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BALTAZAR CONSTRUCTION, INC.

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

FRANCISCO SALOME RENOJ
HERNANDEZ, individually and on behalf of
others similarly situated,

Plaintiff,

vs.

BALTAZAR CONSTRUCTION, INC., a
California Corporation; and DOES 1 through
50, inclusive,

Defendants.

Case No.: 21STCV11456

*Assigned for all purposes to: Honorable
Yvette M. Palazuelos, Department 9*

**AMENDED JOINT STIPULATION OF
CLASS ACTION AND PAGA
SETTLEMENT**

Complaint Filed: March 24, 2021
Trial: None Set

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiff Francisco Salome Renoj Hernandez, individually and on behalf of the Class, and Defendant Baltazar Construction, Inc.

DEFINITIONS

1. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class Action and PAGA Settlement.

2. “Action” represents all causes of action, claims, and allegations in the operative complaint filed in *Francisco Salome Renoj Hernandez v. Baltazar Construction, Inc.*, Case No. 21STCV11456, pending before the Los Angeles County Superior Court.

3. “Class Counsel” means Protection Law Group, LLP.

4. “Class Counsel’s Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and resolution of this Action and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request attorneys’ fees not to exceed thirty-five percent (35%) of the Gross Settlement Amount (\$189,000.00) and the reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, not to exceed Twenty Thousand Dollars (\$20,000.00), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and reimbursement of costs and expenses in the amounts set forth above.

5. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator within fourteen (14) calendar days after the Court enters and order granting Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each Class Member: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee of Defendant in the State of California; (6) total Workweeks during the Class Period; (7) total Workweeks during the PAGA Period; (8) the amount of any Prior Release Payments made by Defendant to each Class Member;

1 and (9) any other information required by the Settlement Administrator in order to effectuate the
2 terms of the Settlement.

3 6. "Class Members," "Putative Class Members," "Class," and "Putative Class"
4 means all current and former non-exempt employees of Defendant who were employed by
5 Defendant in the state of California at any time during the Class Period.

6 7. "Class Notice" means the Notice of Proposed Class Action Settlement in a form
7 substantially similar to the form attached hereto as Exhibit A, as approved by the Court, and in
8 both English and Spanish, that will be mailed to Class Members' last known addresses and which
9 will provide Class Members with information regarding the Action and information regarding the
10 settlement of the Action.

11 8. "Class Period" means the period commencing on March 24, 2017, and ending on
12 either date of Preliminary Approval, or sixty (60) days from the date of mediation (i.e, November
13 13, 2021), whichever date occurs earlier.

14 9. "Class Representative" means Plaintiff Francisco Salome Renoj Hernandez in his
15 capacity as representative of the Participating Class Members.

16 10. "Class Representative Incentive Payment" means the amount that the Court
17 authorizes to be paid to Plaintiff Salome Renoj Hernandez, in addition to his Individual Settlement
18 Payment, in recognition of the efforts and risks he has taken in assisting with the prosecution of
19 the Action and in exchange for the General Release of her claims as provided herein.

20 11. "Court" means the Superior Court of the State of California for the County of Los
21 Angeles.

22 12. "Defendant" means Baltazar Construction, Inc.

23 13. "Effective Date" means the later of the following: (a) if no timely objections are
24 filed or if all objections are withdrawn, the date upon which the Court enters Final Approval; (b)
25 if an objection is filed and not withdrawn, the date for filing an appeal and no such appeal being
26 filed; (c) if any timely appeals are filed, the date of the resolution (or withdrawal) of any such
27 appeal in a way that does not alter the terms of the Settlement.

1 14. “Final Approval” means the Court entering an order granting final approval of
2 the Settlement Agreement.

3 15. “Gross Settlement Amount” means the sum of Five Hundred Forty Thousand
4 Dollars (\$540,000.00) to be paid by Defendant in full satisfaction of all of Defendant’s liabilities
5 in the Action, including Class Counsel’s Fees and Costs, Class Representative Incentive Payment,
6 Payments to Class Members, PAGA Payment, and Settlement Administration Costs. Defendants
7 shall receive a credit towards the Gross Settlement Amount in the amount of Ninety One
8 Thousand Five Hundred Dollars and Zero Cents (\$91,500.00) for Prior Release Payments already
9 paid to Class Members by Defendant. Thus, the additional total payment to be made by
10 Defendants in connection with the Settlement shall be Four Hundred Forty-Eight Thousand Five
11 Hundred Dollars and Zero Cents (\$448,500.00). The Gross Settlement Amount does not include
12 any employer-side taxes and withholdings, which will be calculated by the Settlement
13 Administrator and separately paid for by Defendant. The Gross Settlement Amount is non-
14 reversionary; no portion of the Gross Settlement Amount will return to Defendant.

15 16. “Individual Settlement Payment” means the amount payable from the Net
16 Settlement Amount to each Participating Class Member and any payment a PAGA Member is
17 eligible to receive from the employee portion of the PAGA Penalties. Individual Settlement
18 Payments shall be paid by a settlement check made payable to Participating Class Members and/or
19 PAGA Members. Any Participating Class Members who received payments from the Prior
20 Release Payments made by Defendant shall have such amounts credited against their Individual
21 Settlement Payment. The Settlement Administrator shall undertake all necessary calculations to
22 ensure that the Individual Settlement Payment to any Participating Class Member who did not
23 receive a Prior Release Payment shall be, at a minimum, at least \$500.00 more than any
24 Participating Class Member who received a Prior Release Payment.

25 17. “Net Settlement Amount” means the funds available for payments to the Putative
26 Class, which shall be the amount remaining after the following amounts are deducted from the
27 Gross Settlement Amount: (1) Class Counsel’s fees, (2) Class Counsel’s costs, (3) Settlement
28 Administration Costs, (4) Class Representative Incentive Payment to Plaintiff, and (5) PAGA

1 Penalties to the California Labor and Workforce Development Agency (“LWDA”) and PAGA
2 Members.

3 18. “PAGA” means the California Labor Code Private Attorneys General Act of 2004
4 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”).

5 19. “PAGA Penalties” means the amount that the Parties have agreed to allocate in
6 order to settle claims arising under PAGA. The Parties have agreed that Fifty Thousand Dollars
7 (\$50,000.00) of the Gross Settlement Amount will be allocated to the resolution of Plaintiff’s
8 PAGA claims. Seventy-five percent (75%) of the PAGA Penalties (i.e., \$37,500.00) will be paid
9 to the LWDA in accordance with Labor Code §§ 2698 *et seq.* The remaining twenty-five percent
10 (25%) of the PAGA Penalties (*i.e.*, \$12,500.00), will be distributed to PAGA Members. PAGA
11 Members will receive payment from the employee portion of the PAGA Penalties regardless of
12 their decision to participate in the class action if the PAGA Penalties is approved by the Court.

