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SUPERIOR COURT OF THE STATE OF CALIFORNIA

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COUNTY OF LOS ANGELES

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VICTOR GARZA, on behalf of himself and
20 all others similarly situated, and on behalf of
the general public,

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Plaintiff,

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vs.

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RENKOW MECHANICAL, INC., a
24 California Corporation, and DOES 1 through
10, inclusive,

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Defendants.

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CASE NO. 21STCV08735

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

Complaint Filed: March 4, 2021

1 IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff VICTOR
2 GARZA ("Plaintiff" or "Class Representative"), on behalf of himself and all other similarly
3 situated, and on behalf of the general public, and Defendant RENKOW MECHANICAL, INC.
4 ("Defendant" or "Renkow") (collectively, the "Parties").

5 **I. The Conditional Nature of This Stipulation.**

6 This Joint Stipulation of Class Action Settlement and Release, including all associated
7 exhibits or attachments ("Stipulation"), is made for the sole purpose of resolving the matter
8 entitled *Garza, et al. v. Renkow Mechanical, Inc., et al.*, Los Angeles County Superior Court Case
9 No. 21STCV08735 (the "Litigation") on a class-wide basis. This Stipulation and the settlement it
10 evidences is made in compromise of disputed claims. Because the Litigation was filed as a class
11 action, this settlement must receive preliminary and final approval from the Court. Accordingly,
12 Defendant and the Class Representative enter this Stipulation and associated settlement on a
13 conditional basis. In the event the Court does not execute and file the Order Granting Final
14 Approval of the Settlement, or in the event that the Court does not enter the Judgment (as defined
15 below), or in the event that the associated Judgment does not become Final (as defined below) for
16 any reason, this Stipulation shall be deemed null and void. It shall be of no force or effect
17 whatsoever and shall not be referred to or used for any purpose whatsoever, and the negotiation,
18 terms and entry of it shall remain subject to the provisions of California *Evidence Code* §§ 1119
19 and 1152.

20 Defendant denies all of the claims and class allegations as to liability, damages, and
21 restitution asserted in the Litigation. Defendant has agreed to resolve this Litigation by this
22 Stipulation, but to the extent this Stipulation is deemed void or does not take effect, Defendant
23 does not waive, but rather expressly reserves all rights to challenge all such claims and allegations
24 in the Litigation upon all procedural and factual grounds, including without limitation, the ability
25 to challenge class treatment on any grounds or to assert any and all objections, defenses, or
26 privileges. The Class Representative and his counsel agree that Defendant retains and reserves
27 these rights. In particular, the Class Representative and his counsel waive and agree not to argue
28 or to present any argument that Defendant would be estopped from contesting class certification

1 because it has entered into this Stipulation. In addition, Class Representative and Defendant
2 recognize and agree that under California law, which is applicable here, courts impose a lesser
3 burden for certification for settlement classes than they do for contested classes.

4 In the event that this stipulation is not approved by the Court, fails to become effective, or
5 is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant
6 from obtaining a complete resolution of the claims as described herein, the conditional class
7 certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall
8 not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with
9 respect to any issue, substantive or procedural.

10 Nothing in this Stipulation will have any effect on Plaintiff's individual case, *Victor Garza*
11 *v. Renkow Mechanical, Inc., et al.*, Case No. 21STCV08297 or on Plaintiff's workers'
12 compensation claims.

13 **II. The Parties to this Stipulation**

14 This Stipulation, with the associated exhibits, is made and entered into by and among the
15 following parties (collectively, the "Settling Parties"): (i) the Class Representative Victor Garza
16 (on behalf of himself and each of the members of the class), with the assistance and approval of
17 their counsel (the "Class Counsel"); and (ii) Defendant Renkow Mechanical, Inc. ("Defendant"),
18 with the assistance of its counsel of record. The Stipulation is intended by the Settling Parties to
19 result in a Judgment and to fully, finally, and forever resolve, discharge, and settle the released
20 claims upon and subject to the terms and conditions hereof.

21 **III. Procedural Posture**

22 Plaintiff Victor Garza ("Plaintiff") filed a wage and hour class action lawsuit in Los
23 Angeles County Superior Court against Defendant on March 4, 2021 pursuing claims for: 1)
24 Failure to Provide Meal Periods in Violation of Labor Code sections 226.7, 512, and 558; 2)
25 Failure to Provide Rest Periods in Violation of Labor Code sections 226.7, 512, and 558; 3)
26 Failure to Pay all Wages in Violation of Labor Code sections 510, 1194, and 1194.2; 4) Knowing
27 and Intentional Failure to Comply With Itemized Employee Wage Statement Provisions in
28 Violation of Labor Code sections 226(a), (e); 5) Failure to Timely Pay Wages Due at Termination

1 in Violation of Labor Code sections 201-203; 6) Failure to Timely Pay Employees in Violation of
2 Labor Code section 204(a)(b); and 7) Violation of Business and Profession Code section 17200.
3 On May 17, 2021, Plaintiff filed a First Amended Complaint adding a cause of action for Penalties
4 Pursuant to Labor Code Section 2699(f) for Violations of Labor Code Sections 226.7, 512, 558,
5 510, 1194, 1194.2, 226(a),(e), 201-203 and 204(a)(b). Roman Otkupman and the Otkupman Law
6 Firm, ALC represents Plaintiff. Defendant answered in due course.

7 On November 18, 2021, Defendant and Plaintiff engaged in private mediation with
8 mutually selected mediator, Lisa Klerman. At mediation, Plaintiff and Defendant engaged in an
9 intensive discussion regarding their evaluation of the matter, the relevant legal arguments, as well
10 as the potential damages. Following mediation and with the assistance of the mediator, Plaintiff
11 and Defendant reached a settlement, which is outlined in this comprehensive, long-form settlement
12 agreement.

13 **IV. Defendant's Denial of Wrongdoing or Liability**

14 Defendant denies all of the claims and contentions that the Class Representative alleges in
15 the Litigation and has asserted numerous defenses to liability, class certification, and damages.
16 Defendant does not, by this Settlement Agreement or otherwise, admit any liability or wrongdoing
17 of any kind. Nonetheless, Defendant has taken into account the uncertainty and risks inherent in
18 any litigation, particularly on a class-wide basis, and has concluded that to continue the Litigation
19 would be protracted and expensive. In light of the above, Defendant has determined that it is
20 desirable and beneficial to it that the Litigation be fully and finally settled in the manner and upon
21 the terms and conditions set forth in this Stipulation.

22 **V. Claims of the Class Representative and Benefits of Settlement**

23 The Class Representative believes that the claims asserted in the Litigation have merit and
24 that evidence developed to date supports the claims. The Class Representative and Class Counsel
25 recognize and acknowledge, however, the expense and length of the type of continued proceedings
26 necessary to prosecute the Litigation against Defendant through class certification, trial, and
27 appeals. The Class Representative and Class Counsel have also taken into account the uncertain
28 outcome and the risks of any litigation, especially in putative class actions such as this Litigation,

1 as well as the difficulties and delays inherent in such litigation. The Class Representative and
2 Class Counsel are also mindful of the inherent problems of proof in establishing and overcoming
3 potential defenses to the claims asserted in the Litigation. In light of these considerations, the
4 Class Representative and Class Counsel believe that the settlement set forth in the Stipulation
5 confers substantial benefits and is in the best interests of the Class Representative and the Class.

