable for making any
2 payments under this Settlement, or for providing any relief to the Settlement Class Members
3 before the Effective Date of this Agreement. Within ten (10) calendar days of the Effective Date,
4 AIRTECH will transfer the amounts called for herein to the Settlement Administrator provided
5 the Settlement Administrator provides valid transmission instructions; the amount of additional
6 employer-side payroll taxes to be paid by AIRTECH.

7 4.2 Plaintiffs and all Settlement Class Members who receive a payment of any kind
8 from the Total Settlement Amount (including, in the case of the Plaintiffs, Service Awards)
9 expressly agree to hold Plaintiffs, Class Counsel, Defendants, Defense Counsel and the
10 Settlement Administrator harmless from any claim or liability for taxes, penalties, or interest
11 arising as a result of the payments under this Settlement, with the exception of the payroll
12 withholdings required to be made and remitted by Defendants under the terms of this Settlement.

13 4.3 AIRTECH agrees not to oppose Plaintiffs' application for Service Awards in the
14 amount up to \$10,000 each to Plaintiffs Fernando Herrera and Salvador Salamanca, along with
15 an amount up to \$4,000 to Plaintiff Lizbeth Cisneros, for a combined aggregate amount of
16 \$24,000. Any Service Award awarded by the Court shall be paid from the Total Settlement
17 Amount. If the Court awards less than the full Service Award, then the unawarded funds shall
18 become part of the Net Distribution Fund.

19 4.4 Plaintiffs shall seek a Class Counsel Award from the Court, consisting of
20 attorneys' fees in the amount of up to thirty-five percent (35%) of the Total Settlement Amount,
21 or \$1,160,250, and all litigation costs and expenses incurred subject to proof not to exceed
22 \$30,000. AIRTECH agrees not to oppose a request for these amounts. Any Class Counsel
23 Award awarded by the Court shall be paid from the Total Settlement Amount. Any portion of
24 the Class Counsel Award that is not approved by the Court and awarded to Class Counsel shall
25 become part of the Net Distribution Fund.

26 4.5 The Parties agree to allocate One Hundred Thousand Dollars (\$100,000) for the
27 PAGA Payment, of which 75%, or \$75,000 shall be paid to the LWDA and the remaining 25%
28 shall be paid to PAGA Group Members on *pro rata* basis, based on Pay Periods, and irrespective

1 of whether or not they request exclusion from the Settlement. The PAGA Payment shall be paid
2 from the Total Settlement Amount. Any portion of the PAGA Payment that is not approved by
3 the Court shall become part of the Net Distribution Fund.

4 4.6 The Settlement Administrator Expenses are estimated not exceed to exceed
5 Eighteen Thousand Dollars (\$18,000). The Settlement Administrator Expenses shall be paid
6 from the Total Settlement Amount. Any portion of the Settlement Administrator Expenses not
7 actually incurred by the Settlement Administrator shall become part of the Net Distribution
8 Fund.

9 4.7 The Settlement Administrator shall calculate the Individual Settlement Shares
10 based on the Class Information provided to the Settlement Administrator by AIRTECH.
11 Payment of Individual Settlement Shares to Settlement Class Members will be made from the
12 Net Distribution Fund on a *pro-rata* basis, based on Pay Periods during the Class Period.
13 Specifically, the Net Distribution Fund shall be divided by the total of all Pay Periods of
14 Settlement Class Members during the Class Period in order to establish the value of each Pay
15 Period. The Individual Settlement Share to each Settlement Class Member shall be calculated
16 by multiplying the value of a Pay Period by the number of Pay Periods worked by the Settlement
17 Class Member during the Class Period.

18 4.8 PAGA Group Members will receive a *pro-rata* share of 25% of the PAGA
19 Payment ("Individual PAGA Payment") based on Pay Periods during the PAGA Period.
20 Specifically, 25% of the PAGA Payment shall be divided by the total of all Pay Periods worked
21 by PAGA Group Members during the PAGA Period in order to establish the value of each Pay
22 Period worked. The Individual PAGA Payment to be made to each PAGA Group Member shall
23 be calculated by multiplying the value of a Pay Period by the number of Pay Periods worked by
24 the PAGA Group Member during the PAGA Period.

