

PAGA SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release (hereinafter “**PAGA Settlement**”, “**Agreement**”, or “**PAGA Settlement Agreement**”) is made and entered into by and between Plaintiff Manuel Vera-Mendez (hereinafter “**Plaintiff**”), individually and as a private attorney general on behalf of the State of California and PAGA Members (as defined below) pursuant to Labor Code section 2698 *et seq.*, the Private Attorneys General Act (“**PAGA**”), on the one hand, and Defendant Airoso Dairy Farms, a California General Partnership (hereinafter, “**Defendant**”), on the other hand. Plaintiff and Defendant are collectively referred to herein as “**the Parties.**”

This PAGA Settlement shall be binding on Plaintiff, the State of California, and the PAGA Members, and on Defendant, all of their affiliated entities, parents, subsidiaries, owners, officers, executives, directors, and managers, subject to the terms and conditions hereof, the approval of the Court, and notification to the Labor and Workforce Development Agency (hereinafter “**LWDA**”).

I. DEFINITIONS

The following terms, when used in this PAGA Settlement Agreement, shall have the following meanings:

1. “**Action**” refers to the civil action pending in Superior Court of California, County of Kings, titled *Manuel Vera-Mendez, Plaintiff v. Airoso Dairy Farms, a California company, form unknown, and DOES 1 to 50, Defendants*, Case No. 21C-0206.
2. “**Court**” refers to the Superior Court of California, County of Kings.
3. “**Covered Claims**” means and refers to any and all claims, demands, rights, liabilities, and/or causes of action for civil penalties pursuant to PAGA arising during the Covered Period for the following Labor Code violations alleged in Plaintiff’s June 25, 2021 Action and his December 7, 2020 Notice to the LWDA: (1) Unpaid Missed Meal Rest Breaks (Cal. Labor Code §§ 218 and 226.7 and IWC Wage Order No.13 and 14-2001); (2) Failure to Pay Minimum Wage and Pay for All Wages Earned (Cal. Labor Code §§ 204, 1194, 1194.2 and 1197 and IWC Wage Order No.13 and 14-2001); (3) Failure to Maintain Accurate Payroll Records and Produce (Cal. Labor Code §§ 226, 1174, and 1198.5 and IWC Wage Order No.13 and 14-2001); (4) Failure to Pay Wages

Upon Separation (Cal. Labor Code §§ 201-203); and (5) Civil Penalties Pursuant to Labor Code § 2699.

4. **“Covered Period”** shall mean the period from December 7, 2020 through the date of the Approval Order and Judgment.

5. **“Defendant”** shall mean and refer to Airoso Dairy Farms, a California General Partnership.

6. **“Defense Counsel”** shall refer to Rissa A. Stuart and Hunter W. Swearingen of Kahn, Soares & Conway, LLP.

7. **“Effective Date”** and **“Final”** shall mean the date this Settlement is approved as provided herein and the Court’s Approval Order and Judgment become final and are no longer appealable. For purposes of this Settlement, “becomes final and is no longer appealable” shall mean the later of: (a) the day after the last date by which a notice of appeal to the applicable Court of Appeal of the Approval Order and Judgment may be timely filed and none is filed; (b) if an appeal is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or in any other manner that confirms the validity of the Approval Order and Judgment, the day after the last date for filing a request for further review of the Approval Order and Judgment passes, and no further review is requested; or (c) if an appeal is filed and the Approval Order and Judgment is affirmed and further review of the order is requested, (i) the day after the request for review is denied with prejudice and/or no further review of the decision can be requested, or (ii) if review is accepted, the day after the California Supreme Court affirms the Settlement. The Effective Date cannot occur, and Defendant will not be obligated to fund this Settlement, unless and until there is no possibility of any appeal that could potentially prevent this Settlement from becoming final and binding.

8. **“Eligible Pay Periods”** shall mean each PAGA Member’s individual pay periods assigned to Defendant during the Covered Period according to Defendant’s business records.

9. **“Gross Settlement Amount”** shall mean and refer to the \$5,000.00 that Defendant is obligated to pay under the terms of this proposed settlement. The Gross Settlement Amount is non-reversionary, such that the entire amount will be disbursed and none will revert to Defendant.