6 **VI. Terms of the Stipulation and Agreement of Settlement**

7 NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and between the
8 Class Representative, for himself and on behalf of all others similarly situated to him and as
9 defined below, on the one hand, and Defendant, on the other hand, with the assistance of its
10 respective counsel of record, that, as among the Settling Parties, including all members of the
11 Settlement Class, the Litigation and the Released Claims shall be finally and fully compromised,
12 settled, and released, subject to the terms and conditions of the Stipulation and the Judgment.

13 **A. Definitions**

14 As used in all parts of this Stipulation, including the exhibits which are incorporated as
15 part of the Stipulation, the following terms have the meanings specified below:

16 1.1 "Class" or "Class Member" or "Class Members" means, solely for the
17 purpose of this settlement agreement, any and all current and former non-exempt employees who
18 worked for Defendant in California at any time during the Class Period and were not covered by a
19 collective-bargaining agreement that contains a mandatory grievance and arbitration provision.

20 1.2 "Class Counsel" and "Plaintiffs' Counsel" means Roman Otkupman of the
21 Otkupman Law Firm, ALC.

22 1.3 "Class Data" means information regarding Class Members that Defendant
23 will compile from its records and provide to the Settlement Administrator. It shall be formatted as
24 a Microsoft Excel spreadsheet and shall include the following information for each Class Member:
25 (1) employee identification number; (2) full name; (3) last known address; (4) last known home
26 telephone number; (5) Social Security number; (6) start and end dates of active employment as a
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1 non-exempt employee employed by Defendant in the State of California; and (7) Compensable
2 Workweeks, as defined herein.

3 1.4 “Class Member Payout Fund” means the gross amount Defendant will pay
4 (subject to Court Approval and the occurrence of the Effective Date) to all Participating Class
5 Members and is calculated by subtracting all of the following from the Gross Settlement Amount:
6 (1) up to 1/3 (33.33%) to Class Counsel for attorneys’ fees; (2) up to \$20,000.00 to Class Counsel
7 for reimbursement of litigation costs; (3) Class Representative service award of \$7,500.00 to
8 Plaintiff; and (4) \$30,000 for PAGA penalties to the LWDA; (5) \$10,000 for PAGA penalties to
9 the PAGA Group; and (6) up to \$15,000.00 to the Settlement Administrator for administration of
10 this Settlement.
11

12 1.5 “Class Period” means the time period of March 4, 2017 through the date the
13 court preliminary approves the settlement.
14

15 1.6 “Class Representative” or “Plaintiff” means Plaintiff Victor Garza, the
16 individual designated to serve as the official representative of the Class.

17 1.7 “Compensable Workweeks” means the total number of workweeks (full or
18 partial) during which Class Members worked for Defendant as an active, non-exempt employee
19 employed by Defendant in the State of California during the Class Period, based on Defendant’s
20 records. Any Class Member whose employment was terminated voluntarily or involuntarily at
21 any time during the Class Period shall be credited with one (1) additional week of employment as
22 consideration for the release of the alleged California Labor Code section 203 waiting time
23 penalties.
24

25 1.8 “Court” means the Superior Court of the State of California for the county
26 of Los Angeles.

27 1.9 “Defendant” means Renkow Mechanical, Inc.
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1 1.10 “Effective Date” means the date on which the Court grants Final Approval
2 of the Settlement.

3 1.11 “Final Approval” means the Final Approval Order and Judgment have been
4 entered by the Court.

5 1.12 “Final Approval Hearing” means a hearing held before the Court to
6 consider Final Approval of the Settlement, whether and in what amount attorneys’ fees and costs
7 should be awarded to Class Counsel, and whether and in what amount the service payment award
8 shall be paid to Plaintiff Garza, and the merits and objections, if any, to the Settlement set forth
9 therein or any of its terms. This hearing is intended to be the Final Approval Hearing required
10 under California Rule of Court 3.769(a).

11 1.13 “Gross Settlement Amount” means the total settlement amount of three
12 hundred eighty thousand dollars (\$380,000.00) to be paid by Defendant, subject to the occurrence
13 of the Effective Date of settlement, and includes the following: Class Counsel’s attorneys’ fees in
14 the sum of up to \$125,400.00, Class Counsel’s litigation costs of up to \$20,000.00, the Class
15 Representative service award of \$7,500.00 to Class Representative – Victor Garza, the settlement
16 administration costs in the sum of \$15,000.00, the Payment for PAGA Penalties, and the
17 Individual Settlement Amount payments to Participating Class Members. Defendant’s share of
18 payroll taxes shall be paid separate, apart and outside of the Gross Settlement Amount.

19 1.14 “Individual Settlement Amount” means the total gross amount due to an
20 individual Participating Class Member, inclusive of pre-judgment and post-judgment interest and
21 penalties, and is calculated by dividing the Class Member Payout Fund by the number of
22 workweeks worked during the Class Period by Participating Class Members. However, the
23 workweeks of any opt out class member shall not be included in calculating Individual Settlement
24 amounts.

1.15 "Last Known Address" means the most recently recorded mailing address for a Class Member as such information is contained in employment, payroll, or personnel records maintained by Defendant.

1.16 "Litigation" means the lawsuit pending in the Court presently styled *Garza, et al. v. Renkow Mechanical Inc., et al.*, Los Angeles County Superior Court Case No. 21STCV08735, filed March 4, 2021.

1.17 "Notice Mailing Deadline" means the deadline for the Settlement Administrator to mail the Class Notices, which shall be no later than thirty (30) calendar days after the Preliminary Approval Date.

1.18 "Objection Deadline" means the deadline for a Class Member to object to the settlement, the date for which shall be indicated on the Class Notice mailed by the Settlement Administrator and postmarked no later than sixty (60) calendar days after the Notice Mailing Deadline.

1.19 "Opt-Out" "Opt-Outs" or "Request for Exclusion" means a Class Member wishes to be excluded from the Settlement Class in the manner specified in the Class Notice. A timely Opt-Out must be received no later than the Opt-Out Deadline.

1.20 "Opt-Out Deadline" means the deadline for a Class Member to Opt-Out of the settlement, the date of which shall be indicated of the Class Notice mailed by the Settlement Administrator and postmarked no later than sixty (60) calendar days after the Notice Mailing Deadline.

1.21 "Order of Final Approval and Entry of Judgment" or "Order Granting Final Approval of Settlement and Entry of Judgment" or "Judgment" means the order and judgment to be entered by the Court titled "Order Granting Final Approval of Settlement and Entering Judgment." The Judgment shall constitute approval pursuant to California Rule of Court 3.769(a)

1 and 3.771(a).

2 1.22 "PAGA" means the California Labor Code Private Attorneys General Act
3 of 2004.

4 1.23 "PAGA Period" means the time period of February 8, 2020 through the date
5 the court preliminary approves the settlement.

6 1.24 "PAGA Class" means all Class Members who worked for Defendant in
7 California during the PAGA Period.

8 1.25 "Participating Class Member" means any and all current or former hourly-
9 paid or non-exempt employees who worked for Defendant in California during the Class Period
10 who did not timely and properly Opt-Out of the settlement pursuant to Paragraph 3.3.3 and thus
11 become bound by the Judgment.
12

13 1.26 "Person" means a natural person.