25 4.9 Settlement Class Members may dispute the number of Pay Periods with which
26 they have been credited, as reflected in their respective Class Notices. In order to dispute Pay
27 Periods, Settlement Class Members must submit a written letter to the Settlement Administrator
28 that: (a) contains the case name and number of the Action, (b) is signed by the Settlement Class

1 Member, (c) contains the full name, address, telephone number, and the last four digits of the
2 Social Security Number of the disputing Settlement Class Member, (d) clearly states that the
3 Settlement Class Member disputes the number of Pay Periods credited to him or her and what
4 he or she contends is the correct number to be credited to him or her, (e) includes information
5 and/or attaches documentation demonstrating that the number of Pay Periods that he or she
6 contends should be credited to him or her are correct, and (f) is returned to the Settlement
7 Administrator by mail at the specified address, postmarked on or before the Response Deadline.
8 The date of the postmark on the submission will be the exclusive means to determine whether a
9 dispute has been timely submitted. Absent evidence rebutting the accuracy of AIRTECH's
10 records and data as they pertain to the number of Pay Periods to be credited to a disputing
11 Settlement Class Member, AIRTECH's records will be presumed correct and determinative of
12 the dispute. However, if a Class Member produces information and/or documents to the
13 contrary, the Settlement Administrator will evaluate the materials submitted by the Class
14 Member and the Settlement Administrator will resolve and determine the number of eligible
15 Pay Periods that the disputing Settlement Class Member should be credited with under the
16 Settlement. The Settlement Administrator's decision on such disputes will be final and non-
17 appealable.

18 4.10 The Settlement Administrator shall allocate twenty percent (20%) of each
19 Individual Settlement Share to wages (to be reported on IRS Form W-2), and eighty percent
20 (80%) of each Individual Settlement Share to interest, penalties, and other non-wage damages
21 (to be reported on IRS Form 1099, if applicable). Individual PAGA Payments will be allocated
22 as one hundred percent (100%) penalties (to be reported on IRS Form 1099). The net payment
23 of each Settlement Class Member's Individual Settlement Share (after reduction for the
24 employee's share of taxes on the wage portion) and Individual PAGA Payment (if applicable)
25 is referred to as "Individual Settlement Payment." Settlement Class Members (except Plaintiffs
26 with respect to their Service Awards) are not eligible to receive any compensation other than
27 the Individual Settlement Payments discussed above.
28

1 4.11 Amounts paid to Plaintiffs and Settlement Class Members pursuant to this
2 Settlement Agreement do not count as earnings or compensation for purposes of any benefits
3 (e.g., 401(k) plans or retirement plans) sponsored by AIRTECH or the Released Parties.

4 4.12 In exchange for the consideration provided by AIRTECH, Plaintiffs, individually
5 and on behalf of their heirs, estates, trustees, executors, administrators, representatives, agents,
6 successors, and assigns, and anyone claiming through them or acting or purporting to act on
7 their behalf, agree to provide a Complete and General Release to the Released Parties. Plaintiffs'
8 Complete and General Release is subject to a 1542 Waiver.

9 4.13 In exchange for the consideration provided by AIRTECH, Settlement Class
10 Members, individually and on behalf of their heirs, estates, trustees, executors, administrators,
11 representatives, agents, successors, and assigns, and anyone claiming through them or acting or
12 purporting to act on their behalf, agree to forever release, discharge, hold harmless, and covenant
13 not to sue each and all of the Released Parties for the Released Claims which includes a release
14 of the PAGA Claims, during the applicable time period.

15
16 **5. PROCEDURE FOR REQUESTING PRELIMINARY APPROVAL OF THE**
17 **SETTLEMENT**

18 5.1 After execution of this Settlement Agreement, Plaintiffs shall promptly submit a
19 motion for preliminary approval of the Settlement to the Court, along with the Settlement
20 Agreement. Plaintiffs will provide the proposed motion to AIRTECH's counsel of record no
21 less than two (2) calendar days before the motion is filed for review and comment. Plaintiffs'
22 motion for preliminary approval shall request that the Court enter a Preliminary Approval Order
23 in form and substance similar to that set forth in **Exhibit B**.