10. **“Individual Settlement”** shall mean and refer to the individual settlement between Plaintiff and Defendant for individual claims that are not encompassed by this PAGA Settlement Agreement, including Plaintiff's claims for wrongful termination, discrimination, and retaliation.

11. **“PAGA Counsel”** shall refer to Farrah Mirabel of Law Offices of Farrah Mirabel, 1070 Stradella Rd., Los Angeles, CA 90077.

12. **“PAGA Member”** or **“PAGA Members”** shall mean any and all current and former employees for Defendant during the Covered Period.

13. **“PAGA Member Share”** shall mean and refer to each PAGA Members' share of the 25% of PAGA penalties allocated to the PAGA Members in accordance with Labor Code section 2699(i).

14. **“PAGA Settlement”** shall mean this PAGA Settlement and Release Agreement.

15. **“Plaintiff”** shall refer to Named Plaintiff Manuel Vera-Mendez.

16. **“Released Parties”** shall mean and refer to Defendant and all their respective past and present affiliated entities, parents, subsidiaries, partners, owners, officers, shareholders, executives, managers, directors, employees, agents, and attorneys.

17. **“Settlement Administration Costs”** shall mean the costs to administer and send out the PAGA payments to the 57 PAGA members. The Settlement Administrator will pay the costs of administration.

18. **“Settlement Administrator”** shall mean, subject to Court approval, Airoso Dairy Farms, a California general partnership, as overseen by Defense Counsel, shall administer and send out the PAGA payments to the 57 PAGA members.

19. **“Settlement Fund Account”** shall mean the bank account established by the Settlement Administrator pursuant to the terms of this Settlement Agreement, from which all monies payable under the terms of this Settlement shall be paid, as set forth herein.

20. **“Void Date”** means the 121st day after issuance of PAGA Member Share checks to PAGA Members, upon which the PAGA Member Share checks will no longer be valid and negotiable.

II. RECITALS

21. Plaintiff was an employee of Defendant during the Covered Period.

22. On December 7, 2020, Plaintiff sent notice to the LWDA giving notice of his intent to pursue a representative PAGA action on behalf of himself, the State of California, other allegedly-aggrieved employees (LWDA No. LWDA-CM-815163-20). In Plaintiff's notice, he expressed intent to pursue the following claims against Defendant under PAGA: (1) Missed Rest Breaks (Cal. Labor Code § 226.7(a)); (2) Missed Meal Breaks (Cal. Labor Code §§ 226.7, 512, 1198); (3) Failure to Pay Minimum Wages (Cal. Labor Code §§ 1194, 1197); (4) Failure to Pay All Wages Earned (Cal. Labor Code § 204); (5) Improper Wage Statements and Failure to Keep Accurate Personnel and Payroll Records (Cal. Labor Code §§ 226, 1174, 1198.5); (6) Failure to Pay Wages Upon Separation (Cal. Labor Code §§ 201-203); and (7) Civil Penalties pursuant to Labor Code §§ 2699 (PAGA penalties).

23. On June 25, 2021, Plaintiff filed a Complaint in the Superior Court of the State of California, County of Kings, entitled *Manuel Vera-Mendez, Plaintiff v. Airos Dairy Farms, a California company, form unknown, and DOES 1 to 50, Defendants*, Case No. 21C-0206. Plaintiff's Complaint alleges claims of: (1) Unpaid Missed Rest Breaks (Cal. Labor Code §§ 218 and 226.7 and IWC Wage Order No.13 and 14-2001); (2) Failure to Pay Minimum Wage and Pay for All Wages Earned (Cal. Labor Code §§ 204, 1194, 1194.2 and 1197 and IWC Wage Order No.13 and 14-2001); (3) Failure to Maintain Accurate Payroll Records and Produce (Cal. Labor Code §§ 226, 1174, and 1198.5 and IWC Wage Order No.13 and 14-2001); (4) Failure to Pay Wages Upon Separation (Cal. Labor Code §§ 201-203); (5) Unlawful Discrimination Based on Cal. Govt. Code § 12940; (6) Wrongful Termination in Violation of Public Policy; (7) Wrongful Termination-Retaliatory Termination (Cal. Govt. Code § 12940(h)); (8) Wrongful Termination-Failure to Accommodate (Cal. Govt. Code § 12940(h)); (9) Wrongful Termination-Failure to Engage in the Interactive Process (Cal. Govt. Code § 12940(n)); and (10) Civil Penalties Pursuant to Labor Code § 2699.