14 1.27 "Preliminary Approval Date" means the date on which the Court grants
15 preliminary approval of the settlement.

16 1.28 "Preliminary Approval Order" or "Order Granting Preliminary Approval of
17 Class Action Settlement" means an order to be filed and signed by the Court following the hearing
18 on the Motion for Order Granting Preliminary Approval of Class Action Settlement. This
19 Preliminary Approval Order shall constitute an order certifying provisional classes for settlement
20 purposes only pursuant to California Rule of Court 3.769(d), approving the Class Notice, directing
21 the mailing of the Notice Packet, and setting a final approval/fairness hearing pursuant to
22 California Rule of Court 3.769(e).
23

24 1.29 "Released Class Claims" shall collectively mean as follows: all claims,
25 causes of action, and legal theories alleged or which could have been alleged or otherwise raised
26 based on the facts in the operative Complaint, including violations of Labor Code sections 201-
27 203, 204(a)(b), 226(a),(e), 226.7, 510, 512, 558, 1194, 1194.2, and violation of Business and
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1 Professions Code section 17200 *et seq.*, and all claims for interest on unpaid wages during the
2 Class Period. This Stipulation of Settlement will release all such claims of Class Members who do
3 not timely Opt-Out of the Settlement within the scope of the Litigation during the Class Period. In
4 consideration for the service awards and as an inducement for Defendant to enter into this
5 Stipulation, Class Representative's Released Claims (and only the Class Representative)
6 additionally include any and all claims including Unknown Claims against Defendant that accrued
7 during the Class Period, but does not include claims for: age discrimination under the Age
8 Discrimination In Employment Act, unemployment insurance, workers' compensation benefits,
9 state disability compensation, previously vested benefits under any Employer-sponsored benefits
10 plan, claims under the Employment Retirement Income Security Act of 1974, nor any other claims
11 which cannot be released as a matter of law. Defendant will not oppose an enhancement fee
12 award to Plaintiff in the amount of \$7,500.00. The Released Claims as to Participating Class
13 Members do not extend to any claims which have not been alleged in the operative Complaint and
14 specifically exclude any claims which cannot be released as a matter of law, claims for workers'
15 compensation, personal injuries, unemployment insurance, state disability compensation, claims
16 under the Employment Retirement Income Security Act of 1974, previously vested benefits under
17 any Employer-sponsored benefits plan, wrongful termination, discrimination, retaliation, and
18 harassment including but not limited to those arising under the Age Discrimination In
19 Employment Act, the California Fair Employment and Housing Act, Title VII of the Federal Civil
20 Rights Act of 1964, and/or Federal Civil Rights Act of 1991, or any similar state or federal laws,
21 the California Family Rights Act, the Federal Family Medical Leave Act, the California
22 Pregnancy Leave Law, or similar state or federal laws, the Federal Equal Pay Act of 1963,
23 violations of the Americans with Disabilities Act of 1990 or violations of any other state or federal
24 law, rule or regulation concerning discrimination, retaliation and/or harassment.
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1.30 “Released PAGA Claims” shall collectively mean as follows: all claims, causes of action, and legal theories alleged or which could have been alleged or otherwise raised based on the facts in the operative Complaint for violations of Labor Code section 2698 *et seq.*, including the claim for penalties for alleged violations of Labor Code sections 201-203, 204(a)(b), 226(a),(e), 226.7, 510, 512, 558, 1194, and 1194.2

1.31 “Settlement Administrator” means the third-party claims administration firm, ILYM Group, Inc. (“ILYM”).

1.32 “Settling Parties” means Defendant, Renkow Mechanical, Inc., and Plaintiff, Victor Garza, on behalf of himself and as Class Representative of all Participating Class Members.

1.33 “Released Parties” means Defendant and its respective parent companies, subsidiaries, affiliates, current and former management companies, shareholders, members, agents (including without limitation, any investment bankers, accountants, insurers, reinsurers, attorneys, and any past, present, or future officers, directors, principles, heirs, representatives, and employees), predecessors, successors, and assigns.

1.34 “Stipulation” means this agreement, the Stipulation and Agreement to Settle Class Action and all of its attachments and exhibits, which the Settling Parties understand and agree sets forth all material terms and conditions of the Settlement between them, and which is subject to Court approval.

1.35 “Total Workweeks” means the total number of workweeks employed by Participating Class Members during the Class Period.

B. The Settlement

2.1 *Settlement Amount, Timing of Payments, Tax Reporting Obligations, and Other Obligations of Defendant and the Settlement Administrator.*

2.1.1 The total Gross Settlement Amount shall be Three Hundred Eighty

1 Thousand Dollars and Zero Cents (\$380,000.00). Unless as otherwise provided in this Settlement,
2 this is the maximum amount that Defendant will be obligated to pay under this Stipulation, and
3 under no circumstances shall Defendant be obligated to pay any more than the Gross Settlement
4 Amount. Except, Defendant's share of payroll taxes shall be paid separate, apart and outside of
5 the Gross Settlement Amount.

6 2.1.2 Defendant shall fund the total Gross Settlement Amount to the Settlement
7 Administrator no later than (20) calendar days following the Effective Date.

8 2.1.3 The Settlement Administrator shall administer the settlement by
9 establishing a toll-free telephone number and mailing address for receipt of Class Member
10 communications, formatting and printing the Class Notice Packets; distributing the Class Notice
11 Packets, performing skip traces on undeliverable Notice Packets, adjudicating Class Members'
12 disputes over dates during the Class Period, providing Class Counsel and counsel for Defendant
13 with updates on the status of Opt-Outs (including Class Member names and percentage of weeks
14 they represent), calculating claims, and handling inquiries about the calculation of the Individual
15 Settlement Amounts. The actions of the Settlement Administrator shall be governed by the terms
16 of this Stipulation. The Settling Parties, through their counsel, may provide written information
17 needed by the Settlement Administrator pursuant to the Stipulation.

18 2.1.4 Defendant, through the Settlement Administrator, shall pay no later than
19 twenty (20) calendar days after the receipt of the Gross Settlement Amount funds by the
20 Settlement Administrator, the Court-approved: (1) attorneys' fees and litigation costs to Class
21 Counsel as described in subsection (a) below; (2) the Class Representative's service award as set
22 forth in subsection (b) below; and (3) the fees to the Settlement Administrator as set forth in
23 subsection (c) below.

24 (a) Attorneys' Fees and Litigation Costs: Class Counsel shall submit
25 their application for an award of attorneys' fees and costs to the Court
26 concurrently with the Motion for Order Granting Final Approval and
27 Entering Judgment. Class Counsel shall seek attorneys' fees in the amount
28 of 33.3% or \$125,400.00 and reimbursement of litigation costs up to

1 \$20,000.00. Defendant agrees not to oppose Class Counsel's request for
2 attorneys' fees and costs in the above-referenced amounts. The Settlement
3 Administrator will report the attorneys' fees and costs award on a Form
4 1099, which it will provide to Class Counsel and to the pertinent taxing
5 authorities.