24 5.2 The Preliminary Approval Order shall:

- 25 • Conditionally certify the Class for settlement purposes;
26 • Preliminarily appoint Plaintiffs as representatives of the proposed Settlement
27 Class;
28 • Preliminarily approve Class Counsel to represent the Settlement Class;

- Appoint CPT, Inc. as the settlement administrator, and order the Settlement Administrator to provide notice of the Settlement as outlined below; and
- Stay all litigation of the Action pending the Final Approval Hearing, except as necessary to implement and effectuate the Settlement; and
- Order that the preliminary approval of the Settlement, conditional certification of the Class, and all actions associated with them, are undertaken on the condition that they shall be vacated if the Settlement Agreement is disapproved in whole or in part by the Court, or any appellate court and/or other court of review in which event the Settlement Agreement and the fact that it was entered into shall not be offered, received, or construed as an admission or as evidence for any purpose, including but not limited to an admission by any Party of liability or non-liability or of the certifiability of a litigation class or the appropriateness of maintaining a representative action.

5.3 The motion for preliminary approval shall request: that the Final Approval Hearing and any determination on the request for a Class Counsel Award and Service Awards be set no earlier than forty-five (45) calendar days after the Response Deadline; and that Plaintiffs be permitted to file their motion for final approval of the Settlement no later than sixteen (16) court days before the Final Approval Hearing. In the event Class Notice is re-mailed to any Class Member (as set forth in Paragraph 6.7), the Final Approval Hearing shall be set no earlier than 10 days after the date Response Deadline relating to the last re-mailed Class Notice ("Extended Response Deadline").

5.4 At the same time that Plaintiffs file their motion for preliminary approval, Class Counsel will submit the Settlement Agreement to the LWDA.

6. PROCEDURE FOR PROVIDING NOTICE OF SETTLEMENT

6.1 No more than fifteen (15) calendar days after Preliminary Approval, AIRTECH shall provide the Settlement Administrator with the Class Information for purposes of sending the Class Notice to Class Members.

1 6.2 No more than thirty (30) calendar days after Preliminary Approval (i.e., the Mailed
2 Notice Date), the Settlement Administrator shall send the Class Notice to Class Members via
3 first class U.S. Mail.

4 6.3 The Class Notice will inform Class Members that, unless they submit a request to
5 be excluded from the Settlement, they will become Settlement Class Members; they will receive
6 Individual Settlement Payments under the Agreement; and they will be bound by the release of
7 Released Claims.

8 6.4 The Class Notice will inform Class Members of their right to request exclusion
9 from the Settlement, or to object to the Settlement, dispute the number of Pay Periods credited
10 to each of them, and of the procedure for doing so. The Class Notice will also inform Class
11 Members that if they request exclusion from the Class they may not also object to the Settlement
12 or dispute the number of Pay Periods credited to them, and will inform PAGA Group Members
13 that all claims to PAGA penalties are settled by operation of law and that they are not able to
14 exclude themselves from the Release of PAGA claims and will receive a PAGA payment
15 whether or not they request exclusion from the Action and the Settlement.

16 6.5 The Class Notice shall include a statement as to the number of Pay Periods
17 attributable to each Class Member, where applicable, as well as an explanation for how the Pay
18 Periods will be used to calculate the Individual Settlement Shares and Individual PAGA
19 Payments (if applicable).

20 6.6 If any Class Notice mailed to any Class Member is returned, the Settlement
21 Administrator shall make a good-faith attempt to obtain the most-current names and postal mail
22 addresses for those individuals, including cross-checking the names and/or postal mail addresses
23 it received from AIRTECH with other appropriate databases (e.g., the National Change of
24 Address Database) and performing further reasonable searches (e.g., through Lexis/Nexis) for
25 more-current names and/or postal mail addresses for those individuals. All Class Members'
26 names and postal mail addresses obtained through these sources shall be protected as
27 confidential and not used for purposes other than the notice and administration of this
28 Settlement. The address determined by the Settlement Administrator as the current mailing

1 address shall be presumed to be the best mailing address for each Class Members. The
2 Settlement Administrator shall promptly re-mail the Class Notice to any Class Member whose
3 original notice was returned because of a wrong address.

4 6.7 If any Class Notice to a Class Member is returned to the Settlement Administrator
5 with a forwarding address, the Settlement Administrator shall forward the postal mailing to that
6 address. Class Members whose Class Notices are re-mailed shall have an additional 10 days
7 from the original Response Deadline to submit a response. When re-mailing Class Notice, the
8 Settlement Administrator shall advise the Class Member of the extended Response Deadline.

9 6.8 In the event that any Class Notice is returned as undeliverable a second time, no
10 further postal mailing shall be required. The Settlement Administrator shall maintain a log
11 detailing the instances Class Notices are returned as undeliverable, re-mailed, and when
12 applicable, returned again.

