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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SOLANO

JESSICA ALVAREZ, individually, and on
behalf of others similarly situated,

Plaintiff,

vs.

MARE ISLAND DRY DOCK, LLC, a
limited liability company; and DOES 1
through 10, inclusive,

Defendants.

Case No. FCS055692

**ASSIGNED FOR ALL PURPOSES TO
JUDGE ALESIA JONES
Department 22**

**JOINT STIPULATION OF CLASS
ACITON SETTLEMENT AND RELEASE**

Complaint filed on November 18, 2020

JOINT STIPULATION OF CLASS ACTION SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Jessica Alvarez (“Plaintiff Alvarez”) and Plaintiff Brainard Thomas (“Plaintiff Thomas,” together with Plaintiff Alvarez, “Plaintiffs” or “Class Representatives”), and Defendant Mare Island Dry Dock, LLC (“Defendant”). Plaintiffs, on behalf of themselves and the Settlement Class, and Defendant agree as follows:

DEFINITIONS

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

1. “Action” means the wage and hour class action lawsuit, *Jessica Alvarez v. Mare Island Dry Dock, LLC*, Solano County Superior Court Case No. FCS055692, originally filed by Plaintiff Alvarez on November 18, 2020. The Second Amended Complaint was filed by Plaintiffs on August 26, 2021.

2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to fees and expenses of experts, investigation expenses, postage, telephone, and photocopying charges, costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action.

3. “Class Counsel” means Moon & Yang, APC, including its attorneys Kane Moon and Lilit Ter-Astvatsatryan.

4. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records, formatted in Microsoft Office Excel, that includes the following information: each Class Member’s full name; most recent mailing address and telephone number; Social Security number; dates of employment; the respective number of Workweeks that each

1 Class Member worked during the Class Period; and any other relevant information needed to calculate
2 settlement payments.

3 5. "Class Member(s)" or "Settlement Class" means all persons who worked for Defendant
4 in California as an hourly-paid, non-exempt employee, including those persons payrolled through an
5 outside staffing agency, at any time during the Class Period, as defined below. Defendant represents that
6 there are approximately 487 Class Members as of April 27, 2021.

7 6. "Class Period" means the period from November 18, 2016, through the earlier of (i)
8 September 4, 2021; (ii) Preliminary Approval; or (iii) the Workweek Trigger Date pursuant to paragraph
9 30 below.

10 7. "Class Representative Enhancement Payments" means the amount agreed by the Parties
11 and approved by the Court to be paid to Plaintiffs in recognition of their effort and work in prosecuting
12 the Action on behalf of Class Members. The Class Representative Enhancement Payments shall be paid
13 in addition to Plaintiffs' pro rata portion of the Net Settlement Amount.

14 8. "Class Settlement Amount" means the Class Settlement Amount of Five Hundred
15 Eighty-Five Thousand Dollars and Zero Cents (\$585,000), to be paid by Defendant in full satisfaction of
16 all Released Claims arising from the Action, which includes all Individual Settlement Payments to
17 Participating Class Members, Attorneys' Fees and Costs to Class Counsel, the Class Representative
18 Enhancement Payments to Plaintiffs, the LWDA Payment, and Settlement Administration Costs to the
19 Settlement Administrator.

20 9. "Court" means Solano County Superior Court.

21 10. "Defendant" means Defendant Mare Island Dry Dock, LLC.

22 11. "Effective Date" means the later of: (i) the sixty-first (61st) calendar day after Final
23 Approval, provided no appeal has been initiated, whether by an absent Class Member who has timely
24 intervened or moved to vacate the judgment or by a Party or Class Counsel pursuant to paragraph 70
25 below; or (ii) if such an appeal is timely initiated, the date of final resolution of that appeal (including any
26 requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

27 12. "Final Approval" means the date on which the Court enters an order granting final
28 approval of the Settlement Agreement.

1 13. “Individual Settlement Payment” means each Participating Class Member’s respective
2 share of the Net Settlement Amount.