6 (b) Class Representative Service Award: Subject to Court approval,
7 the Class Representative's Service Award shall be Seven Thousand Five
8 Hundred Dollars (\$7,500) to Plaintiff Victor Garza. This is in addition to
9 Class Representative's settlement share. Defendant agrees not to oppose
10 the amount of the Class Representative's Service Award. Since it is the
11 intent of the Settling Parties that the Service Award to the Class
12 Representative is for his service to the Class Members, and not wages, the
13 Settlement Administrator will not withhold any taxes from the Service
14 Award. The Settlement Administrator will report the Service Awards on a
15 Form 1099, which the Settlement Administrator will provide to Class
16 Representative and the pertinent taxing authorities. The Class
17 Representative's Service Award is justified by the Class Representative's
18 active participation in the lawsuit. Mr. Garza provided and discussed
19 documents with his attorneys, discussed the settlement with his attorneys,
20 and understood at all times that he owed a fiduciary responsibility to the
21 absent class members. He also understood he was undertaking the
22 responsibility to take any and all actions necessary to provide justice to the
23 class members. Mr. Garza spent approximately 20 hours on this case to
24 date. Mr. Garza understands that he must continue to stay available and
25 provide information to prosecute this case. He also understands that should
26 the case not settle, he is undertaking the responsibility to appear in court,
27 miss work, and spend a significant amount of additional time away from
28 home to prepare his attorneys to successfully try this case. Based on this,

1 the Service Award requested is reasonable and has been routinely awarded
2 by Courts.

3 (c) Claims Administration Costs. Subject to Court approval, the
4 Settlement Administrator, ILYM, shall be paid an amount not to exceed
5 \$15,000.00 for its fees and costs relating to the administration of this
6 settlement, including but not limited to all the duties set forth above, all tax
7 document preparation, custodial fees and accounting fees, all costs and fees
8 associated with computing, reviewing, and paying distributions from the
9 Gross Settlement Amount, all costs and fees associated with preparing any
10 tax returns and any other filings required by any governmental taxing
11 authority or agency, all costs and fees associated with preparing any other
12 notices, reports, or filings to be prepared in the course of administering
13 disbursements from the Gross Settlement Amount, and any other costs and
14 fees incurred and/or charged by the Settlement Administrator in connection
15 with the execution of its duties under this Stipulation. Attached hereto as
16 Exhibit "A" is a true and correct copy of a Declaration from ILYM,
17 providing ILYM's qualifications and experience.

18 (d) PAGA Payment. The Parties agree that \$40,000.00 shall be
19 allocated to the payment of PAGA penalties. 75% of which, amounting to
20 \$30,000.00, shall be paid to the LWDA, and 25% of which, amounting to
21 \$10,000.00, shall be paid and distributed by the Settlement Administrator to
22 the PAGA Employees. PAGA Employees shall be paid no later than twenty
23 (20) calendar days after the payment of funds to the Settlement
24 Administrator. Each PAGA Employee shall receive a *pro rata* share
25 calculated by dividing the PAGA Employee's number of workweeks
26 worked during the PAGA Period by the total number of workweeks worked
27 by all PAGA Employees and multiplying that ratio by \$10,000.00. All
28 settlement payments to PAGA employees shall represent penalties and shall

1 be paid in full without deductions or withholdings, and the Settlement
2 Administrator shall issue a Form 1099 to each PAGA Employee for that
3 amount (which may be combined with any other settlement amount that is
4 to be reported on an IRS Form 1099).

5 2.1.5 No later than twenty (20) calendar days after the payment of funds to the
6 Settlement Administrator, Defendant, through the Settlement Administrator, and according to the
7 terms, conditions and procedures set forth in this Stipulation, shall pay to each Participating Class
8 Member their Individual Settlement Amount. Payments to Participating Class Members will be
9 inclusive of interest, wages, and penalties and will be allocated as follows: 33.33% to satisfaction
10 of claims for interest, 33.33% to satisfaction of claims for penalties, and 33.33% to the satisfaction
11 of claims for unpaid wages. All settlement payment for wages shall be subject to required
12 withholdings and deductions for W-2 wage payments. With regard to payments in settlement of
13 claims for penalties and interest, these payments shall be issued through a Form 1099 and not
14 subject to withholdings or deductions.

15 2.1.6 The Settlement Administrator shall compute the Individual Settlement
16 Amount for the Participating Class Members as follows:

17 (a) First, the Settlement Administrator shall subtract the following
18 amounts from the Gross Settlement Amount: (1) the Class Counsel Fees
19 Payment and Class Counsel Litigation Expenses Payment; (2) the Class
20 Representative's Service Award; (3) the Settlement Administrator's Fees;
21 and (4) PAGA Payment; and

22 (b) Second, the Settlement Administrator shall calculate the Workweek
23 Value by dividing the amount calculated in (a), above, by the Total
24 Workweeks worked by the Participating Class Members.

25 (c) Third, the Settlement Administrator shall calculate each
26 Participating Class Member's Individual Settlement Amount by multiplying
27 that Participating Class Member's Workweeks worked during the Class
28 Period by the Workweek Value.

1 (d) The Settling Parties agree that the above-described formula and
2 distribution methods are reasonable and fair in light of the Settling Parties'
3 investigation of the claims of the Class, and the relative degree of
4 uncertainty, risk of outcome of further litigation, and difficulties and delays
5 inherent in such litigation of these claims.

6 2.1.7 The Settlement Administrator shall be responsible for calculating, reporting
7 and paying the employers' payroll taxes which Defendant shall fund separate and apart from the
8 Gross Settlement Amount. Defendant, through the Settlement Administrator, will report each
9 payment made from the Gross Settlement Amount to government authorities including the Internal
10 Revenue Service as required by law, and it shall make all required deductions and/or
11 withholdings. Defendant, through the Settlement Administrator, will also retain the amount due
12 for payroll taxes and will pay those amounts to the pertinent government authorities in the manner
13 and the time prescribed by law. Defendant, through the Settlement Administrator, shall report the
14 wage payments to the Internal Revenue Service (and other relevant government agencies) as wage
15 income in the year of payment on a Form W-2 or similar form issued to the Participating Class
16 Members in question. Defendant, through the Settlement Administrator, shall report payments for
17 penalties and interest to the Internal Revenue Service (and other relevant governmental agencies)
18 as non-wage income in the year of payment on a Form 1099, or similar form issued to the
19 Participating Class Members in question.

20 2.1.8 The Settling Parties agree that nothing contained herein is intended to
21 constitute legal advice regarding the taxability of any amount paid hereunder, nor shall it be relied
22 upon as such. The tax issues for each Participating Class Member are unique, and each
23 Participating Class Member is advised to obtain tax advice from his or her own tax advisor with
24 respect to any payments resulting from this settlement. The Parties make no representations as to
25 the tax treatment or legal effect of the payments called for hereunder, and Class Members are not
26 relying on any statement or representation by the Parties, Class Counsel and Defense Counsel in
27 this regard. Class Members understand and agree that they will be responsible for the payment of
28 any employee taxes and penalties assessed on the Individual Settlement Payments described herein

1 and will hold the Parties, Class Counsel and Defense Counsel free and harmless from and against
2 any claims, liabilities, costs and expenses, including attorney's fees, resulting in any way from
3 personal tax treatment of the payments made pursuant to this Agreement.