13 6.9 The Parties agree that the procedures set forth in this Section comply with all due
14 process requirements, constitute reasonable and the best practicable notice under the
15 circumstances, and constitute an appropriate and sufficient effort to locate current addresses for
16 Class Members such that no additional efforts to do so shall be required. Any Class Members
17 who fail to receive the Class Notice after these procedures have been followed will nonetheless
18 be bound by this Settlement.

19 6.10 No more than fifteen (15) calendar days after the Response Deadline or Extended
20 Response Deadline in the event the Class Notice is re-mailed, the Settlement Administrator shall
21 provide a declaration of due diligence confirming: its dissemination of the Class Notice in
22 accordance with the notice procedures of this Agreement; all attempts by the Settlement
23 Administrator to locate Class Members; the number of delivered and undeliverable Class
24 Notices; the number of objections received (and copies of same); the number of requests for
25 exclusion received (but not copies of same); and the number of Pay Periods disputes received.
26 Class Counsel shall be responsible for filing the due diligence declaration with the Court.

27 **7. PROCEDURE FOR REQUESTING EXCLUSION**
28

1 7.1 Class Members who wish to exclude themselves from (or “opt out” of) the
2 Settlement must submit timely, written requests for exclusion from the Settlement to the
3 Settlement Administrator. To be effective, the request for exclusion from the Settlement must
4 include: the Class Member’s name, address, telephone number, and last four digits of his or her
5 Social Security number; the name and case number of the Action; a clear and unequivocal
6 statement that the individual wishes to be excluded from the Settlement; and the Class Member’s
7 signature.

8 7.2 The request for exclusion must be mailed to the Settlement Administrator at the
9 address provided in the Class Notice and must be postmarked no later than the Response
10 Deadline. The date of the postmark on the envelope containing the request for exclusion shall
11 be the exclusive means used to determine whether a request for exclusion has been timely
12 submitted. Requests for exclusion must be exercised and submitted individually by a Class
13 Member. Attempted collective group, class, or subclass requests for exclusions shall be
14 ineffective and disregarded by the Settlement Administrator. At AIRTECH’s request, the
15 Settlement Administrator shall supply AIRTECH only the identities of those Class Member who
16 have opted out of the Settlement.

17 7.3 The Settlement Administrator shall immediately notify Class Counsel and counsel
18 for AIRTECH by email and phone if and when the number of timely-submitted requests for
19 exclusion reaches ten percent (10%) of all Class Members. If more than ten percent (10%) of
20 Class Members opt out of the Settlement, AIRTECH at its sole and absolute discretion may elect
21 to rescind and revoke the entire Settlement Agreement by sending written notice to Class
22 Counsel that it revokes the Settlement within twenty (20) calendar days after the Response
23 Deadline or Extended Response Deadline, if applicable.

24 7.4 All Class Members who do not opt out of the Settlement shall be bound by this
25 Agreement, and all of their claims shall be released as provided for herein, even if they never
26 received the Class Notice or other actual notice of this Settlement.

27 7.5 Plaintiffs agree not to request exclusion from the Settlement.
28

1 7.6 The Parties agree there is no statutory or other right for any PAGA Group Member
2 to opt out or otherwise exclude himself or herself from the settlement and release of the PAGA
3 Claims.

4 **8. PROCEDURE FOR OBJECTING**

5 8.1 Any Class Member who has not opted out of the Settlement (i.e., Settlement Class
6 Member) and who wishes to object to the fairness, reasonableness, or adequacy of this
7 Agreement must provide to the Settlement Administrator (who shall immediately forward it to
8 Class Counsel and counsel for AIRTECH), and file with the Court, a timely statement of the
9 objection.

10 8.2 All written objections and supporting papers must be filed or postmarked no later
11 than the Response Deadline or Extended Response Deadline, if applicable. The filing date or
12 the date of the postmark on the envelope containing the objection shall be the exclusive means
13 used to determine whether the written objection has been timely submitted.

14 8.3 The objection must contain at least the following: (i) the objector's full name,
15 address, telephone number, last four digits of his or her Social Security number, and signature;
16 (ii) the name and case number of the Action; (iii) a statement of the specific legal and factual
17 basis for each objection argument; and (iv) a statement whether the objector intends to appear
18 at the Final Approval Hearing, either in person or through counsel and, if through counsel, a
19 statement identifying that counsel by name, bar number, address, and telephone number.