24. The Parties engaged in informal discovery, exchanging information, documents and reviewing and analyzing extensive time and payroll data made available by Defendant which

enabled the parties to thoroughly evaluate Plaintiff's claims, Defendant's defenses, and the likely outcomes, risks, and expense of pursuing litigation.

25. On September 28, 2022, the Parties engaged in mediation before mediator Justice Steven M. Vartabedian (Ret.). Thereafter, the Parties continued informal settlement negotiations.

26. The Parties agree a bona fide dispute exists as to whether any amount of penalties are due from Defendant to any California employees, including Plaintiff, and to the LWDA.

27. The Parties intend to fully and finally resolve the Covered Claims as to Plaintiff, the State of California, and the PAGA Members.

28. The Parties are not aware of any other cases that may be impacted by the Settlement.

29. The Parties further agree that the Agreement, the fact of this Settlement, any of the terms of this Agreement, and any documents filed in connection with the Settlement shall not constitute, or be offered, received, claimed, construed, or deemed as an admission, finding, or evidence of: (i) any wrongdoing by any of the Released Parties (defined above), (ii) any violation of any statute or law by any of the Released Parties, (iii) any liability on the claims or allegations in the Action on the part of any of the Released Parties, (iv) any waiver of Defendant's right to arbitration or the enforceability of any arbitration agreement, or (v) the propriety of certifying a litigation class or collective (conditionally or otherwise) or pursuing representative relief under the PAGA in the Action or any other civil or administrative proceeding; and this Agreement shall not be used by any person for any purpose whatsoever in any administrative or legal proceeding, including but not limited to arbitrations, other than a proceeding to enforce the terms of the Agreement.

30. *NOW, THEREFORE, IT IS HEREBY CONSENTED TO, AND AGREED*, by Plaintiff for himself and on behalf of the State of California and the PAGA Members, on the one hand, and by Defendant, on behalf of themselves and the Released Parties, on the other hand, that, subject to the approval of the Court, the Action shall be settled, compromised, and dismissed, on the merits and with prejudice, and the Covered Claims shall be finally and fully compromised,

settled and dismissed as to the Released Parties, in the manner and upon the terms and conditions hereafter set forth in this Agreement.

III. TERMS OF SETTLEMENT

31. In consideration of the mutual covenants, promises and representations set forth in this Settlement, Plaintiff, on behalf of the State of California as a Private Attorney General, and Defendant agrees to settle and compromise the Action and the Covered Claims, subject to the terms and conditions set forth in this Settlement.

32. The Amount of Settlement. As consideration for the settlement described herein and the release contained in this Settlement, Defendant agrees to pay the following Gross Settlement Amount of \$5,000.00 in connection with the Settlement. The Gross Settlement Amount will be allocated as follows:

- (a) Court-approved litigation costs to be paid to PAGA Counsel in the amount of \$3,000.00;
- (b) 75% of the remainder of the Gross Settlement Amount, (\$1,500.00) to be paid to the LWDA; and
- (c) 25% of the remainder of the Gross Settlement Amount, (\$500.00) to be paid to the PAGA Members on a pro-rata basis.

33. Attorney's Fees and Attorney's Costs. Except for the \$3,000.00 in litigation costs set forth in paragraph 32(b), PAGA Counsel is not receiving any separate or additional consideration for attorney's fees or costs in connection with this Settlement.

34. Plaintiff's Enhancement. Plaintiff is not receiving any separate or additional enhancement or consideration in connection with the PAGA Settlement.

35. Allocation and Calculation of the PAGA Penalties. Each PAGA Member shall receive a portion of the Gross Settlement Amount on a pro-rata basis using a ratio of (a) the number of Eligible Pay Periods worked by the PAGA Member during the Covered Period to (b) the total number of Eligible Pay Periods worked by all PAGA Members during the Covered Period. As stated above, the Gross Settlement Amount is \$5,000.00. After deduction for Court-approved

Settlement Administration Costs, seventy-five percent of the remainder of the Gross Settlement Amount will be paid to the LWDA, as required by Labor Code section 2699(i), and twenty-five percent of the remainder of the Gross Settlement Amount will be distributed to PAGA Members on a pro-rata basis based on the formula set forth below. Each PAGA Member's pro-rata share of the Gross Settlement Amount represents their PAGA Member Share.