4 Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section, the
5 "acknowledging party" and each Party to this Agreement other than the acknowledging party, an
6 "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written
7 communication or disclosure between or among the Parties or their attorneys and other advisers, is
8 or was intended to be, nor shall any such communication or disclosure constitute or be construed
9 or be relied upon as, tax advice within the meaning of United States Treasury Department circular
10 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon
11 his, her or its own, independent legal and tax counsel for advice (including tax advice) in
12 connection with this Agreement, (b) has not entered into this Agreement based upon the
13 recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not
14 entitled to rely upon any communication or disclosure by any attorney or advisor to any other
15 party to avoid any tax penalty that may be imposed on the acknowledging party, and (3) no
16 attorney or advisor to any other Party has imposed any limitation that protects the confidentiality
17 of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally
18 binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any
19 transaction, including any transaction contemplated by this Agreement.

20 2.1.9 This is a non-reversionary settlement. Individual Settlement Amount payment
21 checks will be valid for a period of one hundred eighty (180) days following issuance by the
22 Settlement Administrator, after which they will become void. Should there remain uncashed
23 checks thirty (30) days following issuance, the Settlement Administrator will mail a postcard to
24 each holder of an uncashed to remind them to cash the funds before the void date. Following the
25 void date, the Settlement Administrator will cause the aggregate sum represented by those
26 uncashed checks, pursuant to California Code of Civil Procedure section 384, to be transmitted to
27 Bet Tzedek. This distribution is appropriate and in compliance with because California Code of
28 Civil Procedure section 384 because Bet Tzedek is a non-profit organization that provides free,

expert legal advice and representation to low-income residents of Los Angeles County. Each year, Bet Tzedek's attorneys, advocates, and staff work with more than one thousand pro bono attorneys and other volunteers to assist more than 90,000 people regardless of race, religion, ethnicity, immigrant status, or gender identity. No counsel or party to the Agreement has any interest or involvement in the governance or work of the cy pres recipient, Bet Tzedek.

2.1.10 *Escalator Clause*. Defendant represents that during the Class Period, there will be approximately 5,000 workweeks worked by approximately 75 Class members. If, as of the end of the Class Period at the time of preliminary approval, the number of workweeks has increased by more than 10% (i.e., if there are more than 5,500 workweeks), then Defendant shall increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in workweeks above 10%, meaning that Defendant will increase the Gross Settlement Amount by the percentage above 1%, (e.g., if the actual number of workweeks increases by 11% to 5,550 workweeks, the Gross Settlement Amount will increase by 1%).

2.1.11 *Settlement Payments to Participating Class Members and PAGA Class*. It is estimated that there will be approximately 5,000 workweeks worked by approximately 75 Class members by the date of Preliminary Approval. Therefore, an estimated average Participating Class Member Settlement Payment will be approximately \$2,294.67. Additionally, the members of the PAGA Class will be entitled to a PAGA Payment.

C. Procedure for Approval and Implementation of Settlement

3.1 *Preliminary Approval*

3.1.1 The Class Representative, through his counsel of record, shall file this Stipulation with the Court in conjunction with the Motion for Order Granting Preliminary Approval of the Class Action Settlement. The Preliminary Approval motion will (1) seek preliminary approval of this Stipulation pursuant to California Rule of Court 3.769(c); (2) conditional certification of the Class for settlement purposes only; (3) seek approval of the Class Notice; and (4) request the scheduling of the Final Approval Hearing, pursuant to California Rule of Court 3.769(e).

3.1.2 Failure of the Court to enter the Preliminary Approval Order in its entirety

1 or in a substantially similar form (as indicated in Paragraph 3.1.1.) will be grounds for Defendant
2 to terminate the settlement and the terms of this Stipulation pursuant to Paragraph 3.6.1. The
3 Settling Parties are to take all reasonable steps to cure any deficiencies so as to avoid any
4 termination of the settlement.

5 3.2 *Notice to Class Members*

6 3.2.1 Following the grant of Preliminary Approval and direction by the Court to
7 mail the Court-approved Class Notice, the Settlement Administrator shall mail a Notice Packet to
8 each Class Member no later than ten (10) calendar days after Defendant provides the data to the
9 Settlement Administrator as set forth in Paragraph 3.2.2 below. The Class Notice Packet shall be
10 mailed via first class mail, postage pre-paid through the United States Postal Service. The
11 envelope containing the Class Notice Packet shall bear the following phrase in bold type, ¼ inch
12 below the return address or ¼ inch above the Settlement Administrator's name and address:
13 Return Service Requested. The envelope shall also bear the following phrase in the bottom left
14 hand corner: "IMPORTANT LEGAL DOCUMENT – You May Get Money From A Class
15 Action Settlement; Your Prompt Reply To Correct A Bad Address Is Required; Please Open
16 Immediately". The Notice Packet will not contain any other materials. There will not be
17 publication notice. A true and correct copy of the proposed Class Notice is attached hereto as
18 Exhibit "B".

19 3.2.2 Defendant shall prepare a list, in an electronically usable format containing
20 for each Class Member, to the extent Defendant has such information, the following: (1) the first,
21 last and middle name; (2) Last Known Address; (3) social security number; and (4) hire and, if
22 applicable, termination dates of employment. By approving this settlement, the Court will be
23 deemed to have authorized Defendant to provide the Settlement Administrator with the Class Data
24 List, including the social security numbers of Class Members. Defendant shall provide the Class
25 Data List to the Settlement Administrator and Class Counsel within twenty (20) calendar days of
26 the Preliminary Approval Date. The Class Data, and any other data provided by Defendants to the
27 Settlement Administrator, shall be treated as confidential and shall not be used by the Settlement
28 Administrator for any purpose other than as permitted by this Agreement. The Settlement

1 Administrator shall not provide the Class Data to Class Counsel or Plaintiff or any third party, or
2 use the Class Data or any information contained therein for any purpose other than to administer
3 this Settlement. Further, the Settlement Administrator shall use commercially reasonable efforts
4 to secure the data provided by Defendants at all times so as to avoid inadvertent or unauthorized
5 disclosure or use of such data other than as permitted by this Agreement. At no time during the
6 settlement process will any Class Member's address or full social security number be filed with
7 the Court, except under seal as may be ordered by the Court. The Settlement Administrator shall
8 ensure that the Class Notice and any other communications to Class Members shall not include the
9 Class Members' social security number, except for the last four digits.

10 3.2.3 For the Class Representative, the Settlement Administrator shall mail the Class
11 Notice Packet to the Class Representative in care of Class Counsel at Class Counsel's address.

12 3.2.4 For Class Members who have been designated by Defendant on the Class
13 List as an active employee, the Settlement Administrator shall mail the Class Notice to the Last
14 Known Address provided by Defendant. The List will not be updated by the Administrator prior
15 to the initial mailing. The Settlement Administrator shall mail the Notice Packet no later than 15
16 calendar days after Defendant provides the Class List. If a Notice Packet associated with an
17 active employee is returned as undeliverable due to a bad address, the Settlement Administrator
18 shall immediately inform the Parties and request Defendant to undertake efforts to obtain a more
19 current address from the Class Member for remailing of the Notice Packet.

20 3.2.5 Prior to mailing the Class Notice, the Settlement Administrator shall
21 undertake a reasonable address verification to ascertain the accuracy of the Last Known Address
22 of Class Members' addresses contained in the Class Data List. To the extent this process yields an
23 Updated Address, it shall replace the Last Known Address and be treated as the new Last Known
24 Address for purposes of this Stipulation and for Class Notice mailing.