20 8.4 Class Members who object to the Settlement shall remain Settlement Class
21 Members and shall be deemed to have voluntarily waived their right to pursue an independent
22 remedy against AIRTECH and the Released Parties for the Released Claims if the Court grants
23 final approval of the Settlement. To the extent any Settlement Class Member objects to the
24 Settlement, and such objection is overruled in whole or in part, those Settlement Class Members
25 will be forever bound by the Final Approval Order and Judgment if the Court grants final
26 approval of the Settlement.

27 8.5 The Parties agree there is no statutory or other right for any PAGA Group Member
28 to object to the settlement and release of the PAGA Claims.

1 **9. PROCEDURE FOR REQUESTING FINAL APPROVAL OF THE**
2 **SETTLEMENT**

3 9.1 Promptly after the Response Deadline, Plaintiffs shall file a motion requesting
4 final approval of the Settlement, along with a proposed Final Approval Order. Drafts of the
5 motion for final approval of the Settlement and proposed Final Approval Order shall be provided
6 to AIRTECH's counsel at least five (5) court days before the documents are filed.

7 9.2 The Final Approval Order shall adjudge that, among other things:

- 8 • The Settlement Administrator has fulfilled its initial notice and reporting duties
9 under the Settlement and that the Class Notice (i) constituted the best practicable
10 notice; (ii) constituted notice that was reasonably calculated, under the
11 circumstances, to apprise Class Members of the pendency of the Action, and their
12 right to exclude themselves from or object to the proposed Settlement and to
13 appear at the Final Approval Hearing; (iii) was reasonable and constituted due,
14 adequate, and sufficient notice to all persons entitled to receive notice; and (iv)
15 met all applicable requirements of due process, and any other applicable rules or
16 law;
- 17 • The Settlement as fair, reasonable, and adequate;
- 18 • Plaintiffs and Class Counsel may adequately represent the Settlement Class for
19 the purpose of entering into and implementing the Agreement;
- 20 • The Settlement Administrator is to execute the distribution of proceeds pursuant
21 to the terms of this Agreement;
- 22 • The Final Approval Order and Judgment shall be final and entered forthwith;
- 23 • Without affecting the finality of the Final Approval Order and Judgment, the Court
24 retains continuing jurisdiction over Plaintiffs, AIRTECH, and Settlement Class
25 Members, as to all matters concerning the administration, consummation, and
26 enforcement of this Settlement Agreement;
- 27 • As of the Effective Date, Plaintiffs and Settlement Class Members, regardless of
28 whether they have received actual notice of the proposed Settlement, have

conclusively compromised, settled, discharged, and provided the release of Released Claims, during the applicable time period, against AIRTECH and the Released Parties, and are bound by the provisions of this Settlement Agreement;

- Notwithstanding the submission of a timely request for exclusion, Class Members are still bound by the settlement and release of the PAGA Claims and the State's claims for civil penalties pursuant to PAGA are also extinguished.
- This Settlement Agreement and the Final Approval Order and Judgment to be binding on, and have *res judicata* and preclusive effect in, all pending and future lawsuits or other proceedings that encompass Plaintiffs' and Settlement Class Members' claims released herein, and that are maintained by or on behalf of Plaintiffs and Settlement Class Members;

9.3 At the Final Approval Hearing, Class Counsel shall request entry of an Order approving the Class Counsel Award and the Service Awards to Plaintiffs. Any such Class Counsel Award or Service Award shall be paid exclusively from the Total Settlement Amount. The disposition of Class Counsel's application for a Class Counsel Award, and for Service Awards, is within the sound discretion of the Court and is not a material term of this Settlement Agreement, and it is not a condition of this Settlement Agreement that such application be granted. Any disapproval or modification of such application by the Court shall not (i) affect the enforceability of the Settlement Agreement, (ii) provide any of the Parties with the right to terminate the Settlement Agreement, or (iii) increase the consideration any Released Party pays in connection with the Settlement. Released Parties shall have no liability to Plaintiffs or Class Counsel arising from any claim regarding the division of any attorneys' fee/litigation cost award between and among Class Counsel.