13 20. “PAGA Period” means the period commencing on March 22, 2020, and ending on
14 either date of Preliminary Approval, or sixty (60) days from the date of mediation (*i.e.*, November
15 13, 2021), whichever date occurs earlier.

16 21. “PAGA Members” means all current and former hourly-paid, non-exempt
17 employees of Defendant who were employed by Defendant in the state of California at any time
18 during the PAGA Period.

19 22. “Parties” means Plaintiff and Defendant, collectively, and “Party” shall mean
20 either Plaintiff or Defendant, individually.

21 23. “Participating Class Members” means all Class Members who do not submit a
22 valid and timely Request for Exclusion.

23 24. “Plaintiff” means Francisco Salome Renoj Hernandez.

24 25. “Preliminary Approval” means the Court order granting preliminary approval of
25 the Settlement Agreement.

26 26. “Prior Release Payments” means the Ninety One Thousand Five Hundred Dollars
27 and Zero Cents (\$91,500.00) in release payments Defendant certifies have already been made to
28 Class Members following the filing of the Action. Defendant further certify that 183 Class

1 Members who worked 10,804 Workweeks received Prior Release Payments, and that 134 Class
2 Members have not received Prior Release Payments.

3 27. "Objection" means a Class Member's valid and timely written objection to the
4 Settlement Agreement. For an Objection to be valid, it must include: (a) the objector's full name,
5 address, telephone number, last four digits of the employee's social security number or employee
6 ID number and (b) a written statement of all grounds for the objection accompanied by legal
7 support, if any, for such objection.

8 28. "Released Class Claims" means any and all claims, rights, demands, liabilities
9 and causes of action that are alleged, or reasonably could have been alleged based on the facts
10 and claims asserted in the operative complaint in this action including the following claims: (i)
11 failure to pay all regular wages, minimum wages, prevailing wages, and overtime wages due; (ii)
12 failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods
13 or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure
14 to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of
15 termination or resignation; (vii) failure to provide timely pay wages during employment; (viii)
16 unfair business practices that could have been premised on the claims, causes of action or legal
17 theories of relief described above or any of the claims, causes of action or legal theories of relief
18 pleaded in the operative complaint; (ix) failure to maintain required payroll records and (x) all
19 claims under the California Labor Code Private Attorneys General Act of 2004 or for civil
20 penalties that could have been premised on the claims, causes of action or legal theories described
21 above or any of the claims, causes of action or legal theories of relief pleaded in the operative
22 complaint including but not limited to Labor Code sections 210, 226.3, 227.3, 1197.1, 558, and
23 2699.

24 29. "Released PAGA Claims" means all claims for civil penalties under the California
25 Labor Code Private Attorneys General Act of 2004 that are alleged, or reasonably could have
26 been alleged based on the facts and claims asserted in the PAGA Notice provided to the LWDA
27 and in the operative complaint.
28

1 30. “Released Parties” means Defendant Baltazar Construction, Inc., as named by
2 Plaintiff in the operative complaint in the Action, and all of its past, present and/or future, direct
3 and/or indirect, officers, directors, members, managers, employees, agents, representatives,
4 attorneys, insurers, partners, investors, shareholders, administrators, parent companies,
5 subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

6 31. “Request for Exclusion” means a valid and timely written statement submitted by
7 a Class Member requesting to be excluded from the Action. To be effective, the Request for
8 Exclusion must contain (a) the Class Member’s name, address, telephone number, and the last
9 four digits of the Class Member’s Social Security number and/or the Employee ID number and
10 (b) a clear statement requesting to be excluded from the settlement of the class claims similar to
11 the following: “I wish to exclude myself from the class settlement reached in the matter of
12 *Hernandez v. Baltazar Construction, Inc.* I understand that by excluding myself, I will not receive
13 money from the settlement of my individual claims.” To be effective, the Request for Exclusion
14 must be post-marked by the Response Deadline and received by the Settlement Administrator.
15 The Request for Exclusion shall not be effective as to the release of claims arising under the
16 Private Attorneys General Act.

17 32. “Response Deadline” means the date sixty (60) days after the Settlement
18 Administrator mails the Class Notice to Class Members and the last date on which Class Members
19 may submit Requests for Exclusion, written objections to the Settlement, or workweek disputes.
20 In the event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be
21 extended to the next day on which the U.S. Postal Service is open. The Response Deadline for
22 Requests for Exclusion or Objections will be extended fifteen (15) calendar days for any Class
23 Member who is re-mailed a Class Notice by the Settlement Administrator, unless the 15th day
24 falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to
25 the next day on which the U.S. Postal Service is open. The Response Deadline may also be
26 extended by express agreement between Class Counsel and Defendant’s counsel. Under no
27 circumstances, however, will the Settlement Administrator have the authority to unilaterally
28

1 extend the deadline for Class Members to submit a Request for Exclusion or Objection to the
2 settlement.

3 33. "Settlement" means the disposition of the Action pursuant to this Agreement.

4 34. "Settlement Administrator" means ILYM Group, Inc. The Parties each represent
5 that they do not have any financial interest in the Settlement Administrator or otherwise have a
6 relationship with the Settlement Administrator that could create a conflict of interest.

7 35. "Settlement Administration Costs" means the costs payable from the Gross
8 Settlement Amount to the Settlement Administrator for administering this Settlement, including,
9 but not limited to, printing, distributing, and tracking documents for this Settlement,
10 calculating/confirming the Class Members' Workweeks from the information contained in the
11 Class List, calculating each Participating Class Member's Individual Settlement Payment, tax
12 reporting, distributing the Gross Settlement Amount, providing necessary reports and
13 declarations, and other duties and responsibilities set forth herein to process this Settlement, and
14 as requested by the Parties or the Court. Settlement Administration Costs shall not exceed Fifteen
15 Thousand Dollars (\$15,000.00).

16 36. "Workweek" means any calendar week (*i.e.*, a week beginning with Sunday and
17 ending with Saturday) in which a Class Member or PAGA Member worked at least one day.