25 3.2.6 If a Class Member is known to be deceased, the Class Notice for that
26 deceased Class Member shall be mailed to the Last Known Address (or Updated Address, if
27 applicable) of the legal representative of the deceased Class Member's estate, to the extent
28 known.

1 3.2.7 Unless the Settlement Administrator receives a Class Notice returned from
2 the United States Postal Service for reasons discussed below in this paragraph, that Class Notice
3 shall be deemed mailed and received by the Class Member to whom it was sent five (5) days after
4 mailing. In the event that subsequent to the first mailing of a Class Notice and prior to the Opt-
5 Out Deadline, that Class Notice is returned to the Settlement Administrator by the United States
6 Postal Service because the address of the recipient is no longer valid (i.e., the envelope is marked
7 "Return to Sender") the Settlement Administrator shall undertake an Accurint or Experian Skip
8 Tracing on the Class Member to attempt to ascertain the current address of the particular Class
9 Member in question and, if such an address is ascertained, the Settlement Administrator will re-
10 send the Class Notice within three (3) business days of receipt of the returned Class Notice. In
11 either event, the Class Notice shall be deemed received once it is mailed for the second time. In
12 the event that subsequent to the first mailing of a Class Notice and on or after the Opt-Out
13 Deadline, that Notice is returned to the Settlement Administrator by the United States Postal
14 Service because the address of the recipient is no longer valid (i.e., the envelope is marked
15 "Return to Sender") the Settlement Administrator shall be required to take no further action with
16 that Class Notice and it shall be deemed to have been delivered. In the event that subsequent to
17 the first mailing of a Class Notice and prior to the Opt-Out Deadline that Notice is returned to the
18 Settlement Administrator by the United States Postal Service with a forwarding address for the
19 recipient, the Settlement Administrator shall re-mail the notice to that address within three (3)
20 business days of receipt of the returned Class Notice, the Class Notice will be deemed mailed and
21 received at that point, and the forwarding address shall be deemed the Updated Address for that
22 Class Member. In any event, if the Settlement Administrator does not receive notice from the
23 United States Postal Service that a particular Class Notice is undeliverable, or should be sent to a
24 forwarding address, at least ten (10) calendar days prior to the deadline for the Settlement
25 Administrator to provide the Declaration of Compliance as described below, the notice
26 procedures in this paragraph will be deemed to have been complied with as to that Class Notice
27 and no further action need be taken by the Settlement Administrator with regard to that Class
28 Notice. In the event the Settlement Administrator must re-mail any Class Notice pursuant to the

1 provisions of this Paragraph due to being returned for an invalid address, the Opt-Out and
2 Objection Deadlines shall be extended for those re-mailings to no later than thirty (30) calendar
3 days from the date of the re-mailing of the Class Notice. The Settlement Administrator shall
4 include a cover letter with any re-mailing informing the Class Member of the re-mailing of the
5 Class Notice and that he or she has thirty (30) calendar days from the date of the re-mailing
6 (which shall be the date the re-mailing of the Class Notice is postmarked) to postmark any
7 response allowed by the Stipulation and Class Notice, even if postmarked after the original
8 Objection and Opt-Out Deadlines. Compliance with the procedures described in this paragraph
9 shall constitute due and sufficient notice to Class Members of this proposed settlement and of the
10 Final Approval Hearing, and shall satisfy the requirements of due process. Any change of the
11 date or location of the Final Approval Hearing shall be posted on the Settlement Administrator's
12 website. Nothing else shall be required of or done by the Settling Parties, Class Counsel, counsel
13 for Defendant, or the Settlement Administrator to provide notice of the proposed settlement and
14 the Final Approval Hearing.

15 3.2.8 No later than thirty (30) calendar days before the Final Approval Hearing,
16 the Settlement Administrator shall provide Class Counsel and counsel for Defendant with a
17 declaration attesting to completion of the notice process, including any attempts to obtain
18 Updated Addresses for, and the re-sending of, any returned Class Notices, names of Opt-Out
19 employees and all the steps set forth above ("Declaration of Compliance"), which shall be filed
20 with the Court by Class Counsel together with the Motion for Order Granting Final Approval and
21 Entering Judgment.

22 3.3 *Responses to the Notice of Proposed Class Action Settlement*

23 3.3.1 Participation at Class Members' Own Expense: Pursuant to California Rule
24 of Court 3.766(d)(5), Class Members have the option to participate in the Lawsuit at their own
25 expense by obtaining their own attorney(s). Class Members who choose this option will be
26 responsible for any attorneys' fees or costs incurred as a result of this election. The Class Notice
27 will advise Class Members of this option.

28 3.3.2 Objections to Settlement: Class Members may also object to the settlement

1 by submitting a written objection to the Settlement Administrator no later than the Objection
2 Deadline. The written objection must be signed and dated, and additionally state the Class
3 Member's name, dates of employment with Defendant, the case name and number, and the basis
4 for the objection. A Class Member who objects to the settlement will still be considered a
5 Member of the Settlement Class unless he or she submits a valid and timely request for exclusion
6 as set forth below. Class Counsel shall file copies of such objections at the time the Motion for
7 Order Granting Final Approval of Class Action Settlement is filed with the Court. Even if a Class
8 Member does not submit a written objection, he or she may appear at the Final Approval hearing
9 to lodge an objection.

10 3.3.3 Opting Out of Settlement: Written requests to be excluded from or Opt-Out
11 of the Settlement must be post-marked and returned to the Settlement Administrator at the address
12 provided in the Class Notice by no later than Opt-Out Deadline, unless extended as provided for
13 above. Such written requests for exclusion must contain the name, address, telephone number,
14 the last four (4) digits of the social security number of the person requesting exclusion from the
15 Class and must explicitly and unambiguously state the following statement or similar statement: "I
16 wish to exclude myself from the settlement reached in the matter of *Garza v. Renkow Mechanical,*
17 *Inc.*. I understand by excluding myself, I will not receive any money from the settlement reached
18 in this matter." Any person who properly Opt-Out of the Class using this procedure will not be
19 entitled to any payment from the Gross Settlement Amount and will not be bound by the
20 Settlement or have any right to object, appeal, or comment thereon. Class Members who do not
21 submit a valid and timely request for exclusion in the manner described in this paragraph and as
22 set forth in the Class Notice shall receive an Individual Settlement Payment and shall become
23 Participating Class Members and shall release the Released Parties from the Released Claims upon
24 Final Approval and entry of Judgment.

25 3.3.4 Class Members who do not Opt-Out of the Settlement Class shall be
26 deemed Members of the Settlement Class, shall receive an Individual Settlement Payment, and
27 shall be bound by the Judgment.

28 3.3.5 In the event that any Class Member timely submits a Request for Exclusion

(Opt-Out of the Settlement Class), but it is deficient, as soon as possible, but not later than five (5) business days of the Settlement Administrator's receipt of such, the Settlement Administrator shall send by first class, United States mail a notice to such Class Member informing him or her of the deficiency and that he or she has ten (10) calendar days from the date of the notice (which shall be the date the notice is mailed) to cure the deficiency and postmark and mail the corrected Request for Exclusion, even if postmarked after the Opt-Out Deadline. The Settlement Administrator shall also copy Class Counsel and counsel for Defendant with any such notices of deficiency.