10. PROCEDURE FOR EXECUTING THE SETTLEMENT IF/WHEN IT BECOMES EFFECTIVE

10.1 AIRTECH shall provide payment to the Settlement Administrator as provided in Section 4.1

1 10.2 Within fifteen (15) calendar days of receipt of the Total Settlement Amount, the
2 Settlement Administrator shall distribute the following payments: (a) full payment to Plaintiffs
3 for their Court-approved Service Awards; (b) full payment to the LWDA for its 75% portion of
4 the PAGA Payment; (c) full payment of the Court-approved Settlement Administrator
5 Expenses; and (d) full payment of the Court-approved litigation costs and expenses; (e) full
6 payment of the Individual Settlement Payments to Settlement Class Members; (f) full payment
7 to the PAGA Group Members of their 25% portion of the PAGA Payment; and (g) the Court-
8 approved Class Counsel Award to Class Counsel.

9 10.3 The Settlement Administrator shall prepare all tax forms related to any and all
10 employer taxes incurred by AIRTECH as a result of this Settlement, shall inform AIRTECH
11 and its Counsel of the amounts owed, shall collect the necessary funds from Airtech and remit
12 them to the requisite taxing authorities.

13 10.4 If any Individual Settlement Payments are not cashed, deposited, or negotiated on
14 or before the Void Date, then within thirty (30) calendar days of the Void Date, the Settlement
15 Administrator shall void the uncashed checks and shall transmit such funds to the California
16 State Controller's Office's Unclaimed Property Fund division in the name of the Settlement
17 Class Member who did not negotiate his or her check.

18 10.5 Upon completion of administration of the Settlement, the Settlement
19 Administrator will provide a written declaration under oath to certify such completion to the
20 Court and counsel for all Parties. Class Counsel shall file the declaration with the Court to
21 confirm full satisfaction of the Settlement.

22 10.6 The Individual Settlement Payments cashed shall be reported by the Settlement
23 Administrator to the applicable governmental authorities on IRS Forms W-4 and/or 1099s (if
24 required). The portions allocated to Service Awards shall likewise be reported on IRS Form
25 1099s by the Settlement Administrator. The Settlement Administrator shall be responsible for
26 issuing copies of all IRS Forms for the Plaintiffs and Settlement Class Members.

27 10.7 The Parties make no representation as to the tax treatment or legal effect of the
28 payments called for hereunder, and Plaintiffs and the Settlement Class Members are not relying

1 on any statement, representation, or calculation by any of the Parties, their counsel, or by the
2 Settlement Administrator in this regard. Plaintiffs and Settlement Class Members understand
3 and agree that they will be solely responsible for payment of any taxes and penalties assessed
4 on the payments described herein and will hold Plaintiffs, Class Counsel, AIRTECH,
5 AIRTECH's counsel and the Released Parties free and harmless from and against any claims
6 resulting from the tax treatment of payments under this Agreement, with the sole exception of
7 the employer's portion of the payroll withholdings described in paragraph 10.3, above.
8 Plaintiffs and the Settlement Class Members acknowledge and agree that no provision of this
9 Settlement, and no written communication or disclosure between or among the Parties or their
10 attorneys and other advisers, is or was intended to be, nor will any such communication or
11 disclosure constitute or be construed or be relied upon as, tax advice within the meaning of
12 United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).

13 10.8 Payments and tax reporting by the Settlement Administrator in the manner
14 described above shall be deemed conclusive of compliance with this Settlement Agreement as
15 to all Settlement Class Members. No Settlement Class Members shall have any claim against
16 the Plaintiffs, Class Counsel, AIRTECH, AIRTECH's counsel or the Settlement Administrator
17 for distributions made substantially in accordance with this Settlement Agreement and/or orders
18 of the Court.

19 **11. EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION OF** 20 **SETTLEMENT AGREEMENT**

21 11.1 If the Court does not approve the Settlement as set forth in this Settlement
22 Agreement, or if the Court enters the Judgment and appellate review is sought, and on such
23 review, the entry of Judgment is vacated, modified in any way, or reversed, or if the Final
24 Approval Order does not otherwise become Final, then this Settlement Agreement shall be
25 cancelled and terminated, unless all Parties, in their sole discretion within thirty (30) days from
26 the date such ruling becomes final, provide written notice to all other Parties hereto of their
27 intent to proceed with the Settlement under the terms of the Judgment as it may be modified by
28 the Court or any appellate court.