3 14. “Labor and Workforce Development Agency Payment” or “LWDA Payment” means
4 the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency
5 (“LWDA”) in connection with the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code
6 §§ 2698, *et seq.*, “PAGA”). The Parties have agreed that Fifty Thousand Dollars and Zero Cents
7 (\$50,000) of the Class Settlement Amount will be allocated to the resolution of any Class Members’
8 claims arising under PAGA (the “PAGA Allocation”). Pursuant to PAGA, Seventy Five Percent (75%),
9 or Thirty-Seven Thousand and Five Hundred Dollars and Zero Cents (\$37,500), of the PAGA
10 Allocation will be the LWDA Payment paid to the LWDA, and Twenty Five Percent (25%), or Twelve
11 Thousand and Five Hundred Dollars and Zero Cents (\$12,500) of the PAGA Allocation will be included
12 in the Net Settlement Amount for distribution to Settlement Class Members. .

13 15. “Net Settlement Amount” means the portion of the Class Settlement Amount remaining
14 after deducting the Attorneys’ Fees and Costs, the Class Representative Enhancement Payments, the
15 LWDA Payment, and Settlement Administration Costs, which shall be fully distributed to Participating
16 Class Members without any reversion to Defendant.

17 16. “Notice of Objection” means a Class Member’s valid and timely written objection to the
18 Settlement Agreement. For the Notice of Objection to be valid, it must include the Class Member’s
19 name and provide each specific reason in support of the objection.

20 17. “Notice Packet” means the Notice of Class Action Settlement, substantially in the form
21 attached as Exhibit A.

22 18. “Parties” means Plaintiffs and Defendant collectively.

23 19. “Participating Class Members” means all Class Members who do not submit timely and
24 valid Requests for Exclusion.

25 20. “Plaintiffs” means Jessica Alvarez and Brainard Thomas.

26 21. “Preliminary Approval” means the date on which the Court enters an order granting
27 preliminary approval of the Settlement Agreement.

28 22. “Released Claims” means all claims, rights, demands, liabilities, and causes of action,

1 arising from, or related to, the same set of operative facts as those set forth in the Second Amended
2 Complaint filed on August 26, 2021, arising during the Class Period, including claims for
3 Defendant's alleged: (i) failure to pay minimum wages under Labor Code sections 204, 1194,
4 1194.2, 1197 and any additional applicable Wage Orders; (ii) failure to pay overtime
5 compensation under Labor Code sections 510, 1194, 1198 and any additional applicable Wage
6 Orders; (iii) failure to provide meal periods and pay required and sufficient meal period
7 premiums under Labor Code sections 226.7, 512 and any additional applicable Wage Orders;
8 (iv) failure to authorize and permit rest periods and pay required and sufficient rest period
9 premiums under Labor Code section 266 and any additional applicable Wage Orders; (v) failure
10 to timely pay final wages at termination under Labor Code sections 201–203; (vi) failure to
11 provide accurate itemized wage statements under Labor Code section 226; (vii) claims for the
12 foregoing alleged violations under California Business & Professions Code section 17200, et
13 seq.; (viii) associated civil penalties under Labor Code section 2699 et seq., as well as any and
14 all wage and hour claims and that were asserted or could have been asserted based on the
15 factual or legal allegations contained in the Second Amended Complaint, arising at any time
16 during the Class Period.

17 23. "Released Claims Period" means the period covered by the Settlement from November
18 18, 2016, through the date of Preliminary Approval.

19 24. "Released PAGA Claims" means all claims asserted through California Labor Code §§
20 2698, *et seq.*, that arise out of or are related to the Released Claims.

21 25. "Released Parties" means Defendant, its owners, parents, subsidiaries, affiliated entities,
22 past or present officers, directors, employees, agents, principals, heirs, representatives, accountants,
23 auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest,
24 subsidiaries, affiliates, parents and attorneys, if any, as well as each outside staffing agency that payrolled
25 one or more Class Members during the Released Claims Period, including Labor Finders, Express,
26 Ameriforce, Aerotek, CA Jones, CCI, Tradesmen International, Campbell Consulting and LaborReady-
27 True Blue.

28 26. "Request for Exclusion" means a timely letter submitted by a Class Member indicating a

1 request to be excluded from the Settlement. The Request for Exclusion must: (i) set forth the name,
2 address, telephone number and last four digits of the Social Security Number of the Class Member
3 requesting exclusion; (ii) be signed by the Class Member; (iii) be returned to the Settlement
4 Administrator; (iv) clearly state that the Class Member does not wish to be included in the Settlement;
5 and (v) be faxed or postmarked on or before the Response Deadline.