3.3.6 The Settling Parties agree that the Opt-Out/Objection Deadline shall not be extended and no untimely submissions will be honored, under any circumstances, unless mutually agreeable by the Settling Parties and/or except to the extent permitted by this agreement.. Notwithstanding the foregoing, a Class Member will be allowed to extend the Opt-Out and Objection Deadlines for him or herself if and only if he or she can make a showing of legal incapacity during the notice period.

3.4 *Post Claims Administration Period Events and Settlement Fairness Hearing*

3.4.1 At the Final Approval Hearing, the Class Representative shall ask the Court to give final approval of this Stipulation and shall submit to the Court a proposed Order Granting Final Approval of the Settlement and requesting that Judgment be entered. The Settling Parties shall take all reasonable efforts to secure entry of the Order Granting Final Approval of Settlement, and the Judgment. If the Court rejects the Stipulation, fails to enter the Order Granting Final Approval of Settlement, or fails to enter the Judgment, this Stipulation shall be void, and Defendant shall have no obligation to make any payments under the Stipulation. However, the Settling Parties and their counsel agree to take all reasonable efforts to fix any deficiencies the Court cites for its non-approval as set forth in this agreement.

3.5 *Releases*

3.5.1 Upon the Effective Date or the full funding of the Gross Settlement Amount by Defendant (whichever is later), the Class Representative and each of the Class Members shall be deemed to have, and by operation of the Judgment, shall have fully, finally, and forever released, relinquished, and discharged all Released Claims as follows:

1 3.5.1 (a) *Released Class Claims*. Participating Class Members who have not
2 opted out of the Class Action Settlement and who were employed as a non-exempt employee at
3 any time during the Class Period will release all claims, causes of action, and legal theories alleged
4 or which could have been alleged or otherwise raised based on the facts in the operative
5 Complaint, including failure to provide meal and rest periods, failure to pay minimum wages,
6 straight time wages, and overtime wages; unpaid wage violations; violations of California's meal
7 and rest period laws, violations of Labor Code sections 201-203, and 204(a)(b), 226(a),(e), 226.7,
8 512, 558, 510, 1194, 1194.2, claims for failure to pay all wages due; and violation of Business and
9 Professions Code section 17200 *et seq.* (collectively, the "Released Claims"). The period of the
10 Release shall extend to the limits of the Class Period.

11 3.5.1 (b) *Released PAGA Claims*. Class Members who were employed as a
12 non-exempt employee at any time during the PAGA Period will release all claims, causes of
13 action, and legal theories alleged or which could have been alleged or otherwise raised based on
14 the facts in the operative Complaint for penalties pursuant to PAGA, Labor Code section 2698 *et*
15 *seq.*, including the claim for penalties for alleged violations of Labor Code sections 201-203,
16 204(a)(b), 226(a),(e), 226.7, 510, 512, 558, 1194, and 1194.2. The period of the Release shall
17 extend to the limits of the PAGA Period.

18 3.5.1 (c) *Class Representative Release*. In light of his Class Representative
19 Enhancement Payment, Plaintiff has agreed to release, in addition to the Released Claims
20 described above, all claims, whether known or unknown, under federal law or state law against the
21 Released Parties. Plaintiff understands that this release includes Unknown Claims by Class
22 Representative (as defined above) and that he is, as a result, waiving all rights and benefits
23 afforded by California *Civil Code* § 1542, which provides as follows:

24 **A general release does not extend to claims which the creditor or**
25 **releasing party does not know or suspect to exist in his or her favor at**
26 **the time of executing the release and that, if known by him or her,**
 would have materially affected his or her settlement with the debtor or
 released party.

27 Specifically excluded from Plaintiff's Released Claims are any claims for workers'
28 compensation benefits, which cannot be released as a matter of law, including WCAB Case Nos.

1 ADJ13111050 and ADJ13090180. Furthermore, nothing in this Stipulation will have any effect on
2 Plaintiff's individual case, *Victor Garza v. Renkow Mechanical, Inc., et al.*, Case No.
3 21STCV08297.

4 3.6 *Termination of Settlement: Reasonable Steps to Cure*

5 3.6.1 In the event that the settlement set forth in this Stipulation shall not be
6 approved in its entirety by the Court, or in the event that the Effective Date does not occur, the
7 Settling Parties shall have the option to void the settlement, and in such case, no payments shall be
8 made by Defendant to anyone in accordance with the terms of this Stipulation, and this Stipulation
9 shall be deemed null and void with no effect on the Litigation whatsoever. Notwithstanding this
10 provision, the Settling Parties agree to take all reasonable steps to cure any deficiencies cited by
11 the Court as reason(s) for non-approval of any matter(s) filed with the Court for approval. If the
12 Court changes the dates or deadlines of hearings provided for in this Stipulation by fewer than five
13 (5) months, this shall not be deemed a substantial change necessitating termination of the
14 settlement, provided that the Settling Parties agree to move other dates and deadlines in the
15 Stipulation accordingly. In the event the Court reduces any of the amounts requested for the Class
16 Representative, the Class Counsel's fees or costs, or the Settlement Administrator, the difference
17 shall become part of the Class Payout Fund. In the event that more than five percent (5%) of
18 Class Members Opt-Out of the settlement in the manner provided by this Stipulation and Class
19 Notice, Defendant shall have the right to terminate and void this settlement and Stipulation;
20 however, Defendant must notify Class Counsel of its intention to nullify the settlement and
21 Stipulation within ten (10) calendar days after the expiration of the Opt-Out Deadline. In the
22 event that Defendant elects this option, it shall be solely responsible for any fees/costs incurred by
23 the Settlement Administrator.

24 3.7 *Miscellaneous Provisions*

25 3.7.1 No Person shall have any claim against Class Counsel, the Settlement
26 Administrator, or any of the Releasees based on the payments made or other actions taken
27 substantially in accordance with this Stipulation and the settlement contained herein or further
28 orders of the Court.

1 3.7.2 In the event that the Stipulation is not substantially approved by the Court,
2 after all reasonable steps to cure have been exhausted, or the settlement set forth in the Stipulation
3 is terminated, cancelled, declared void, or fails to become effective in accordance with its terms,
4 or if the Judgment does not become Final, or to the extent cancellation is otherwise provided for in
5 this Stipulation, the Settling Parties shall resume the Litigation at that time as if no Stipulation had
6 been entered. In such event, the terms and provisions of the Stipulation shall have no further force
7 and effect with respect to the Settling Parties and shall not be used in this Litigation or in any other
8 proceeding for any purpose, and any Judgment or order entered by the Court in accordance with
9 the terms of the Stipulation shall be treated as vacated. Notwithstanding any other provision of
10 this Stipulation, if the Court should fail to award attorneys' fees to Class Counsel in the full
11 amount provided for in this Stipulation, no order of the Court or modification of any order of the
12 Court concerning the amount of any attorneys' fees to be paid by Defendant to Class Counsel
13 pursuant to this settlement shall constitute grounds for cancellation or termination of the
14 Stipulation or grounds for limiting any other provision of the Judgment. It is agreed that no order
15 of the Court, including any order concerning attorneys' fees, may alter or otherwise increase the
16 Gross Settlement Amount. However, Class Counsel retains their right to appeal any decision by
17 the Court regarding the Attorney's Fees and Costs.