- (a) PAGA Member Share. Plaintiff and the PAGA Members shall receive a pro rata share of the 25% of the Gross Settlement Amount (after deduction for Court-approved PAGA Counsel Costs). Plaintiff and each PAGA Member shall receive a pro rata value equal to PAGA Members' 25% of the Gross Settlement Amount (after deduction for Court-approved Settlement Administration Costs) multiplied by the ratio of (a) the number of Eligible Pay Periods worked by that PAGA Member to (b) the total number of Eligible Pay Periods worked by all PAGA Members.

36. Tax Treatment of Settlement Amounts. One hundred percent of each PAGA Member Share shall be deemed penalties and reported as miscellaneous income which shall be subject to IRS Form 1099 reporting only to the extent required by law. Nothing in this Settlement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Plaintiff acknowledges that he has obtained no tax advice from Defendant and that neither Defendant nor their attorneys have made any representation concerning the tax consequences, if any, of the any payment to be made pursuant to this Agreement. To the extent that this Settlement or any of its attachments is interpreted to contain or constitute advice regarding any state or federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Defendant is not responsible for any PAGA Member's tax obligations regarding the allocation of the settlement payments. Each Party to this Settlement (for purposes of this section, the "Acknowledging Party" and each Party to this Settlement Agreement other than the Acknowledging Party, an "other Party") acknowledges and agrees that: (a) no provision of this Settlement, and no written communication or disclosure between or among the Parties or their

attorneys and other advisers, is or was intended to be, nor will any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended); (b) the Acknowledging Party (i) has relied exclusively upon his, her, or its own independent legal and tax counsel for advice (including tax advice) in connection with this Settlement, (ii) has not entered into this Settlement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (iii) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other Party to avoid any tax penalty that may be imposed on the Acknowledging Party; and (c) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the Acknowledging Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement Agreement.

IV. RELEASES

37. Release By All PAGA Members. Upon the approval by the Court of this Settlement, each PAGA Member (including Plaintiff), shall, for the Covered Period, fully release and forever discharge the Released Parties from the Covered Claims.

38. Release by Plaintiff. In addition to his participation in the Release By all PAGA Members, upon the Effective Date of this Settlement Plaintiff has agreed to a separate Individual Settlement that is intended to compensate Plaintiff for his individual claims, including wrongful termination, discrimination, and retaliation that are not at issue in the cause of action for PAGA. Plaintiff is providing a full release of individual claims to the extent permitted by law, other than non-releasable claims such as workers' compensation claims, as part of that Individual Settlement Agreement. The payment set forth in the Individual Settlement is contingent on the approval of this PAGA Settlement by the Court. In the event this PAGA settlement is not approved by the Court, the Individual Settlement agreement shall have no effect.

39. Res Judicata Effect. The Parties agree that this Settlement Agreement and the releases contained herein shall, upon the Effective Date, have full *res judicata* effect on, and shall be final and binding as to Plaintiff, the State of California, and all PAGA Members, as permitted by law.

40. Waiver of Right to Appeal. Provided that the Judgment is consistent with the material terms of this Agreement, Plaintiff, Defendant, and their respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a motion for new trial, and any extraordinary writ, and the Judgment therefore will become non-appealable at the time it is entered. The waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings or post-judgment proceedings. If an appeal is taken, the time for consummating the Settlement (including making payments under the Settlement) will be suspended until such time as their appeal is finally resolved and the Judgment becomes Final, as defined in this Agreement.

41. No Right to Opt-Out or Object. The Parties agree there is no statutory right for any PAGA Settlement Group Member to object, opt out or otherwise exclude himself or herself from the Settlement. The Parties further agree there is no right or opportunity for any PAGA Settlement Group Member to appeal the approval of the Settlement by the Court.