6 27. "Response Deadline" means the deadline by which Class Members must postmark or
7 fax to the Settlement Administrator Requests for Exclusion, or postmark Notices of Objection to the
8 Settlement Administrator. The Response Deadline will be sixty (60) calendar days from the initial
9 mailing of the Notice Packet by the Settlement Administrator, unless the sixtieth (60th) calendar day falls
10 on a Sunday or State holiday, in which case the Response Deadline will be extended to the next day on
11 which the U.S. Postal Service is open. The Response Deadline for Requests for Exclusion or objections
12 will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice Packet by
13 the Settlement Administrator, unless the 15th day falls on a Sunday or court holiday, in which case the
14 Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The
15 Response Deadline may also be extended by express agreement between Class Counsel and Defendant.
16 Under no circumstances, however, will the Settlement Administrator have the authority to unilaterally
17 extend the deadline for Class Members to submit a Request for Exclusion or objection to the settlement.

18 28. "Settlement Administration Costs" means the costs payable from the Class Settlement
19 Amount to the Settlement Administrator for administering this Settlement, including, but not limited to,
20 printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Class
21 Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The
22 Settlement Administration Costs will be paid from the Class Settlement Amount, including, if necessary,
23 any such costs in excess of the amount represented by the Settlement Administrator as being the
24 maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of
25 approximately 487 Class Members, the Settlement Administration Costs are currently estimated to be
26 Eleven Thousand Nine Hundred Ninty-One Dollars and Fifty Cents (\$11, 991.50).

27 29. "Settlement Administrator" means ILYM Group, Inc., or any other third-party class
28 action settlement administrator agreed to by the Parties and approved by the Court for the purposes of

1 administering this Settlement. The Parties each represent that they do not have any financial interest in
2 the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
3 could create a conflict of interest.

4 30. "Workweek" means a one-week pay period during which an individual Class Member
5 received compensation for actual time worked for Defendant, whether directly through Defendant or
6 indirectly through a staffing agency. All Class Members will be credited with at least one Workweek.

7 **GENERAL SETTLEMENT TERMS**

8 31. Class Certification for Settlement Purposes. The Parties hereby stipulate to certification
9 of the Settlement Class defined in paragraph 5 above for purposes of the Settlement only, *i.e.*, the
10 "Settlement Class". If, for any reason, the Settlement is not approved, the stipulation to certification will
11 be void. The Parties further agree that certification for purposes of the Settlement is not an admission
12 that class action certification is proper under the standards applied to contested certification motions and
13 that this Settlement Agreement will not be admissible in this or any other proceeding as evidence that
14 either (i) a class action should be certified or (ii) Defendant is liable to Plaintiffs or any Class Member,
15 other than according to the Settlement's terms.

16 32. Workweek Limit. The Parties reached the Settlement based in part on an estimated
17 18,649 total workweeks worked by Class Members between November 18, 2016 and July 6, 2021,
18 based on and extrapolated from payroll and time data maintained by Defendant. The aggregate number
19 of Workweeks worked by Class Members during the Class Period ("Class Workweeks") shall be limited
20 to an additional 15% over the 18,649 Workweek estimate, for a limit of 21,446 workweeks during the
21 Class Period ("Workweek Limit"). If the Class Workweeks reflected on the Class List to be provided to
22 the Claims Administrator pursuant to paragraph 47 exceed the Workweek Limit at any point between
23 July 6, 2021 and the earlier of (i) September 4, 2021, or (ii) Preliminary Approval, the Class Period and
24 release will instead end as of the date the Workweek Limit is reached (the "Workweek Trigger Date"),
25 and in that event Defendant will not be required to pay additional consideration. If the Workweek Limit
26 is determined to have been reached prior to July 6, 2021, Defendant will have the option to either (i) void
27 the Settlement upon written notice to Class Counsel; or (ii) pay an additional amount equal to the pro-
28 rata per Workweek value of the negotiated settlement (\$585,000,000 divided by 21,446 workweeks =

1 \$26.08/workweek) times the number of Class Workweeks over the Workweek Limit.