11.2 In the event that: (i) the Settlement is not approved, is overturned, or is materially modified by the Court or on appeal, (ii) the Judgment does not become Final, or (iii) this Settlement Agreement is terminated, cancelled, or fails to become effective pursuant to this Agreement, then: (a) the Parties stipulate and agree that the Settlement, the Class Information, and all documents exchanged and filed in connection with the Settlement shall be treated as inadmissible mediation communications under Cal. Evid. Code §§ 1115 *et seq.*, (b) the Settlement shall be without force and effect upon the rights of the Parties hereto, and none of its terms shall be effective or enforceable, with the exception of this Paragraph, which shall remain effective and enforceable; (c) the Parties shall be deemed to have reverted to their respective status prior to execution of this Agreement; (d) all Orders entered in connection with the Settlement, including the certification of the Class, shall be vacated without prejudice to any Party's position on the issue of class certification, the issue of amending the complaint, or any other issue, in this Action or any other action, and the Parties shall be restored to their litigation positions existing on the date of execution of this Agreement; and (e) the Parties shall proceed in all respects as if the Settlement Agreement and related documentation and orders had not been executed, and without prejudice in any way from the negotiation or fact of the Settlement or the terms of the Settlement Agreement. The Settlement, all documents, orders, and evidence relating to the Settlement, the fact of their existence, any of their terms, any statement or report concerning the Settlement Agreement, its existence, or their terms, any negotiations, proceedings, acts performed, or documents executed pursuant to or in furtherance of the Settlement Agreement shall not be admissible in any proceeding, and shall not be offered, received, or construed as evidence of a presumption, concession, or an admission of liability, of unenforceability of any arbitration agreement, of the certifiability of a litigation class, or otherwise used by any Person for any purpose whatsoever, in any trial of this Action or any other action or proceedings.

12. ADDITIONAL PROVISIONS

12.1 The Class Notice is the approved method for communicating with Class Members about the Settlement. Plaintiffs and Class Counsel will not issue any news media releases,

1 initiate any contact with the news media, respond to any news media inquiry, post any
2 information on a website (including social media), or have any other public communication
3 about the Action or the fact, amount or terms of the Settlement.

4 12.2 All of the Exhibits to this Agreement are an integral part of the Settlement and are
5 incorporated by reference as though fully set forth herein.

6 12.3 Unless otherwise noted, all references to “days” in this Agreement shall be to
7 calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend
8 or federal legal holiday, such date or deadline shall be on the first business day thereafter.

9 12.4 The Parties to the Settlement Agreement agree that the terms of the Settlement
10 were negotiated at arm’s length and in good faith by the Parties, resulted from an arm’s-length
11 mediation session, and reflect a settlement that was reached voluntarily based upon adequate
12 information and sufficient discovery and after consultation with experienced legal counsel.

13 12.5 Plaintiffs, Class Counsel and AIRTECH have concluded that the Settlement set
14 forth herein constitutes a fair, reasonable, and adequate resolution of the claims that Plaintiffs
15 asserted against AIRTECH, including the claims on behalf of the Class Members, and that it
16 promotes the best interests of the Class Members.

17 12.6 To the extent permitted by law, all agreements made and orders entered during the
18 course of the Action relating to the confidentiality of information shall survive this Settlement
19 Agreement.

20 12.7 The waiver by one Party of any breach of this Settlement Agreement by any other
21 Party shall not be deemed a waiver of any other prior or subsequent breach of this Settlement
22 Agreement.

23 12.8 The Parties may not amend or modify any provision of this Settlement Agreement
24 except by written agreement signed by counsel for the Parties and subject to any necessary Court
25 approval.

26 12.9 This Settlement Agreement, including its Exhibits, constitutes the entire
27 agreement among the Parties, and no representations, warranties, or inducements have been
28 made to any Party concerning this Settlement Agreement or its Exhibits, other than the

1 representations, warranties, and covenants contained and memorialized in this Settlement
2 Agreement and its Exhibits.

3 12.10 This Settlement Agreement may be executed in one or more counterparts. All
4 executed counterparts and each of them, including facsimile, electronic, and scanned copies of
5 the signature page, shall be deemed to be one and the same instrument.

6 12.11 The Parties hereto and their respective counsel agree that they will use their best
7 efforts to obtain all necessary approvals of the Court required by this Settlement Agreement.

8 12.12 This Settlement Agreement shall be binding upon and shall inure to the benefit of
9 the successors and assigns of the Parties hereto, including any and all Released Parties and any
10 corporation, partnership, or other entity into or with which any Party hereto may merge,
11 consolidate, or reorganize.