V. MOTION FOR APPROVAL OF PAGA SETTLEMENT

42. The Parties recognize that in accordance with Labor Code Section 2699(l) Court approval is required in the event of a settlement of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Court*, 46 Cal.4th 969 (2009), the Parties are not obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement through a motion for preliminary or final approval. *See also Mendoza v. Nordstrom, Inc.*, 2 Cal. 5th 1074 (2017) ("PAGA authorizes a representative action without the need for class certification."); *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117, 1123 (9th Cir. 2014) ("a PAGA suit is fundamentally different than a class action" in that PAGA has no

notice requirements for unnamed aggrieved employees, nor may such employees opt out of a PAGA action.”); *Williams v. Sup. Ct.*, 3 Cal.5th 531, 546-547 (2017) (“PAGA does not make other potentially aggrieved employees parties or clients of plaintiff’s counsel, does not impose on a plaintiff or counsel any express fiduciary obligations, and does not subject a plaintiff or counsel to scrutiny with respect to the ability to represent a large class.”)

43. Instead, in order to comply with the requirements of Labor Code Section 2699(l), Plaintiff shall submit a motion for approval of the PAGA Settlement to the Court, identifying the key terms of the PAGA Settlement and requesting that the Court approve the PAGA Penalties provided for in this Settlement Agreement (“Approval Motion”). Plaintiff shall concurrently apply to the Court for the entry of an Order approving the PAGA Penalties provided for in the Settlement and entering judgment in the Action (“Approval Order and Judgment”).

44. If the Court should fail to approve the PAGA Settlement as agreed upon by the Parties, the Parties shall coordinate efforts to address the Court’s questions or concerns and resubmit the Approval Motion or other action as required by the Court. If, after the Parties make a second attempt to obtain approval of the terms of the PAGA Settlement, unless the Parties specifically agree to continue with their coordinated efforts to obtain Court approval, (a) the Court fails to approve this Settlement in the form agreed to by the Parties, or (b) the Court’s approval of this Settlement is reversed, modified, or declared or rendered void, then (i) this PAGA Settlement shall be considered null and void; (ii) neither this Settlement nor any of the related negotiations or proceedings shall be of any force or effect; and (iii) the Parties shall stand in the same position, without prejudice, as if the Settlement and Approval Motion had been neither entered into nor filed with this Court. Invalidity of any material portion of this Settlement, shall invalidate this Settlement, unless the Parties subsequently agree in writing that the remaining provisions shall remain in full force and effect.

VI. ADMINISTERING THE SETTLEMENT

45. The Parties agree, subject to the Court’s approval, that based upon the size of the Settlement Payment and the number of PAGA members, that Defendant with the guidance of

Defense Counsel shall administer the Settlement. The Settlement Administrator shall be responsible for: establishing the Settlement Fund Account; distributing the Gross Settlement Amount; preparing, printing, and mailing the PAGA Member Share checks and accompanying Notice to PAGA Members; printing and providing PAGA Members with IRS Form 1099's to the extent required by law; providing a due diligence declaration for submission to the Court upon completion of administration of the Settlement; and such other tasks as the Parties mutually agree or the Court orders. The Settlement Administrator shall keep the Parties timely apprised of the performance of all settlement administration responsibilities. Any legally mandated tax reports, tax filings, or other tax documents required by the administration of this Settlement shall be prepared by the Settlement Administrator.

46. Within fifteen (15) calendar days after the Effective Date, Defendant will provide its counsel with each PAGA Member's: (1) full name; (2) last known home address; (3) last known telephone number; (4) number of pay periods worked while assigned to Defendant during the Covered Period; and (5) social security number. This information shall be used solely for the administration of the Settlement and for no other purpose, and shall not be shared with any persons or entity not employed by the Settlement Administrator and working on the administration of the Settlement.

47. Defendant shall fund the Settlement within twenty-one (21) calendar days of the Effective Date.

48. Within thirty-five (35) days following the Effective Date, the Settlement Administrator shall pay from the Settlement Fund Account \$3,000.00 in Court-approved litigation costs to PAGA Counsel.