18 **TERMS OF AGREEMENT**

19 37. Settlement Consideration. Defendant shall fully fund the Gross Settlement
20 Amount (less the amounts already paid by Defendant by way of the Prior Release Payments)
21 following Final Approval by the Court and the occurrence of the Effective Date. The following
22 will be paid out of the Gross Settlement Amount: the sum of the Individual Settlement Payments,
23 the Class Representative Incentive Payment, Class Counsel's Fees and Costs, the PAGA
24 Penalties, and the Settlement Administration Costs, as specified in this Agreement. Except for
25 any employer-side payroll taxes due on the Individual Settlement Payments, or as a result of an
26 increase in the number of workweeks as set forth below, Defendant shall not be required to pay
27 more than the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no
28 portion of the Gross Settlement Amount will revert to Defendant.

1 38. Potential Increase to the Gross Settlement Amount. Defendant has represented
2 there are approximately 13,722 Workweeks during the Class Period. Should the actual number of
3 Workweeks exceed this number by more than ten percent (10%) (*i.e.*, increase by more than 1,372
4 Workweeks), the Gross Settlement Amount shall increase on a pro-rata basis equal to the
5 percentage increase in the number of Workweeks worked by the Class Members above 10% (for
6 example, if the number of Workweeks increases by 11% to 15,231 Workweeks, the Gross
7 Settlement Amount will increase by 1%).

8 39. Funding of the Gross Settlement Amount. Within fourteen (14) calendar days of
9 the Effective Date, Defendant will deposit the Gross Settlement Amount (less the amounts already
10 paid by Defendant by way of the Prior Release Payments), and all applicable employer-side
11 payroll taxes, into a Qualified Settlement Fund (“QSF”) to be established by the Settlement
12 Administrator. Defendant shall provide all information necessary for the Settlement
13 Administrator to calculate necessary payroll taxes including its official name, 8-digit state
14 unemployment insurance tax ID number, and other information requested by the Settlement
15 Administrator, no later than fourteen (14) calendar days after Final Approval of the Settlement.

16 40. Distribution of the Gross Settlement Amount. Within seven (7) calendar days of
17 the funding of the Settlement, the Settlement Administrator will issue payments for: (a) Individual
18 Settlement Payments; (b) the PAGA Penalties to the LWDA; (c) the Class Representative
19 Incentive Payment; (d) Class Counsel’s Fees and Costs and (e) Settlement Administration Costs.
20 If the Settlement Administrator asks for the Parties’ approval prior to distributing the court
21 approved allocations and corresponding payments, the Parties shall provide their approval within
22 three (3) business days. If either Party has an objection to the court approved allocations and
23 disbursement schedule, it must seek *ex parte* relief from the Court about its objection, unless both
24 Parties agree to an alternate date for distribution.

25 41. Attorneys’ Fees and Costs. Defendant agrees not to oppose or impede any
26 application or motion by Class Counsel for attorneys’ fees of up to thirty-five percent (35%) of
27 the Gross Settlement Amount (\$189,000.00) plus the reimbursement of costs and expenses
28 associated with Class Counsel’s litigation and settlement of the Action, in an amount not to exceed

Twenty Thousand Dollars (\$20,000.00), both of which will be paid from the Gross Settlement Amount. Defendant agrees that it does not and shall not oppose Plaintiff's contention that the filing of the Action had the catalytic effect of prompting Defendant to pay the \$91,500.00 in Prior Release Payments to Class Members, and that Class Counsel should recover attorney's fees for their roles in securing the Prior Release Payments. Defendant and Defendant's counsel agree to provide Class Counsel with a declaration confirming that Defendant's payment of the Prior Release Payments was prompted by the filing of the Actions should the Court require additional information in support of any Plaintiff's requested fee award or if necessary to obtain approval of Plaintiff's requested fee award. Any portion of the requested fees or costs that is not awarded by the Court to Class Counsel shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

42. Class Representative Incentive Payment. Defendant agrees not to oppose or object to any application or motion by Plaintiff for a Class Representative Incentive Payment of Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff Francisco Salome Renoj Hernandez. The Class Representative Incentive Payment is in exchange for the General Release of Plaintiff's individual claims, and for Plaintiff's time, effort and risk in bringing and prosecuting the Action. Any adjustments made by the Court to the requested Class Representative Incentive Payment shall not be deemed a material modification of this Agreement. In the event that the Court reduces or does not approve the requested Class Representative Incentive Payment, the Settlement Agreement remains in full force and effect, Plaintiff shall not have the right to revoke the settlement for that reason, it shall remain binding, and any portion of the requested Class Representative Incentive Payment that is not awarded by the Court to the Class Representative shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

43. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs shall not exceed Fifteen Thousand Dollars (\$15,000.00).

44. PAGA Penalties. Fifty Thousand Dollars (\$50,000.00) of the Gross Settlement Amount shall be allocated for settlement of claims for civil penalties under PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Penalties, or Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00), to the LWDA. The remaining twenty-five percent (25%) of the PAGA Penalties, or Twelve Thousand Five Hundred Dollars (\$12,500.00), will be distributed to PAGA Members on a *pro rata* basis based on the total number of Workweeks worked by each PAGA Member during the PAGA Period. PAGA Members shall receive their portion of the PAGA Penalties regardless of their decision to opt-out of the class settlement.

45. Net Settlement Amount for Payment of Class Claims. The Net Settlement Amount will be used to satisfy the class portion of Participating Class Members' Individual Settlement Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$	540,000.00
Class Representative Incentive Payment:	\$	5,000.00
Class Counsel's Fees:	\$	189,000.00
Class Counsel's Costs:	\$	20,000.00
PAGA Penalties:	\$	50,000.00
Settlement Administration Costs:	\$	15,000.00
Estimated Net Settlement Amount:	\$	261,000.00

46. Individual Settlement Payment Calculations. Individual Settlement Payments will be paid from the Net Settlement Amount and the 25% portion of the PAGA Penalties for PAGA Members and shall be paid pursuant to the formulas set forth herein:

a) Calculation of Class Portion of Individual Settlement Payments. The Settlement Administrator will calculate the total Workweeks for all Participating Class Members by adding the number of workweeks worked by each Participating Class Member during the Class Period. The amount that each Participating Class Member will be eligible to receive will be

1 calculated by dividing each Participating Class Member's individual Workweeks by the total
2 Workweeks of all Participating Class Members, and multiplying the resulting fraction by the Net
3 Settlement Amount. Any Participating Class Members who received payment from the Prior
4 Release Payments made by Defendants shall have such amounts credited against the class portion
5 of their Individual Settlement Payment. Further, the Settlement Administrator shall undertake all
6 necessary calculations to ensure that the Individual Settlement Payment paid to any Participating
7 Class Member who did not receive a Prior Release Payment shall be, at a minimum, at least
8 \$500.00 more than any Participating Class Member who received a Prior Release Payment.