18 3.7.3 The Settling Parties (a) acknowledge that it is their intent to consummate
19 this agreement; (b) agree to cooperate to effectuate and implement all terms and conditions of the
20 Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of
21 the Stipulation; (c) agree to seek and to attempt to obtain Court approval for the Stipulation; and
22 (d) agree to reasonably work together to seek and attempt to obtain Court approval for the
23 Stipulation and final approval should the Court not grant approval upon the first presentation.

24 3.7.4 The Settling Parties and their attorneys and experts agree to keep the
25 Settlement confidential through preliminary approval, except to insurance carriers, tax advisors,
26 financial advisors, or personal attorneys, as necessary. The Settling Parties further agree that no
27 party shall issue any press release to the news media, or communicate in any way with any news
28 media, concerning the Settlement or the Litigation, including, but not limited to, any publication

1 of information on the Otkupman Law Firm ALC website.

2 3.7.5 Unless otherwise ordered by the Court, in the event the Stipulation shall be
3 terminated, cancelled, declared void or fails to become effective in accordance with its terms,
4 within twenty (20) business days after written notification of such event, Defendant and Class
5 Counsel shall notify each other of this event in writing. If Defendant should elect to terminate the
6 settlement, because five percent (5%) or more of Class Members requested exclusion, then
7 Defendant shall be responsible for the payment of the Settlement Administrator's fees and
8 expenses.

9 3.7.6 This Stipulation compromises claims which were contested and the subject
10 of a good faith dispute, and it shall not be deemed an admission by any of the Settling Parties as to
11 the merits of any claim or defense. The Settling Parties agree that the amounts paid in settlement
12 of the Litigation and the other terms of the Settlement were negotiated at arms' length and in good
13 faith with sufficient information by the Settling Parties and reflect a settlement that was reached
14 voluntarily after consultation with competent legal counsel.

15 3.7.7 All of the exhibits to the Stipulation are material and integral parts hereof
16 and are fully incorporated herein by this reference.

17 3.7.8 The Stipulation may be amended or modified only by a written instrument
18 signed by or on behalf of all Settling Parties or their respective successors-in-interest or their
19 respective counsel.

20 3.7.9 This Stipulation constitutes the entire agreement between the Settling
21 Parties hereto and no representations, warranties or inducements have been made to any party
22 concerning the Stipulation or its exhibits other than the representations, warranties and covenants
23 contained and memorialized in such documents. Except as otherwise provided herein, each party
24 shall bear its own costs.

25 3.7.10 Class Counsel, on behalf of the Settlement Class, is expressly authorized by
26 the Class Representative to take all appropriate action required or permitted to be taken by the
27 Class pursuant to the Stipulation to effect its terms and are also expressly authorized to enter into
28 any modifications or amendments to the Stipulation on behalf of the Settlement Class which they

1 deem appropriate.

2 3.7.11 Each counsel or other Person executing the Stipulation or any of its exhibits
3 on behalf of any of the Settling Parties hereby warrants that such Person has full and express
4 authority to do so.

5 3.7.12 The Stipulation may be executed in one or more counterparts as well as
6 DocuSigned. All executed counterparts and each of them shall be deemed to be one and the same
7 instrument. A complete set of executed counterparts shall be filed with the Court.

8 3.7.13 The Stipulation shall be binding upon, and inure to the benefit of, the
9 successors and assigns of the parties hereto; however, this Stipulation is not designed to and does
10 not create any third-party beneficiaries unless otherwise specifically provided herein.

11 3.7.14 The Court shall retain jurisdiction with respect to implementation and
12 enforcement of the terms of the Stipulation, and all parties hereto submit to the jurisdiction of the
13 Court for purposes of implementing and enforcing the settlement embodied in the Stipulation.

14 3.7.15 The Stipulation and the exhibits hereto shall be considered to have been
15 negotiated, executed and delivered, and to have been wholly performed, in the State of California,
16 and the rights and obligations of the parties to the Stipulation shall be construed and enforced in
17 accordance with, and governed by, the internal, substantive laws of the State of California without
18 regard to principles of conflicts of law.

19 3.7.16 The language of all parts of this Stipulation shall in all case be construed
20 as a whole, according to its fair meaning, and not strictly for or against either party. No party shall
21 be deemed the drafter of this Stipulation. The Settling Parties acknowledge that the terms of the
22 Stipulation are contractual and are the product of negotiations between the Settling Parties and
23 their counsel. Each party and his/its counsel cooperated in the drafting and preparation of the
24 Stipulation. In any construction to be made of the Stipulation, the Stipulation shall not be
25 construed against any party and the canon of contract interpretation set forth in California *Civil*
26 *Code* § 1654 shall not be applied.

27 3.7.17 Should any deadlines set forth in the Stipulation require any action to be
28 taken on a weekend or a Court holiday, then the action may be taken on the next business day,

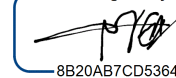
unless otherwise specified by law or rule of Court, except that should the Opt-Out Deadline or Objection Deadline (or extension(s) thereof specified in the Stipulation relating to a deficiency notice or a re-mailing) fall on a Saturday and regular United States Mail service is in operation that day, then no further extension pursuant to this paragraph shall apply to these specific deadlines.

3.8 Summary of Timing of Relevant Procedures Under this Settlement

Event	Date
Plaintiff to file Motion for Preliminary Approval	On or before April 26, 2022
Hearing on Motion for Preliminary Approval	May 18, 2022 at 10:00 a.m.
Defendant to provide Class Data to Settlement Administrator	Within twenty (20) calendar days after entry of an order Preliminarily Approving this Settlement Agreement.
Settlement Administrator to mail Notice Packets to Class Members	Within thirty (30) calendar days after entry of an order Preliminarily Approving this Settlement Agreement.
Deadline for Class Members to opt-out, request exclusion from, submit disputes, or object to, the Settlement	Postmarked within sixty (60) days after mailing of the Notice by the Settlement Administrator.
Deadline for Plaintiff to file Motion for Final Approval of Class Action Settlement:	Within forty-five (45) calendar days after the time for Class Members to request exclusion from, submit disputes, or object to, the Settlement.
Final Fairness Hearing:	TBD by Court availability.

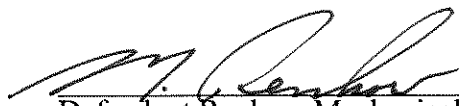
Dated: 3/8/2022

DocuSigned by:


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Plaintiff Victor Garza

Dated: 3/4/22


Defendant Renkow Mechanical, Inc.

Name: MICHAEL RENKOW

Title: PRESIDENT

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Approved as to Form:

DATED: March __, 2021

Respectfully submitted,

**OTKUPMAN LAW FIRM, A LAW
CORPORATION**

By: _____

ROMAN OTKUPMAN
NIDAH FARISHTA
Attorney for Plaintiff,
VICTOR GARZA

DATED: March 7, 2021

**ALLEN MATKINS LECK GAMBLE MALLORY
& NATSIS LLP**

By: _____



NANCY S. FONG
MELISSA K. BELL
Attorneys for Defendant RENKOW
MECHANICAL, INC.