2 33. Operative Second Amended Complaint. The Parties have stipulated to the filing of a
3 Second Amended Complaint adding Brainard Thomas as an additional named Plaintiff and Class
4 Representative and clarifying the basis for Plaintiffs' unpaid wage claims for off-the-clock work, which
5 Class Counsel has prepared and filed.

6 34. Class Settlement Amount. Defendant shall pay the sum of Five Hundred Eighty-Five
7 Thousand Dollars and Zero Cents (\$585,000) in full settlement of the claims released herein. There will
8 be no reversion of the Class Settlement Amount to Defendant. The Class Settlement Amount has been
9 agreed to by Plaintiffs and Defendant based on the aggregation of the agreed-upon settlement value of
10 individual claims. In no event will Defendant be liable for more than the Class Settlement Amount,
11 except that Defendant will be separately responsible for any employer payroll taxes required by law,
12 including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Class
13 Settlement Amount. Payment of the Class Settlement Amount shall be through a one-time deposit into a
14 Qualified Settlement Account to be established by the Settlement Administrator. Defendant will pay the
15 employer's share of payroll taxes on the wage portion of Individual Settlement Payments separately.
16 After the Effective Date, the Class Settlement Amount will be used for: (i) Individual Settlement
17 Payments; (ii) the LWDA Payment; (iii) the Class Representative Enhancement Payments; (iv)
18 Attorneys' Fees and Costs; and (v) Settlement Administration Costs. Defendant will deposit the Class
19 Settlement Amount and the employer's share of payroll taxes within ten (10) calendar days of the
20 Effective Date.

21 35. Attorneys' Fees and Costs. Defendant agrees not to oppose or impede any application
22 or motion by Class Counsel for Attorneys' Fees and Costs of not more than one-third of the Class
23 Settlement Amount, or One Hundred Ninety-Five Thousand Dollars and Zero Cents (\$195,000), plus the
24 reimbursement of all out-of-pocket costs and expenses associated with Class Counsel's litigation and
25 settlement of the Action (including expert fees, investigations expenses, photocopying, etc.), not to
26 exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000). The amount of Attorneys' Fees and
27 Costs shall be subject to Court approval and shall be paid from the Class Settlement Amount.

28 36. Class Representatives Enhancement Payment. Defendant shall not oppose or impede

any application or motion for Class Representative Enhancement Payments in recognition of Plaintiffs' efforts and work in assisting in the prosecution of the Action on behalf of Class Members, as follows: (i) up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500) to Plaintiff Alvarez; and (ii) up to Two Thousand Five Hundred Dollars and Zero Cents (\$2,500) to Plaintiff Thomas. The respective amounts of the Class Representative Enhancement Payments shall be subject to Court approval, will be paid from the Class Settlement Amount and will be in addition to Plaintiffs' Individual Settlement Payments pursuant to the Settlement. Each Plaintiff will be solely and legally responsible to pay any and all applicable taxes on the Class Representative Enhancement Payment he or she has received.

37. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Class Settlement Amount, which is currently estimated to be Eleven Thousand Nine Hundred Ninty-One Dollars and Fifty Cents (\$11, 991.50). These costs, which will be paid from the Class Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Notice Packets, calculating and distributing the Class Settlement Amount, and providing necessary reports and declarations.

38. PAGA Allocation and LWDA Payment. Subject to Court approval, the amount of Fifty Thousand Dollars and Zero Cents (\$50,000) from the Class Settlement Amount shall be allocated to satisfaction of Plaintiff's and Class Members' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or Thirty-Seven Thousand and Five Hundred Dollars and Zero Cents (\$37,500), of this PAGA allocation shall be the LWDA Payment paid to the LWDA, and Twenty-Five Percent (25%), or Twelve Thousand and Five Hundred Dollars and Zero Cents (\$12,500) will become part of the Net Settlement Amount for distribution to Participating Class Members.

39. Net Settlement Amount. The entire Net Settlement Amount will be distributed to Participating Class Members. No portion of the Net Settlement Amount will revert to or be retained by Defendant.

40. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Workweeks a Class Member worked during the Class. Specific calculations of Individual Settlement Payments will be made

1 as follows:

2 40(a) Defendant will calculate the total number of Workweeks worked by each
3 Class Member during the Class Period and the aggregate total number of
4 Workweeks worked by all Class Members during the Class Period, *i.e., the*
5 Class Workweeks.

6 40(b) To determine each Class Member's estimated "Individual Settlement
7 Payment," the Settlement Administrator will use the following formula:
8 The Net Settlement Amount will be divided by the Class Workweeks,
9 resulting in the "Workweek Value." Each Class Member's "Individual
10 Settlement Payment" will be calculated by multiplying each individual
11 Class Member's total number of Workweeks by the Workweek Value.

12 40(c) The Individual Settlement Payment will be reduced by any required
13 deductions for each Participating Class Member as specifically set forth
14 herein, including employee-side tax withholdings or deductions.
15 The entire Net Settlement Amount will be disbursed to all Class Members
16 who do not submit timely and valid Requests for Exclusion. If there are any
17 valid and timely Requests for Exclusion, the Settlement Administrator shall
18 recalculate the Class Workweeks of those Participating Class Members
19 (omitting Workweeks attributable to Class Members who have validly
20 excluded themselves from the Settlement), and shall proportionately
21 increase the Individual Settlement Payment for each Participating Class
22 Member according to the resulting revised Workweek Value, so that the
23 amount actually distributed to the Settlement Class equals 100% of the Net
24 Settlement Amount.

25 41. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
26 Participating Class Members under this Settlement, as well as any other payments made pursuant to this
27 Settlement, will not be utilized to calculate any additional benefits under any benefit plans for which any
28 Class Members may be eligible, including, but not limited to multi-employer pension plans, IRS section

1 125 plans, profit-sharing plans, bonus plans, 401(k) plans, master retirement plans, stock purchase plans,
2 vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention
3 that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class
4 Members may be entitled under any benefit plans.

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

18 TAX MATTERS

19 43. Tax Treatment of Individual Settlement Payments. All Individual Settlement Payments
20 will be allocated as follows: (i) Twenty Percent (20%) of each Individual Settlement Payment will be
21 allocated as wages and subject to legally required employee tax withholdings, for which IRS Forms W-2
22 will be issued; and (ii) Eighty Percent (80%) of such payment will be allocated as penalties and interest
23 and not subject to deductions or withholdings, for which IRS Forms 1099-MISC will be issued.

24 44. Administration of Taxes by the Settlement Administrator. The Settlement
25 Administrator will be responsible for issuing to Plaintiffs, Participating Class Members, and Class
26 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
27 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes
28 and penalties to the appropriate government authorities.

1 45. No Tax Advice. Defendant makes no representation as to the tax treatment or legal
2 effect of any payments called for by this Settlement, and Class Counsel, Plaintiffs and Participating Class
3 Members are not relying on any statement, representation, or calculation by Defendant or by the
4 Settlement Administrator in this regard.

5 46. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
6 PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO
7 THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
8 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
9 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
10 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
11 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED
12 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
13 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
14 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
15 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
16 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
17 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
18 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
19 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
20 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
21 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
22 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
23 ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER
24 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
25 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
26 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
27 AGREEMENT.

28 47. Tax Liability. Any tax obligation arising from any payment provided under this

1 Settlement will be the sole responsibility of each person or entity receiving such payment(s).
2 Specifically, taxes on each Class Representative's Enhancement Payment shall be solely the
3 responsibility of each Plaintiff; taxes on awards to Class Counsel for fees and costs shall be solely Class
4 Counsel's responsibility; and each Participating Class Member is responsible to pay his or her portion of
5 the taxes due upon any Individual Settlement Payment received under this Settlement Agreement.

6 48. Indemnification. Should any taxing authority or agency determine that any Class
7 Member owes additional personal income taxes and/or employee contributions on any portion of his or
8 her Individual Settlement Payment based on a challenge to the allocation of wage and non-wage portions
9 set forth in paragraph 40, such Participating Class Member shall be solely responsible for the payment of
10 his or her personal income taxes and/or employee contributions. Accordingly, if any taxing authority or
11 agency seeks such amounts from Defendant based on a challenge to such allocation of wage and non-
12 wage portions, the Participating Class Member shall reimburse Defendant for any of his or her personal
13 income taxes and/or employee contributions, as well as any associated interest and/or penalties, that
14 Defendant was required to make to any such taxing authority or agency.