9 b) Calculation of PAGA Portion of Individual Settlement Payments. The
10 Settlement Administrator will calculate the total Workweeks for all PAGA Members by adding
11 the number of workweeks worked by each PAGA Member during the PAGA Period. The amount
12 that each PAGA Member will receive will be calculated by dividing each participating PAGA
13 Member's individual Workweeks by the total Workweeks of all PAGA Members, and
14 multiplying the resulting fraction by the 25% share of the PAGA Penalties designated for
15 distribution to PAGA Members. PAGA Members shall receive this portion of their Individual
16 Settlement Payment regardless of whether they opt out of the participation regarding the class
17 claims.
18

19 c) Allocation of Individual Settlement Payments. All Individual Settlement
20 Payments will be allocated as follows: ten percent (20%) of each Individual Settlement Payment
21 will be allocated as wages, forty percent (40%) shall be allocated as interest, and forty (40%) shall
22 be allocated as penalties. The portion of the Individual Settlement Payment allocated to wages
23 will be reported by the Settlement Administrator on an IRS Form W-2. The remaining non-wage
24 payments will be reported on an IRS Form-1099 by the Settlement Administrator.

25 47. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
26 Participating Class Members under this Settlement, as well as any other payments made pursuant
27 to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans
28

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

6 48. Settlement Administration Process. The Parties agree to cooperate in the
7 administration of the Settlement and to make all reasonable efforts to control and minimize the
8 costs and expenses incurred in administration of the Settlement. The Settlement Administrator
9 will provide the following services:

10 48(a) Establish and maintain a Qualified Settlement Fund.

11 48(b) Calculate the Individual Settlement Payment each Participating Class
12 Member is eligible to receive and the portion of the PAGA Penalties
13 each PAGA Member shall receive.

14 48(c) Translate the Class Notice from English to Spanish.

15 48(d) Print and mail the Class Notice in English and Spanish.

16 48(e) Perform address searches as detailed herein, including conduct
17 additional address searches and skip traces for mailed Class Notices
18 that are returned as undeliverable.

19 48(f) Process Requests for Exclusion, Objections, calculate Participating
20 Class Members' Individual Settlement Payment, field inquiries or
21 disputes from Class Members.

22 48(g) Print and issue Settlement Payment Checks, prepare any IRS W2 and
23 1099 Tax Forms and any other filings required by any governmental
24 taxing authority.

25 48(h) Provide declarations and/or other information to this Court as requested
26 by the Parties and/or the Court.

27 48(i) Provide weekly status reports to counsel for the Parties.

28 48(j) Posting a notice of final judgment, after entry of the judgment, online

at the Settlement Administrator's website for a period of sixty (60) days pursuant to California Rule of Court 3.769.

49. Delivery of the Class List. Within fourteen (14) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator. This is a material term of the Agreement, and if Defendant fails to comply, Plaintiff shall have the right to void the Agreement.

50. Class Notice by First-Class U.S. Mail. Within seven (7) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail the Class Notice (in both English and Spanish) to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List. The Parties may not vary from the form of the Class Notice approved by the Court. If the Settlement Administrator asks for the Parties' approval prior to mailing the court approved Class Notice, the Parties shall provide their approval within three (3) business days. If either Party has an objection to the court approved form of the Class Notice, it must seek *ex parte* relief from the Court about its objection.

51. Confirmation of Contact Information in the Class List. Prior to mailing, 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. Any Class Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice. 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 and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. If any Class Notice sent to a Class Member by the Settlement Administrator is returned as undeliverable to a current employee, then Defendant shall make all reasonable efforts to obtain the current address from the Class Member and provide the same within seven (7) calendar days of notice from the Settlement Administrator. Those Class Members who receive a re-mailed Class Notice, whether by skip-trace or by request, will have between the

1 later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to postmark a
2 Request for Exclusion, or an Objection to the Settlement.

3 52. Class Notice. All Class Members will be mailed a Class Notice. Each Class Notice
4 will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's
5 principal terms; (c) the Class definition; (d) the total number of Workweeks each respective Class
6 Member worked for Defendant during the Class Period; (e) each Class Member's estimated
7 Individual Settlement Payment and the formula for calculating Individual Settlement Payments;
8 (f) the dates which comprise the Class Period and PAGA Period; (g) the deadlines by which the
9 Class Member must postmark Requests for Exclusion, Objections to the Settlement, or workweek
10 disputes; (h) the claims to be released, as set forth herein; and (j) the date for the final approval
11 hearing.

12 53. Disputed Information on Class Notice. Class Members will have an opportunity
13 to dispute the information provided in their Class Notice. To the extent Class Members dispute
14 the number of Workweeks with which they have been credited or the amount of their Individual
15 Settlement Payment, Class Members may produce evidence to the Settlement Administrator
16 showing that such information is inaccurate. Absent evidence rebutting Defendant's records,
17 Defendant's records will be presumed determinative. However, if a Class Member produces
18 evidence contrary to Defendant's records by the Response Deadline, the Settlement Administrator
19 shall notify Class Counsel, and Defendant's counsel to discuss and resolve the dispute, including
20 providing all available relevant information to all counsel. The Parties will resolve all disputes
21 jointly, which shall be final and binding on any Class Member disputes, and shall thereafter
22 instruct the Settlement Administrator how to proceed in processing the dispute. If the Parties
23 cannot reach an agreement, disputes shall be referred to the Settlement Administrator for a
24 determination and if the dispute remains unresolved after that, the dispute shall be submitted to
25 the Court for final determination. All such disputes are to be resolved or submitted to the Court
26 no later than fourteen (14) calendar days after the Response Deadline.

27 54. Defective Submissions. If a Class Member's Request for Exclusion is defective as
28 to the requirements listed herein, that Class Member will be given an opportunity to cure the

1 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
2 business days of receiving the defective submission to advise the Class Member that his or her
3 submission is defective and that the defect must be cured to render the Request for Exclusion
4 valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15)
5 calendar days from the date of the cure letter, whichever date is later, to postmark a revised
6 Request for Exclusion. If a Class Member responds to a cure letter by filing a defective claim,
7 then the Settlement Administrator will have no further obligation to give notice of a need to cure.
8 If the revised Request for Exclusion is not postmarked within that period, it will be deemed
9 untimely. Any dispute regarding the validity of a Request for Exclusion falls solely within the
10 discretion of the Settlement Administrator unless both Parties stipulate otherwise.

