

SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS

This Settlement Agreement and Release of All Claims ("Agreement") is made and entered into by and between Defendant CRISTO FARMS CONTRACTING, INC. (hereinafter referred to as "Defendant"), on the one hand and JORGE AYALA, MARIANO ARELLANO, LAURA GUTIERREZ, CARINA VALENCIA, and JAIME LOPEZ (hereinafter referred to as "Plaintiffs") on the other hand.

RECITALS

The parties stipulate as follows:

A. There has arisen between the parties civil litigation concerning, among other things, a claim for damages arising out of the parties' employment relationship (Kern County Superior Court Case No. BCV-21-100579, and Kern County Superior Court Case No. BCV-21-101534, hereinafter referred to as the "Actions"). Among other things, Plaintiffs claim that Defendant (1) failed to pay minimum wages; (2) failed to pay overtime wages; (3) failed to provide off-duty rest breaks and/or pay missed rest break premiums; (4) failed to provide off-duty meal periods and/or pay meal period premiums; (5) failed to pay all wages owed within a timely manner; (6) failed to reimburse for business expenses; (7) failed to provide complete and accurate wage statements; (8) failed to pay all wages due upon termination; and (9) UCL violations based on the foregoing. Defendant specifically denies all of Plaintiffs' claims and denies that it, or any of its employees, agents or affiliates, did any improper acts whatsoever.

B. Plaintiffs and Defendant have fully and finally settled all differences between them, including, but not limited to, those differences described above and now wish to finalize those terms.

C. This Agreement is intended to be a full, complete, and final settlement of each and every civil claim, cause of action, or liability, whether known or unknown, which Plaintiffs and Defendant may have, or may have had, against each other, their affiliated or related companies, divisions, officers, directors, agents, successors and assigns, arising out of the employment relationship or employment existing between the parties prior to the execution of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and releases set forth herein, the parties agree as follows:

1. **NO ADMISSION OF LIABILITY.** This Agreement and compliance with this Agreement shall not be construed as any admission by Defendant of any liability whatsoever, or as an admission by Defendant of any violation of the rights of Plaintiffs or any other person, violation of any order, law, statute, duty, or contract, or any act of discrimination or harassment or retaliation whatsoever against Plaintiffs or any other person. Defendant specifically denies any liability for discrimination against Plaintiffs or any other person, and denies violation of any order, law, statute, duty or contract on the part of Defendant, or Defendant's officers, board of directors, agents, supervisors, employees, attorneys or representatives, or related or affiliated companies or entities.

2. **CONSIDERATION.** As consideration for this Agreement, the parties agree as follows:

a. **Payment Plan**

Defendant agrees to pay to Plaintiffs the sum of eighty thousand dollars (\$80,000.00) (the “Gross Payment”) as damages paid for settlement of the disputed claims. The Gross Payment shall be made pursuant to the following payment plan and held in the Client Trust Account of Law Office of Farah Mirabel (the “Trust”) until all payments have been made:

- \$7,500.00 on or before February 15, 2022¹;
- \$10,000 on or before March 15, 2022;
- \$10,000 on or before April 15, 2022;
- \$10,000 on or before May 15, 2022;
- \$10,000 on or before June 15, 2022;
- \$10,000 on or before July 15, 2022;
- \$10,000 on or before August 15, 2022;
- \$12,500 on or before September 15, 2022;

Defendant shall have met its obligation to satisfy the Gross Payment and have no further responsibility as to the method and delivery of the Gross Payment to Plaintiffs and their legal counsel, once Defendant delivers all payments of the Gross Payment to the Trust.

b. Once all payments have been received by the Trust, payments to Plaintiffs and their respective counsel will be distributed by Plaintiffs’ counsel as follows:

- i. **Payments to Jorge Ayala.** One check issued to Jorge Ayala in the amount of \$8,000.00 for which a 1099 shall be issued; and
 - ii. One check for wages issued to Jorge Ayala in the amount of \$600. The parties understand and agree the wage amount is subject to all applicable taxes, withholdings and deductions required by law.
 - iii. One check issued to Melmed Law Group P.C. in the amount of \$18,499.66 for attorney’s fees and costs.
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- i. **Payments to Mariano Arellano.** One check issued to Mariano Arellano in the amount of \$8,000.00 for which a 1099 shall be issued; and
 - ii. One check for wages issued to Mariano Arellano in the amount of \$600.00. The parties understand and agree that the wage amount is subject to all applicable taxes, withholdings and deductions required by law; and
 - iii. One check issued to the Law Office of Farah Mirabel in the amount of \$18,500.00 for attorney’s fees and costs.

¹ This first installment amount shall include all wage payments due to Plaintiff as set forth in section 2(b). Accordingly, Defendant will deliver to the Law Office of Farah Mirabel a total of five (5) checks (one for each Plaintiff) for wages in the amount of \$600.00, subject to corresponding withholdings and deductions pursuant to each Plaintiff’s last W-4 on file, plus one check to the Trust in the amount of \$4,500.00.