49. Within thirty-five (35) calendar days following the Effective Date, the Settlement Administrator shall issue from the Settlement Fund Account the PAGA Member Shares to be paid to PAGA Members for the twenty-five percent (25%) of the Gross Settlement Amount that remains following deduction of the Court-approved Settlement Administration Costs. Prior to mailing checks to the PAGA Members, the Settlement Administrator will perform a search based on the National

Change of Address Database for information to update and correct for any known or identifiable address changes. A Notice approved by the Parties, in advance of Plaintiff filing the Approval Motion, explaining this Settlement will be included in the mailing of each PAGA Member's check and submitted to the Court for its review and approval. **The Notice is attached hereto as Exhibit 1.** Defendant shall be responsible for paying for the translation of the Notice into Spanish. Any checks returned as non-deliverable on or before the Void Date will be sent promptly via regular First Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip trace, or other search using the name, address, or Social Security number of the PAGA Member involved, and will then perform a single re-mailing. Any checks issued to PAGA Members shall remain valid and negotiable for one hundred twenty (120) calendar days from the date of their issuance and then shall become void on the 121st day after issuance, i.e., the Void Date. Any check re-mailings will not extend the Void Date. The Parties agree that if there are uncashed checks following the Void Date, the Settlement Administrator shall transmit the value of the uncashed checks to the State of California Controller's Office, Unclaimed Property Fund under the name of the employee(s) who did not cash the check(s).

50. Withing thirty-five (35) days following the Effective Date, the Settlement Administrator shall issue from the Settlement Fund Account a check payable to the LWDA for the 75% of the Gross Settlement Amount that remains following deduction of the Court-approved litigation costs to PAGA Counsel.

51. Within five (5) business days of transmitting the value of any uncashed checks to the State of California Controller's Office, Unclaimed Property Fund, the Settlement Administrator will provide the Parties with a written declaration under oath to certify that it has completed administration of the Settlement. PAGA Counsel shall file this declaration with the Court within five (5) business days of receipt

VII. DUTIES OF THE PARTIES REGARDING APPROVAL

52. Promptly upon execution of this Settlement, Plaintiff shall apply to the Court for approval of the proposed Settlement. Plaintiff shall also apply to the Court for the entry of an order and final judgement approving this Settlement, as required by Labor Code section 2699(l).

53. At the same time the proposed Settlement is submitted to the Court, Plaintiff shall submit the proposed Settlement to the LWDA, as required by Labor Code section 2699(l)(1). PAGA Counsel will also file a declaration in support of the Approval Motion confirming that Plaintiff has submitted the Settlement Agreement to the LWDA in compliance with Labor Code section 2699(l)(1).

54. Pursuant to California Labor Code section 2699(l)(3), PAGA Counsel will also provide a copy of the Court-approved Approval Order and Judgment in the Action to the LWDA within ten (10) days after entry of the Approval Order and Judgment.

VIII. PARTIES' AUTHORITY

56. The signatories hereto hereby represent that they are fully authorized to enter into this Settlement and bind the Parties hereto to the terms and conditions hereof.

IX. MUTUAL FULL COOPERATION

57. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement. The Parties to this Settlement shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set forth herein. As soon as practicable after execution of this Settlement, PAGA Counsel shall, with the assistance and cooperation of Defendant and their counsel, take all necessary steps to secure the approval of this Settlement from the Court.

X. MEDIA OR PRESS

58. Plaintiff and Defendant, and their respective counsel, recognize, accept, and agree that the Parties to this Settlement Agreement desire that the terms of this Settlement Agreement, the fact of the PAGA Settlement embodied in this Settlement Agreement, the disposition of the Action, the Action, and all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence obtained during the course of the Action, shall not be discussed with, publicized, or presented to the media or press. The Parties and their counsel shall not issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the Settlement Agreement, including the fact of the Settlement Agreement, its terms or contents and the negotiations underlying the Settlement Agreement, except as shall be contractually required to effectuate the terms of the Settlement Agreement. In response to any inquiries, including those from media outlets, concerning the Settlement, the Parties and their respective counsel agree that they shall simply respond by stating, "the matter has resolved."

XI. NO PRIOR ASSIGNMENTS

59. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, or purported to assign, or transfer to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement, and shall not be construed to confer any right or to avail any remedy to any other person.

XII. NO ADMISSION

60. Nothing contained herein nor is the consummation of this Settlement to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the Released Parties. Each of the Parties hereto has entered into this Settlement with the intention to avoid further disputes and litigation with the attendant

inconvenience and expense. Defendant denies that they have engaged in any unlawful activity, that they have failed to comply with the law, or that they have any liability to anyone under the claims asserted in the Action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or shall be construed as an admission of liability or wrongdoing by Defendant.