11 55. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
12 Action must sign and postmark a written Request for Exclusion to the Settlement Administrator
13 by the Response Deadline. The Request for Exclusion must include (a) the Class Member's name,
14 address, telephone number, and the last four digits of the Class Member's Social Security number
15 and/or the Employee ID number and (b) a clear statement requesting to be excluded from the
16 settlement of the class claims similar to the following: "I wish to exclude myself from the class
17 settlement reached in the matter of *Hernandez v. Baltazar Construction, Inc.* I understand that by
18 excluding myself, I will not receive money from the settlement of my individual claims." The
19 date of the postmark on the return mailing envelope receipt confirmation will be the exclusive
20 means to determine whether a Request for Exclusion has been timely submitted. All Requests for
21 Exclusion will be submitted to the Settlement Administrator, who will certify jointly to Class
22 Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted. All
23 Class Members who do not request exclusion from the Action will be bound by all terms of the
24 Settlement Agreement if the Settlement is granted final approval by the Court. The Request for
25 Exclusion shall not be effective as to the release of claims arising under the Private Attorneys General Act.

26 56. Defendant's Right to Rescind. If ten percent (10%) or more of the Class Members
27 (rounded to the next whole number) elect not to participate in the Settlement, Defendant may, at
28 its election, rescind the Settlement Agreement and all actions taken in furtherance of it will be

1 thereby null and void. Defendant must meet and confer with Class Counsel prior to exercising
2 this right and must make clear its intent to rescind the Agreement no later than ten (10) calendar
3 days after the Response Deadline. If Defendant exercises its right to rescind the Agreement,
4 Defendant shall be responsible for all Settlement Administration Costs incurred to the date of
5 rescission.

6 57. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class
7 Member who does not affirmatively opt-out of the Settlement by submitting a timely and valid
8 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released
9 Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the
10 Settlement. Class Members who opt-out of the Settlement shall not be bound by such Judgment
11 or release. The names of Class Members who have opted-out of the settlement shall be disclosed
12 to the Counsel for Plaintiff and Defendant and noted in the proposed Judgment submitted to the
13 Court.

14 58. Objection Procedures. To object to the Settlement, a Participating Class Member
15 must postmark a valid Objection to the Settlement Administrator on or before the Response
16 Deadline. The Objection must be signed by the Participating Class Member and contain all
17 information required by this Settlement Agreement including the Class Member's full name,
18 address, telephone number, the last four digits of their social security number and/or Employee
19 ID number, and the specific reason including any legal grounds for the Participating Class
20 Member's objection. The postmark date will be deemed the exclusive means for determining that
21 the Objection is timely. Any dispute regarding the validity of an Objection falls solely within the
22 discretion of the Settlement Administrator unless both Parties stipulate otherwise. Participating
23 Class Members who fail to object in the manner specified above will be foreclosed from making
24 a written objection, but shall still have a right to appear at the Final Approval Hearing in order to
25 have their objections heard by the Court. At no time will any of the Parties or their counsel seek
26 to solicit or otherwise encourage Participating Class Members to submit written objections to the
27 Settlement or appeal from the Order and Judgment. Class Counsel will not represent any
28 Participating Class Members with respect to any objections to this Settlement.

1 59. Certification Reports Regarding Individual Settlement Payment Calculations. The
2 Settlement Administrator will provide Defendant's Counsel and Class Counsel a weekly report
3 which certifies: (a) the number of Class Members who have submitted Requests for Exclusion;
4 (b) the number of re-mailed and/or undeliverable Class Notices; and (c) whether any Class
5 Member has submitted a challenge to any information contained in the Class Notice. Additionally,
6 the Settlement Administrator will provide to counsel for all Parties any updated reports regarding
7 the administration of the Settlement Agreement as needed or requested. The Settlement
8 Administrator will provide a declaration to Class Counsel in advance of the hearing on Final
9 Approval of the settlement which Class Counsel shall be responsible for reviewing and approving.

10 60. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator
11 to Participating Class Members and PAGA Members will be negotiable for at least one hundred
12 eighty (180) calendar days. If a Participating Class Member and/or PAGA Member does not cash
13 his or her settlement check within 180 days, the uncashed funds, subject to Court approval, shall
14 be distributed to the Controller of the State of California to be held pursuant to the Unclaimed
15 Property Law, California Civil Code § 1500, *et. seq.* for the benefit of those Participating Class
16 Members and/or PAGA Members who did not cash their checks until such time that they claim
17 their property. The Parties agree that this disposition results in no "unpaid residue" under
18 California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to
19 Participating Class Members and PAGA Members, whether or not they all cash their settlement
20 checks. Therefore, Defendant will not be required to pay any interest on such amounts. The
21 Individual Settlement Payments provided to Participating Class Members and to PAGA Members
22 shall prominently state the expiration date or a statement that the settlement check will expire in
23 one hundred eighty (180) days, or alternatively, such a statement may be made in a letter
24 accompanying the Individual Settlement Payment. Expired Individual Settlement Payments will
25 not be reissued, except for good cause and as mutually agreed by the Parties in writing. The parties
26 agree no unclaimed funds will result from the settlement process detailed in this Agreement.

27 61. Administration of Taxes by the Settlement Administrator. The Settlement
28 Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class

1 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid
2 pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding
3 all payroll taxes and penalties to the appropriate government authorities.

4 62. Tax Liability. Defendant makes no representation as to the tax treatment or legal
5 effect of the payments called for hereunder, and Plaintiff and Participating Class Members are
6 not relying on any statement, representation, or calculation by Defendant or by the Settlement
7 Administrator in this regard. Plaintiff and Participating Class Members understand and agree that
8 except for Defendant's payment of the employer's portion of any payroll taxes, they will be solely
9 responsible for the payment of any taxes and penalties assessed on the payments described herein.
10 Defendant's share of any employer-side payroll taxes and other required employer withholdings
11 due on the Individual Settlement Payments, including, but not limited to, Defendant's FICA and
12 FUTA contributions, shall be paid separate and apart from the Gross Settlement Amount.

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

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

65. Release by Participating Class Members, PAGA Members, the LWDA and the State of California. Upon the funding of the Gross Settlement Amount and all applicable employer-side payroll taxes by Defendant, Participating Class Members shall fully release and discharge the Released Parties from any and all Released Claims arising during the Class Period. This release shall be binding on all Participating Class Members. All PAGA Members, the LWDA, and the State of California shall release claims Released PAGA Claims for the PAGA Period. All PAGA Members shall release claims arising under PAGA during the PAGA Period regardless of their decision to participate in the class settlement.