12 12.13 This Settlement Agreement shall not be construed more strictly against one Party
13 than another merely because of the fact that it may have been prepared by counsel for one of the
14 Parties, it being recognized that because of the arm's-length negotiations resulting in the
15 Settlement Agreement, all Parties hereto have contributed substantially and materially to the
16 preparation of the Settlement Agreement.

17 12.14 Except where this Settlement Agreement itself provides otherwise, all terms,
18 conditions, and Exhibits are material and necessary to this Settlement Agreement and have been
19 relied upon by the Parties in entering into this Settlement Agreement.

20 12.15 This Settlement Agreement shall be governed by California law. Any action based
21 on this Settlement Agreement, or to enforce any of its terms, shall be venued in the San
22 Bernardino County Superior Court, which shall retain jurisdiction over all such disputes. All
23 Parties to this Settlement Agreement shall be subject to the jurisdiction of said Court for all
24 purposes related to this Settlement Agreement.

25 12.16 The Court shall retain continuing and exclusive jurisdiction over the Parties to this
26 Settlement Agreement for the purpose of the administration and enforcement of this Settlement
27 Agreement.
28

12.17 The headings used in this Settlement Agreement are for the convenience of the reader only, and shall not affect the meaning or interpretation of this Settlement Agreement.

12.18 In construing this Settlement Agreement, the use of the singular includes the plural (and vice-versa) and the use of the masculine includes the feminine (and vice-versa).

SO STIPULATED.

Date: 04/19/2021, 2021

FERNANDO HERRERA



Plaintiff

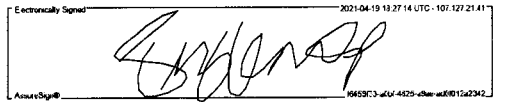
Date: _____, 2021

SALVADOR SALAMANCA

Plaintiff

Date: 04/19/2021, 2021

LIZBETH CISNEROS



Named Plaintiff

Date: _____, 2021

AIRTECH INTERNATIONAL, INC.;
AIRTECH ADVANCED MATERIALS
GROUP

By: _____

Its: _____

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12.18 In construing this Settlement Agreement, the use of the singular includes the plural (and vice-versa) and the use of the masculine includes the feminine (and vice-versa).

SO STIPULATED.

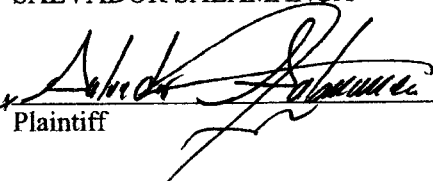
Date: _____, 2021

FERNANDO HERRERA

Plaintiff

Date: 4-19-2021, 2021

SALVADOR SALAMANCA


Plaintiff

Date: _____, 2021

LIZBETH CISNEROS

Named Plaintiff

Date: _____, 2021

AIRTECH INTERNATIONAL, INC.;
AIRTECH ADVANCED MATERIALS
GROUP

By: _____

Its: _____

12.17 The headings used in this Settlement Agreement are for the convenience of the reader only, and shall not affect the meaning or interpretation of this Settlement Agreement.

12.18 In construing this Settlement Agreement, the use of the singular includes the plural (and vice-versa) and the use of the masculine includes the feminine (and vice-versa).

SO STIPULATED.

Date: _____, 2021 FERNANDO HERRERA

Plaintiff

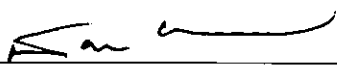
Date: _____, 2021 SALVADOR SALAMANCA

Plaintiff

Date: _____, 2021 LIZBETH CISNEROS

Named Plaintiff

Date: APRIL 19, _____, 2021 AIRTECH INTERNATIONAL, INC.;
AIRTECH ADVANCED MATERIALS
GROUP



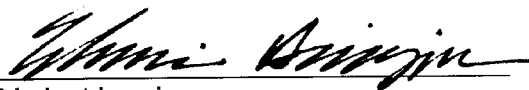
By: DARREN CARSON

Its: FINANCE DIRECTOR

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Date: April 19, 2021

LAWYERS FOR JUSTICE, PC



Edwin Aiwarzian

Attorneys for Plaintiff Fernando Herrera
and Lizbeth Cisneros and the putative class
acting on behalf of the State of California
as Private Attorneys General

Date: _____, 2021

COUNSELONE, PC

Anthony J. Orshansky

Attorneys for Plaintiff Salvador Salamanca
and the Putative Class acting on behalf of
the State of California as Private Attorneys
General

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Date: _____, 2021

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Date: April 19, 2021

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