15 **CLASS NOTICE AND RESPONSE PROCEDURES**

16 49. Administration Process. The Parties agree to cooperate in the administration of the
17 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in
18 administration of the Settlement.

19 50. Delivery of the Class List. Within fourteen (14) calendar days of Preliminary Approval,
20 Defendant will provide the Class List to the Settlement Administrator.

21 51. Notice by First-Class U.S. Mail. Within seven (7) calendar days after receiving the
22 Class List from Defendant, the Settlement Administrator will mail a Notice Packet to all Class Members
23 via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class
24 List.

25 52. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
26 Administrator will perform a search based on the National Change of Address Database for information
27 to update and correct for any known or identifiable address changes. Any Notice Packets returned to the
28 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly

1 via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
2 Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address is
3 provided, the Settlement Administrator will promptly attempt to determine the correct address using a
4 skip-trace, or other search using the name, address and/or Social Security number of the Class Member
5 involved and will then perform a single re-mailing. Those Class Members who receive a re-mailed
6 Notice Packet, whether by skip-trace or by request, will have either (i) an additional fifteen (15) calendar
7 days or (ii) until the Response Deadline, whichever is later, to submit a Request for Exclusion or an
8 objection to the Settlement.

9 53. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet
10 will provide: (i) information regarding the nature of the Action; (ii) a summary of the Settlement's
11 principal terms; (iii) the Settlement Class definition; (iv) the total number of Workweeks each respective
12 Class Member worked for Defendant during the Class Period; (v) each Class Member's estimated
13 Individual Settlement Payment and the formula for calculating Individual Settlement Payments; (vi) the
14 dates which comprise the Class Period; (vii) instructions on how to submit Requests for Exclusion or
15 Notices of Objection; (viii) the deadlines by which the Class Member must postmark or fax Request for
16 Exclusions, or postmark Notices of Objection to the Settlement; and (ix) the claims to be released.

17 54. Procedure to Dispute Information on Notice Packets. Class Members will have an
18 opportunity to dispute the information provided in their Notice Packets. To the extent Class Members
19 dispute their employment dates or the number of Workweeks on record, Class Members may produce
20 evidence to the Settlement Administrator showing that such information is inaccurate. The Settlement
21 Administrator will decide the dispute. Defendant's records will be presumed correct, but the Settlement
22 Administrator will evaluate the evidence submitted by the Class Member and will make the final
23 decision as to the merits of the dispute. All disputes will be decided within ten (10) business days of the
24 Response Deadline.

25 55. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
26 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
27 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of
28 receiving the defective submission to advise the Class Member that his or her submission is defective

1 and that the defect must be cured to render the Request for Exclusion valid. The Class Member will
2 have until (i) the Response Deadline or (ii) fifteen (15) calendar days from the date of the cure letter,
3 whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for
4 Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

5 56. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
6 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
7 Administrator on or before the Response Deadline. A Request for Exclusion will not, however, exclude
8 the Class Members from the portion of the Settlement regarding the Released PAGA Claims; and such
9 Class Member will be deemed to have released the Released PAGA Claims notwithstanding any
10 Request for Exclusion. The date of the fax or postmark on the return mailing envelope will be the
11 exclusive means to determine whether a Request for Exclusion has been timely submitted.

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

17 58. Objection Procedures. To object to the Settlement Agreement, a Class Member must
18 postmark a valid Notice of Objection to the Settlement Administrator on or before the Response
19 Deadline. The Notice of Objection must be signed by the Class Member and contain all information
20 required by this Settlement Agreement. The postmark will be deemed the exclusive means for
21 determining that the Notice of Objection is timely. Class Members who fail to object in the manner
22 specified above will be deemed to have waived all objections to the Settlement and will be foreclosed
23 from making any objections, whether by appeal or otherwise, to the Settlement Agreement. Class
24 Members who postmark timely Notices of Objection will have a right to appear at the Final Approval
25 Hearing in order to have their objections heard by the Court. At no time will any of the Parties or their
26 counsel seek to solicit or otherwise encourage Class Members to submit written objections to the
27 Settlement Agreement or appeal from the Order and Judgment. Class Counsel will not represent any
28 Class Members with respect to any such objections to this Settlement.