66. Release of Additional Claims & Rights by Plaintiff. Upon the funding of the Gross Settlement Amount, Plaintiff will agree to the additional following General Release: In consideration of Defendant's promises and agreements as set forth herein, Plaintiff hereby releases the Released Parties from all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Party committed or omitted prior to the execution thereof. Specifically, Plaintiff will expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits afforded of section 1542 of the California Civil Code, or any other provision under federal or state law, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

1 This release specifically excludes claims for unemployment insurance, disability, social
2 security, and workers' compensation (with the exception of claims arising pursuant to California
3 Labor Code sections 132(a) and 4553).

4 67. Neutral Employment Reference. Defendant agrees that it will adopt a neutral
5 reporting policy regarding any future employment references related to Plaintiff. In the event that
6 any potential or future employers of Plaintiff request a reference regarding Defendant's
7 employment of Plaintiff, Defendant shall only provide Plaintiff's dates of employment, job titles
8 during employment, and final rate of pay. Defendant shall not refer to the Action or this
9 Settlement.

10 68. Nullification of Settlement Agreement. In the event that: (a) the Court does not
11 finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any
12 material term of this Settlement Agreement; or (c) the Settlement does not become final as written
13 and agreed to by the Parties for any other reason, then this Settlement Agreement, and any
14 documents generated to bring it into effect, will be null and void, all amounts deposited into the
15 QSF will be returned to Defendant, and the Parties shall be returned to their original respective
16 positions. Any order or judgment entered by the Court in furtherance of this Settlement
17 Agreement will likewise be treated as void from the beginning. Pursuant to California Evidence
18 Code § 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding
19 to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the
20 Parties agree that this Settlement Agreement is void, and remains protected by California
21 Evidence Code § 1152. Should the Court fail to approve this settlement for any reason, the Parties
22 agree that they will return to and attend mediation with a mutually agreed mediator in an effort to
23 reach a settlement that may be approved by the Court.

24 69. Preliminary Approval Hearing. Plaintiff will obtain a hearing before the Court to
25 request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
26 Approval Order for: (a) conditional certification of the Putative Class for settlement purposes only,
27 (b) Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for a Final
28 Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the

1 Class Notice to be sent to all Class Members as specified herein. In conjunction with the
2 Preliminary Approval hearing, Plaintiff will submit this Agreement, which sets forth the terms of
3 the Settlement, and will include the proposed Class Notice attached as Exhibit A. Class Counsel
4 will be responsible for drafting all documents necessary to obtain Preliminary Approval but shall
5 provide the Motion for Preliminary Approval to Defendant's Counsel at least three (3) calendar
6 days in advance of submission for their review and comment. Defendant may provide additional
7 information regarding Defendant's contentions and alleged defenses, which Plaintiff may dispute,
8 but shall include in the preliminary approval papers. Plaintiff will work in good faith with
9 Defendant regarding other revisions and comments to the Motion for Preliminary Approval,
10 which Plaintiff shall consider, but shall not be required to accept. Defendant shall file a notice of
11 non-opposition that states it either joins in Plaintiff's Motion for Preliminary Approval or that it
12 will not file any response to Plaintiff's unopposed Motion for Preliminary Approval. This is a
13 material term of the settlement and any opposition by Defendant will be grounds for Plaintiff to
14 withdraw from the settlement. Any failure by the Court to fully and completely approve the
15 Agreement as to the Action, or the entry of any Order by another Court with regard to any of the
16 Action which has the effect of preventing the full and complete approval of this Settlement
17 Agreement as written and agreed to by the Parties, will result in this Settlement Agreement and
18 the Memorandum of Understanding entered into by the Parties, and all obligations under this
19 Settlement Agreement and the Memorandum of Understanding being nullified and voided.

20 70. Final Settlement Approval Hearing and Entry of Judgment. Upon completion of the
21 Class Notice process, including the expiration of the deadlines to postmark Requests for
22 Exclusion or Objections to the Settlement Agreement, a Final Approval/Settlement Fairness Hearing
23 will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts
24 properly payable for: (a) Individual Settlement Payments; (b) the PAGA Penalties to the LWDA; (c) Class
25 Counsel's Attorneys' Fees and Costs; (d) the Class Representative Incentive Payment; and (e) the
26 Settlement Administration Costs. Any failure by the Court to fully and completely approve the
27 Settlement Agreement as to all of the Action, or the entry of any Order by another Court with
28

1 regard to any of the Action which has the effect of modifying material terms of this Agreement
2 or preventing the full and complete approval of the Settlement Agreement as written and agreed
3 to by the Parties, will result in this Agreement and all obligations under this Agreement being null
4 and void. Defendant agrees it shall not oppose the granting of the Motion for Final Approval,
5 provided Defendant has not exercised its right to rescind pursuant to the terms of this Agreement.

6 71. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by
7 the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the
8 Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing
9 jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms
10 of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as
11 may be appropriate under court rules or as set forth in this Settlement.

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

15 73. Entire Agreement. This Settlement Agreement and any attached Exhibits
16 constitute the entirety of the Parties' Settlement. No other prior or contemporaneous written or
17 oral agreements may be deemed binding on the Parties.

18 74. Amendment or Modification. This Settlement Agreement may be amended or
19 modified only by a written instrument signed by counsel for all Parties or their successors-in-
20 interest.

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

document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

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

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

78. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

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

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

81. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that either party may appeal any court order that materially alters the Settlement Agreement's terms.

82. Class Action Certification for Settlement Purposes Only. The Parties agree to

1 stipulate to class action certification only for purposes of the Settlement. If, for any reason, the
2 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
3 that certification for purposes of the Settlement is not an admission that class action certification
4 is proper under the standards applied to contested certification motions and that this Agreement
5 will not be admissible in this or any other proceeding as evidence that either: (a) a class action
6 should be certified or (b) Defendant is liable to Plaintiff or any Class Member, other than
7 according to the Settlement's terms.

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

22 84. Captions. The captions and section numbers in this Agreement are inserted for the
23 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
24 provisions of this Agreement.

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

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

6 87. Representation By Counsel. The Parties acknowledge that they have been
7 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
8 and that this Agreement has been executed with the consent and advice of counsel and reviewed
9 in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the
10 Agreement.

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

13 89. Cooperation and Execution of Necessary Documents. The Parties agree to
14 cooperate to promote participation in the Settlement, and in seeking court approval of the
15 Settlement. The Parties and their counsel agree not to take any action to encourage any Class
16 Members to opt out of and/or object to the Settlement. Defendant agrees not to obtain any
17 settlement agreement waivers, Pick Up Stix agreements or arbitration agreements from any Class
18 Member prior to the funding of the Gross Settlement Amount concerning claims released via this
19 Agreement, or enter into any arbitration agreement with any Class Member that covers the claims
20 released via this Agreement during the Settlement approval process prior to the funding of the
21 Gross Settlement Amount and that the Parties will work in good faith to reach an agreement
22 approved by the Court.