XIII. NON-EVIDENTIARY USE

61. Whether or not the Effective Date occurs, neither this Agreement nor any of its terms nor the Settlement itself shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Action, or any other civil, criminal, or administrative action or proceeding except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendant to establish that a PAGA Member has resolved any of his/her claims released through this Agreement.

XIV. ATTORNEYS' FEES, COSTS AND EXPENSES

62. Each party shall bear its/his own attorneys' fees, costs, and expenses, taxable or otherwise, incurred by it/him arising out of the Action, and shall not seek reimbursement thereof from any other party to this Agreement.

XV. CONSTRUCTION

63. The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arms-length negotiations between the Parties and that this Agreement constitutes the entire agreement between Plaintiff (on behalf of himself and all other PAGA Members) and Defendant regarding actual or potential claims asserted by Plaintiff against the Released Parties. Excluding the Individual Settlement Agreement between the Parties, and any Arbitration or Confidentiality Agreement executed by Plaintiff with Defendant, all of which will

remain in full force and effect, this Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding those claims or potential claims and the resolution of those claims. Consequently, no other agreement, statement, or promise made by one Party to another as to any matter addressed in this Agreement shall be binding or valid.

XVI. CAPTIONS AND INTERPRETATIONS

64. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision hereof. Each term of this Settlement is contractual and not merely a recital.

XVII. MODIFICATION

65. This Settlement may not be amended, changed, altered, or modified, except in writing and signed by the Parties (or their successors-in-interest) hereto. This Settlement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

XVIII. MISCELLANEOUS

66. This Settlement contains the entire agreement between the Parties relating to the Settlement of the Covered Claims and Plaintiff's Released Claims, and all prior or contemporaneous agreements (except any Arbitration Agreement and the Individual Settlement Agreement), understandings, representations, and statements, whether oral or written and whether by a party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing. The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Agreement as they deem necessary, and have not relied, and do not rely, on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement, or with respect to any such matters that would alter or change the terms of this Agreement. No representations,

warranties, or inducements have been made to any party concerning this Agreement other than those expressly set forth or referred to herein.

67. This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

68. 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, and reviewed in full.

69. Amounts paid to PAGA Members pursuant to this Settlement Agreement do not count as earnings or compensation for purposes of any benefits (e.g., 401(f) plans or retirement plans) sponsored by Defendant.

70. This Settlement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement, which shall be binding upon and effective as to all Parties. The counterparts may be transmitted electronically (PDF) or by facsimile.

71. This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, irrespective of the State of California's choice of law principles.

72. The Parties have cooperated in the negotiation and preparation of this Agreement. This Agreement shall not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Agreement.

73. Plaintiff agrees and covenants that he shall not at any time make, publish, or communicate to any person or entity or in any public forum any defamatory, maliciously false, or disparaging remarks, comments, or statements concerning Defendant and/or the Released Parties or Defendant's existing and prospective customers, suppliers, investors, and other associated third parties, now or in the future. Nothing in this Agreement prevents Plaintiff from discussing or

disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Plaintiff has reason to believe is unlawful.

74. The Court shall retain jurisdiction to enforce this Agreement pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Action and over all Parties and PAGA Members, to the fullest extent to enforce and effectuate the terms and intent of this Agreement.

75. This Agreement shall not be subject to collateral attack by any PAGA Member. Such prohibited collateral attack shall include, but not be limited to, claims that the PAGA Member failed, for any reason, to timely receive his or her Individual Settlement Payment.

THE PARTIES HAVE READ THE FOREGOING AGREEMENT. THEY HAVE CONSULTED WITH LEGAL COUNSEL REGARDING THE FOREGOING AGREEMENT AND KNOW THE CONTENTS THEREOF AND SIGN THE SAME AS THEIR FREE, KNOWING, AND VOLUNTARY ACT AND DEED, BEING FULLY AWARE OF ITS CONSEQUENCES AND ITS FINAL AND BINDING EFFECT.