59. Certification Reports Regarding Individual Settlement Payment Calculations. The Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that certifies the number of Class Members who have submitted valid Requests for Exclusion, objections to the Settlement, and whether any Class Member has submitted a dispute to any information contained in their Notice Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

PAYMENTS TO CLASS

60. Distribution Timing of Individual Settlement Payments. Within fourteen (14) calendar days of the Effective Date, the Settlement Administrator will issue payments to: (i) Participating Class Members; (ii) the Labor and Workforce Development Agency; (iii) Plaintiffs; and (iv) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement.

61. Un-cashed Settlement Checks. Funds represented by Individual Settlement Payment checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for more than one hundred and eighty (180) calendar days after issuance will be tendered to the State Controller's Office, Unclaimed Property Fund in the name of the individual who failed to cash his or her check.

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

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

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

likewise be treated as void from the beginning.

SETTLEMENT APPROVAL PROCESS

65. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (i) conditional certification of the Settlement Class for settlement purposes only, (ii) preliminary approval of the proposed Settlement Agreement, and (iii) setting a date for a final fairness hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for drafting all documents necessary to obtain preliminary approval and shall provide a draft of the preliminary approval motion to Defendant's counsel for their input at least seven (7) calendar days prior to filing with the Court.

66. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (i) Attorneys' Fees and Costs; (ii) the Class Representative Enhancement Payments; (iii) Individual Settlement Payments; (iv) the Labor and Workforce Development Agency Payment; (v) all Settlement Administration Costs. The final fairness hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel will be responsible for drafting all documents necessary to obtain final approval and shall provide a draft of the final approval motion to Defendant's counsel for their input at least seven (7) calendar days prior to filing with the court. Class Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at the final approval hearing.

67. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement

administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

RELEASES UPON EFFECTIVE DATE

68. Releases by Participating Class Members. Upon the Effective Date, and except as to such rights or claims as may be created by this Settlement Agreement, each Participating Class Member, including Plaintiffs, together and individually, on their behalf and on behalf of their respective spouses, heirs, executors, administrators, agents, and attorneys, shall be deemed to have fully and forever released and discharged all of the Released Parties, or any of them, from each of the Released Claims arising during the Class Period, as well as the Released PAGA Claims.

69. General Release by Plaintiffs. As of the Effective Date, and for the duration of the Class Period, in addition to their release as a Participating Class Members, Plaintiffs (on their behalf and on behalf of their heirs, executors, administrators, and assigns) knowingly and voluntarily release and forever discharge the Released Parties from any and all claims, known and unknown, asserted and unasserted, that they have or may have had against Defendant or any of the Released Parties. Such claims include, but are not limited to: breach of contract, whether written, oral or implied; violation of public policy; tort claims, including but not limited to intentional infliction of emotional distress, negligent infliction of emotional distress, defamation, misrepresentation, and fraud; retaliation claims; common-law claims; any other claims for damages, costs, fees, or other expenses, including attorneys' fees; and any violations of the following statutes, laws, and regulations: Title VII of the Civil Rights Act of 1964, as amended; The Civil Rights Act of 1991; sections 1981 through 1988 of title 42 of the United States Code, as amended; the Americans with Disabilities Act of 1990, as amended; the Age Discrimination in Employment Act of 1967, as amended; the Older Workers Benefit Protection Act; the Employment Retirement Income Security Act of 1974, as amended; the Occupational Safety and Health Act, as amended; the Sarbanes-Oxley Act of 2002; the Family and Medical Leave Act of 1993, as amended; the Fair Labor Standards Act; the California Fair Employment and Housing Act, California Government Code section 12900 et seq.; the California Family Rights Act, California Government Code section 12945.2 et seq.; the California Unruh Civil Rights Act, California Civil Code section 51 et seq.; the California Whistleblower Protection Law, California Labor Code section 1102-5(a) to (c); the

1 California Occupational Safety and Health Act, as amended, California Labor Code § 6300 et seq., and
2 any applicable regulations thereunder; the California Labor Code; the Private Attorneys General Act of
3 2004, California Labor Code section 2698 et seq.; California Labor Code section 132a; and any other
4 federal, state, or local civil employment law, statute, regulation, or ordinance capable of being released
5 by Plaintiff Alvarez, excluding any claims that cannot be released as a matter of law.