23 90. Enforcement and Continuing Jurisdiction of the Court. To the extent consistent
24 with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant
25 to California Code of Civil Procedure § 664.6. The Court shall retain continuing jurisdiction over
26 this Action and over all Parties and Class Members, to the fullest extent to enforce and effectuate
27 the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this
28 Settlement Agreement. The Court shall award attorneys' fees and costs to the prevailing party in

any motion or action taken and based on an alleged violation of any material term of the Settlement Agreement and/or in any action taken to enforce the terms of this Settlement Agreement.

91. Voluntary Agreement. The Parties acknowledge that they have entered into this Settlement Agreement voluntarily, on the basis of their own judgment and without coercion, duress, or undue influence of any Party, and not in reliance on any promises, representations, or statements made by the other Parties other than those contained in this Settlement Agreement. Each of the Parties hereto expressly waives any right they might ever have to claim that this Settlement Agreement was in any way induced by fraud.

92. Confidentiality. The Parties and their counsel agree that there will be no publicity, marketing, posting, publishing, reporting, or advertising of the Settlement or any of its terms. However, Class Counsel may list the case name, number, and a brief description of the claims in their declarations in support of qualifications as class counsel in future filings. Notwithstanding anything in this provision, Class Counsel can discuss the Settlement with Plaintiff and with Class Members and can include it in all necessary Court and ancillary documents supporting the resolution of this Action. Nothing in this paragraph is intended to interfere with Class Counsel's duties and obligations to faithfully discharge their duties as Class Counsel, including but not limited to, communicating with Class Members regarding the settlement.

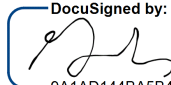
93. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding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

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1 APPROVED AS TO FORM AND CONTENT:

2 Dated: 3/22/2022

PLAINTIFF

3 By:  DocuSigned by:
4 9A1AD144BA5B456...

5 Francisco Salome Renoj Hernandez

6
7 Dated: _____

**DEFENDANT BALTAZAR
CONSTRUCTION, INC.**

8
9 By: _____

10 Name: _____

11 Title: _____

12
13 APPROVED AS TO FORM ONLY:

14
15
16 Dated: 3/22/2022

PROTECTION LAW GROUP, LLP

17
18 By: 
19 Heather Davis, Esq.
20 Amir Nayebdadash, Esq.
21 Attorneys for Plaintiff

22
23 Dated: _____

**ATKINSON, ANDELSON, LOYA, RUDD &
ROMO**

24
25 By: _____
26 Thomas W. Kovacich, Esq.
27 Joshua N. Lange, Esq.
28 Attorneys for Defendant

1 APPROVED AS TO FORM AND CONTENT:

2 Dated: _____

3 PLAINTIFF

4 By: _____

5 Francisco Salome Renoj Hernandez

6
7 Dated: 3/21/2022

8 DEFENDANT BALTAZAR
9 CONSTRUCTION, INC.

10 By: Marc Moreno

11 Name: GROCE MORENO

12 Title: PRESIDENT

13
14 APPROVED AS TO FORM ONLY:

15
16 Dated: _____

17 PROTECTION LAW GROUP, LLP

18 By: _____

19 Heather Davis, Esq.

20 Amir Nayebdadash, Esq.

21 Attorneys for Plaintiff

22
23 Dated: 3/24/22

24 ATKINSON, ANDELSON, LOYA, RUDD &
25 ROMO

26 By: _____

27 Thomas W. Kovacich, Esq.

28 Joshua N. Lange, Esq.

Attorneys for Defendant

Exhibit “A”

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Francisco Salome Renoj Hernandez v. Baltazar Construction, Inc., et. al
Los Angeles Superior Court, Case No. 21STCV11456

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To:	All current and former non-exempt employees of Baltazar Construction, Inc. who were employed in the State of California at any time from March 24, 2017, to November 13, 2021.
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BASIC INFORMATION

1. What is this settlement about?

A lawsuit was commenced by a former employee of Baltazar Construction, Inc. (“Defendant”) on March 24, 2021. The case is currently pending in the Los Angeles Superior Court, Case No. 21STCV11456 (“Lawsuit”).

The Lawsuit claims that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiff alleges that Defendant failed to provide compliant meal and rest periods and associated premium wages, did not properly pay employees all wages owed for time worked, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to reimburse employees for necessary business expenses, and maintained unfair business practices. The settlement also seeks to recover penalties pursuant to the California Private Attorneys General Act (“PAGA”). The Lawsuit claims that the Defendant violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, *inter alia*, damages, penalties and restitution. Defendant denies all alleged violations and denies that they owe Class Members any remedies. The Court has not made a ruling on the merits of the case.

2. Why is this a class action?

In a class action, one or more people called the Class Representative (in this case, Francisco Salome Renoj Hernandez, also known as “Plaintiff”), sue on behalf of people who appear to have similar claims (in this case all current and former non-exempt or hourly-paid employees who are or were employed by Defendant in the State of California at any time from March 24, 2017, through November 13, 2021. All these people are referred to here as Class Members. In a class action one court resolves the issues for all Class Members in one Lawsuit, except for those who exclude themselves from the Class. The Los Angeles County Superior Court is in charge of this class action.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiff or Defendant. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement”). On [Date of Preliminary Approval] the Court granted preliminary approval of the Settlement, appointed Plaintiff Francisco Salome Renoj Hernandez as the Class Representative, and appointed his attorneys at Protection Law Group, LLP as counsel for the Class (“Class Counsel”).

The Class Representative and Class Counsel think the Settlement is best for the Class.

WHO IS IN THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendant as a non-exempt employee in the state of California at any time between March 24, 2017, through November 13, 2021.

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What does the settlement provide?

The Settlement provides that Defendant will pay a maximum of Five Hundred and Forty Thousand Dollars (\$540,000.00) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel. The Gross Settlement Amount also includes the “Prior Release Payments” previously paid by Defendant to Class Members, in the amount of Ninety One Thousand Five Hundred Dollars (\$91,500.00).