[SIGNATURES ON FOLLOWING PAGES]

DATED: 04/27/23

PLAINTIFF

Manuel Vera
Manuel Vera-Mendez

DATED: 5/9/2023

AIROSO DAIRY FARMS,
a California General Partnership

DocuSigned by:
By: Joseph Airoso
SEC210F09F1C4C1...
Joseph Airoso
General Partner

DATED: 04-27-23

LAW OFFICES OF FARRAH MIRABEL

By: Farrah Mirabel
Farrah Mirabel
Attorneys for Plaintiff
MANUEL VERA-MENDEZ

DATED: 5/9/23

KAHN, SOARES & CONWAY, LLP

By: Rissa A. Stuart / Hunter W. Swearingen
Rissa A. Stuart / Hunter W. Swearingen
Attorneys for Defendant, AIROSO
DAIRY FARMS, a California General
Partnership

EXHIBIT 1

<<FIRST_NAME>> <<LAST_NAME>>
<<ADDRESS 1>>
<<ADDRESS 2>>

The parties to the lawsuit titled *Manuel Vera-Mendez v. Airoso Dairy Farms, a California company, form unknown, and DOES 1 through 50*, filed in the Superior Court of the State of California for the County of Kings, Case No. 21C-0206 (the "Action"), have reached a settlement that affects you. Plaintiff Manuel Vera-Mendez ("Plaintiff"), as proxy of the State of California and on behalf of all current and former employees of Defendant Airoso Dairy Farms, a California General Partnership ("Defendant") during the period from December 7, 2020 through _____, 202__ ("PAGA Members"), filed suit against Defendant for alleged Labor Code violations. Generally, Plaintiff sought civil penalties under the California Private Attorneys General Act ("PAGA"), claiming that Defendant failed to pay minimum or overtime wages for all hours worked, failed to provide meal periods, failed to authorize and permit rest periods, failed to issue accurate itemized wage statements or keep accurate records, failed to pay all wages due at the time of termination, denied equal pay for substantially similar work, and failed to provide rest days.

Defendant denies each of Plaintiff's claims. However, to avoid the time and expense associated with further litigation, Plaintiff and Defendant agreed to settle the case.

Pursuant to the release approved by the Court, Plaintiff, as proxy for the State of California and on behalf of all PAGA Members, released the Released Parties from any and all claims, demands, rights, liabilities, and/or causes of action for civil penalties pursuant to PAGA arising between December 7, 2020 through _____, 202__, for the following Labor Code violations alleged in Plaintiff's December 7, 2020 Notice to the Labor and Workforce Development Agency and/or in the Action; (1) Unpaid Missed Rest Breaks (Cal. Labor Code §§ 218 and 226.7 and IWC Wage Order No.13 and 14-2001); (2) Failure to Pay Minimum Wage and Pay for All Wages Earned (Cal. Labor Code §§ 204, 1194, 1194.2 and 1197 and IWC Wage Order No.13 and 14-2001); (3) Failure to Maintain Accurate Payroll Records and Produce (Cal. Labor Code §§ 226, 1174, and 1198.5 and IWC Wage Order No.13 and 14-2001); (4) Failure to Pay Wages Upon Separation (Cal. Labor Code §§ 201-203); (5) Unlawful Discrimination Based on Cal. Govt. Code § 12940; (6) Wrongful Termination in Violation of Public Policy; (7) Wrongful Termination-Retaliatory Termination (Cal. Govt. Code § 12940(h)); (8) Wrongful Termination-Failure to Accommodate (Cal. Govt. Code § 12940(h)); (9) Wrongful Termination-Failure to Engage in the Interactive Process (Cal. Govt. Code § 12940(n)); and (10) Civil Penalties Pursuant to Labor Code § 2699, or any other PAGA claims which could have been brought. This release only applies to claims for civil penalties under PAGA, and not any other claim or right that you may have.

The Released Parties are Defendant and all their respective past and present affiliated entities, parents, subsidiaries, partners, owners, officers, shareholders, executives, managers, directors, employees, agents, and attorneys.

According to Defendant's records, you are a PAGA Member and are therefore entitled to a share of the settlement. Enclosed is a check representing your share of the settlement. The check shall remain valid for one hundred twenty (120) days. One hundred percent (100%) of your share of the settlement shall be deemed penalties and reported as miscellaneous income for which an IRS

Form 1099 will be issued, if required by law. You shall be solely and legally responsible for paying any and all applicable taxes on your share of the settlement.

If you have any questions, please contact:

Kelci Aguiar
P.O. Box 1087
Tipton, CA 93272
(559) 967-5258