6 70. Section 1542 Waiver by Plaintiffs: To effect a full and complete general release as to all
7 claims, Plaintiffs expressly waive and relinquish all rights and benefits of California Civil Code section
8 1542, and does so understanding and acknowledging the significance and consequence of specifically
9 waiving rights under Civil Code section 1542, which states as follows:

10 A general release does not extend to claims that the creditor or releasing
11 party does not know or suspect to exist in his or her favor at the time of
12 executing the release and that if known by him or her must have
13 materially affected his or her settlement with the debtor or released
14 party.

15 Thus, notwithstanding the provisions of Civil Code section 1542, and to implement a full and complete
16 release and discharge, Plaintiffs expressly acknowledge that this Settlement is intended to include in its
17 effect, without limitation, all known and unknown claims, including any claims that they do not know or
18 suspect to exist in their favor against the Released Parties at the time of signing this Agreement, and that
19 this Settlement contemplates the extinguishment of any such claim or claims. Plaintiffs acknowledge
20 that they may later discover facts different from, or in addition to, those they now know or believe to be
21 true regarding the matters released or described in this Agreement, and they nonetheless agree that the
22 releases and agreements contained in this Agreement shall remain fully effective in all respects
23 notwithstanding any later discovery of any different or additional facts.

24 MISCELLANEOUS PROVISIONS

25 71. Confidentiality. Neither the Plaintiffs nor Class Counsel will publicize this settlement by
26 Defendant's name, industry or location (i.e., a ship repair facility located on Mare Island or in Vallejo,
27 California) through a press release, posting on Class Counsels' website, in social media or by any other
28 public means, other than court filings and proceedings associated with the Settlement. Nothing in this

1 provision is intended to prohibit (i) Plaintiffs from discussing this settlement with their spouses, attorneys
2 or tax advisors; (ii) Plaintiffs from discussing the settlement with other putative class members after the
3 Settlement has been preliminarily approved by the Court; or (iii) Class Counsel from communicating
4 with putative class members in this case or with the Court in which the Action is pending.

5 72. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
6 certification for purposes of this Settlement only; except, however, that Plaintiffs or Class Counsel may
7 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court,
8 and any party may appeal any court order that materially alters the Settlement Agreement's terms.

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

12 74. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
13 entirety of the Parties' settlement terms as to the Released Claims. No other prior or contemporaneous
14 written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize
15 California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which
16 provide that a written agreement is to be construed according to its terms and may not be varied or
17 contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
18 representations or terms will modify, vary or contradict the terms of this Settlement Agreement.

19 75. Amendment or Modification. No amendment, change, or modification to this
20 Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel.

21 76. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
22 represent that they are expressly authorized by the Parties whom they represent to negotiate this
23 Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties
24 pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents
25 required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will
26 cooperate with each other and use their best efforts to effectuate implementation of the Settlement. If the
27 Parties are unable to reach agreement on the form or content of any document needed to implement the
28 Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this

Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

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

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

79. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned copies of the signature page, will be deemed to be one and the same instrument.

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

81. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Parties direct the Court to first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

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

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

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

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

86. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

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

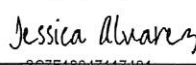
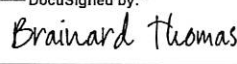
88. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

READ CAREFULLY BEFORE SIGNING

PLAINTIFFS

Dated: 9/7/2021

Dated: 9/7/2021

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 Jessica Alvarez
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 Brainard Thomas

**DEFENDANT MARE ISLAND DRY DOCK,
LLC**

Dated: _____

By _____
Stephen DiLeo
President/Chief Executive Officer

REVIEWED BY:

MOON & YANG, APC

Dated: 09/02/2021

By: 
Kane Moon
Lilit Ter-Astvatsatryan

Attorneys for Plaintiffs Jessica Alvarez and
Brainard Thomas

Dated: _____

HIRSCHFELD KRAEMER LLP
By: _____
John F. Baum
Felicia Reid

Attorneys for Defendant Mare Island Dry Dock, LLC