The “Net Settlement Amount” is the portion of the Class Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Class Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed 35% of the Class Settlement Amount or One Hundred Eight Nine Thousand Dollars (\$189,000.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Twenty Thousand Dollars (\$20,000.00);
- C. **Incentive Payment to the Class Representative** in an amount not to exceed Five Thousand Dollars (\$5,000.00);
- D. **Settlement Administration Costs** which are currently estimated to be Fifteen Thousand Dollars (\$15,000.00); and
- E. **PAGA Penalties** in the amount of Fifty Thousand Dollars (\$50,000.00) for the settlement of claims arising under the Private Attorney’s General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$37,500.00) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$12,500.00) will be distributed to hourly-paid, non-exempt employees of Defendant in the state of California at any time from March 22, 2020, through November 13, 2021, for the release of their claims arising under PAGA.

The amount you are eligible to receive from the settlement, your “Individual Settlement Payment” will be determined on a *pro rata* basis, based on the number of weeks you worked in California as an hourly-paid, non-exempt employee of Defendant from March 24, 2017, through November 13, 2021 (“Workweeks”) and whether you previously entered a settlement with Defendant for the Released Claims.

If you previously entered a settlement with Defendant, the amount you previously received will be subtracted from your estimated share of the Net Settlement Amount. Class Members who did not receive a Prior Release Payment shall be paid, at a minimum, at least \$500.00 more than any Class Member who already received a Prior Release Payment.

Your Individual Settlement Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) interest and forty percent (40%) penalties. The wage portion of the Individual Settlement Payment will be subject to

withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Class Settlement Amount. The penalties and interest portions of each class member's settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

You worked **XX workweeks during the class period. Your estimated Individual Settlement Payment is **\$XXX.XX**. This amount includes your portion from the Net Settlement Amount (minus any prior settlement payment) and, if eligible, your share of the PAGA Payment. The amount of this payment is subject to change.**

This Amount was determined based on Defendant's record of your employment between March 24, 2017, through November 13, 2021, and is presumed correct. If you dispute the accuracy of Defendant's records as to the number of weeks worked during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by **[DATE]**. All disputes regarding your workweeks will be resolved and decided by the Parties or if the Parties cannot agree, the Court, after you submit evidence to the Settlement Administrator. The Settlement Administrator's contact information is listed below:

ILYM GROUP, INC.

[Address]

[Telephone No].

[Fax No.]

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How can I get a payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the funding of the Class Settlement Amount, in exchange for the consideration set forth by the Settlement, Plaintiffs and all Class Members who do not submit a timely request for exclusion shall release the "Released Parties" from the "Released Claims" for the Class Period.

The "Released Parties" include Defendant Baltazar Construction, Inc., as named by Plaintiff in the operative complaint in the Action, and all of its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The "Released Claims" means all claims, rights, demands, liabilities and causes of action that are alleged, or reasonably could have been alleged based on the facts and claims asserted in the operative complaint in this action including the following claims: (i) failure to pay all regular wages, minimum wages, prevailing wages, and overtime wages due; (ii) failure to provide meal periods or compensation in lieu thereof; (iii) failure to provide rest periods or compensation in lieu thereof; (iv) failure to reimburse necessary business expenses; (v) failure to provide complete, accurate wage statements; (vi) failure to pay wages timely at time of termination or resignation; (vii) failure to provide timely pay wages during employment; (viii) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; (ix) failure to maintain required payroll records and (x) all claims under the California Labor Code Private Attorneys General Act of 2004 or for civil

penalties that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint including but not limited to Labor Code sections 210, 226.3, 227.3, 1197.1, 558, and 2699.

This release of claims pertains to the period of March 24, 2017, through November 13, 2021.

All PAGA Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all Released Claims arising under PAGA with respect to all of the Released Parties irrespective of whether a Class Member submits a request for exclusion.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Class Claims, then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from the Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Penalties because the Request for Exclusion does not apply to this claim.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Class Claims you must submit a written request for exclusion. You must include your name, address, telephone number and the last four digits of your social security number and/or Employee ID number. Your request for exclusion must also include a statement that you do not wish to be included in this action similar to the following: I wish to exclude myself from the class action settlement reached in the matter of *Hernandez v. Baltazar Construction, Inc.* I understand that by excluding myself I will not receive money from the class portion of the settlement.”

The written request for exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by [DATE]. You cannot exclude yourself by phone.

ILYM Group, INC.

[Address]

[Telephone No.]

[Fax No.]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Class Claims.

You may be able to sue Defendant and/or the Released Parties or continue any suit you have pending against Defendant and/or the Released Parties, regarding the Released Class Claims.

9. If I don't exclude myself, can I sue Defendant for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendant and the Released Parties for the Released Class Claims. If you have a pending Lawsuit involving the Released Class Claims, speak to your lawyer in that Lawsuit immediately.

10. If I exclude myself, can I get money from this settlement?

No (except if you worked between March 22, 2020, through November 13, 2021, in which case you will still receive the portion of your Individual Settlement Payment for Released PAGA Claims.). But if you submit a timely and valid request for exclusion, you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against and/or the Released Parties for Released Class Claims.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved PROTECTION LAW GROUP, LLP, as Class Counsel. The firms' contact information is:

PROTECTION LAW GROUP LLP

Heather Davis, Esq.
Amir Nayebdadash, Esq.
Shahran Kangavari, Esq.
237 California Street
El Segundo, California 90245
Telephone: (424) 290-3095
Facsimile: (866) 264-7880

Class Counsel will ask the Court for attorneys' fees of up to \$189,000.00 and reimbursement of litigation cost/expenses of up to \$20,000. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

12. How do I tell the Court if I don't like the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than [DATE]. Your objection must be signed and must include your full name, address, telephone number, the last four digits of your social security number or employee ID number, and the specific reason for your objection. You may also come to the Final Approval Hearing on [DATE] and make an objection at that time, regardless of whether you submitted a written objection.

13. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

14. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing at [redacted] a.m./p.m. on [Date], in Department 9 of the Los Angeles Superior Court—Spring Street Courthouse, located at 312 N. Spring St. Los Angeles, CA 90012.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I have to come to the hearing?

No. If you agree to the Settlement, you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf. You may attend in person, but you may also attend remotely if you wish. Remote appearances may be scheduled through “LA Court Connect” at <https://www.lacourt.org/lacc/>.

16. How will I learn if the settlement was approved?

A notice of final judgment will be posted on the Settlement Administrator website located at www.ilymgroup.com.

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Claims. You will not be able to start a Lawsuit, continue with a Lawsuit, or be part of any other Lawsuit against Defendant and/or the Released Parties about the Released Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, these funds will be transferred to the Controller of the State of California’s Unclaimed Property Fund. You may then claim these funds from there.

GETTING MORE INFORMATION

18. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator’s website at [www.\[redacted\]](http://www.[redacted]) or by contacting the Settlement Administrator or Class Counsel.

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

**DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE
CLERK OF THE COURT OR THE JUDGE**