- i. **Payments to Laura Gutierrez.** One check issued to Laura Gutierrez in the amount of \$8,000.00 for which a 1099 shall be issued; and
 - ii. One check for wages issued to Laura Gutierrez in the amount of \$600.00. The parties understand and agree that the wage amount is subject to all applicable taxes, withholdings and deductions required by law.
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- i. **Payments to Carina Valencia.** One check issued to Carina Valencia in the amount of \$8,000.00 for which a 1099 shall be issued; and
 - ii. One check for wages issued to Carina Valencia in the amount of \$600.00. The parties understand and agree that the wage amount is subject to all applicable taxes, withholdings and deductions required by law.
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- i. **Payments to Jaime Lopez.** One check issued to Jaime Lopez in the amount of \$8,000.00 for which a 1099 shall be issued; and
 - iii. One check for wages issued to Jaime Lopez in the amount of \$600.00. The parties understand and agree that amount is subject to all applicable taxes, withholdings and deductions required by law.

Within 10 days of the execution of this Agreement, Plaintiffs shall file a request for dismissal of the class claims without prejudice by the superior court. Within 10 days of deposit of the Gross Payment, Plaintiffs shall file a dismissal of all individual claims by Plaintiffs with prejudice.

3. **MUTUAL RELEASE.**

Except as otherwise provided herein, and notwithstanding the provisions of Section 1542 of the Civil Code of the State of California, Plaintiffs hereby irrevocably and unconditionally release and forever discharges Defendants, their successors, assigns, agents, members, owners, board of directors, agents, supervisors, employees, or related or affiliated companies or entities affiliates, joint employers, joint venturers, attorneys and all persons acting by, through, under, or in concert with such party ("Released Parties") from any and all any and all liability, claims and demands, up to the date of this Agreement or related to or arising out of any event, circumstance, or omission that began (in whole or in part) prior to the date of this Agreement, including, but not limited to, claims relating to EMPLOYEE'S employment with any Released Party, claims for intentional or negligent interference with business relations and including, but not limited to, claims, demands or actions relating thereto, arising under EMPLOYER'S policies and procedures, whether formal or informal; the United States or State of California Constitutions; Title VII of the Civil Rights Act of 1964, as amended; the Family and Medical Leave Act; the California Fair Employment and Housing Act; and any other federal, state or local statute, ordinance or regulation. This Agreement does not affect any claims that cannot be released by law. Nothing in this Agreement is intended to waive claims for: (i) workers' compensation claims, (ii) unemployment insurance benefits, (iii) Consolidated Omnibus Budget Reconciliation Act (COBRA) benefits, (iv) for vested rights under ERISA-covered employee benefit plans as applicable on the date Employee signs this Agreement, or (v) which cannot be released by private agreement.

Except as otherwise provided herein, and notwithstanding the provisions of Section 1542 of the Civil Code of the State of California, Defendant hereby irrevocably and unconditionally releases and forever discharges Plaintiff and her successors, assigns, attorneys, and agents, and all persons acting by, through, under, or in concert with her from any and all charges, complaints, claims, and liabilities of any kind (including attorneys' fees, interest, expenses, and costs actually incurred) or of any nature whatsoever, known or unknown, suspected or unsuspected (hereinafter referred to as "claim" or "claims") which Defendant now have or claim to have or which Defendant at any time heretofore had or claimed to have against Plaintiffs, their successors, assigns, attorneys, and agents, and all persons acting by, through, under, or in concert with them, or any of the other persons listed in this paragraph including, without limitation, any and all claims related or in any manner incidental to the parties' employment relationship prior to the execution of this Agreement.

4. **FINAL SETTLEMENT.**

Plaintiffs understand and agree that the release contained in Paragraph 3 of this Agreement shall act as a full and final release of all claims, known or unknown, whether or not ascertained, arising from or relating to the employment relationship between the parties prior to the execution of this Agreement. Plaintiffs expressly waive any rights or benefits available under section 1542 of the Civil Code of the State of California, which provides as follows:

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

5. **AUTHORITY TO EXECUTE AGREEMENT.** Plaintiffs represent and warrant that they have the sole right and exclusive authority to execute this Agreement on their behalf, that they understands the nature, quality and effect of signing this Agreement and that they have not sold, assigned, transferred or conveyed or otherwise dispensed of any claim or demand relating to her relationship with Defendant, or any other matter covered by this Agreement.

6. **NO FURTHER ACTION.** Plaintiffs represent that they have not filed any other pending complaints, claims, lawsuits, or actions against Defendant, or Defendant's officers, board of directors, agents, members, owners, supervisors, employees, attorneys or representatives, or related or affiliated companies or entities with any state, federal, or local agency, court, or any other forum, alleging any claim, liability, or cause of action against Defendant arising out of the relationship between the parties based upon facts known or unknown which may have occurred prior to the date of this Agreement. Plaintiffs further agree that they shall not, at any time hereafter, commence, maintain or prosecute any action, suit, proceeding, investigation, complaint, claim, grievance or charge with any court, administrative agency, arbitrator or any other body or person, whether Federal, State, contractual or otherwise, or aid or assist others in prosecuting such action, suit, proceeding, investigation, complaint, claim, grievance or charge on her behalf, except in response to governmental agency or court inquiries or as compelled by legal process, against any Released Party, based in whole or in part upon, or arising out of or in an way connected with, any of the claims released or any of the matters referred to in this Agreement. Plaintiffs further agree to indemnify and hold the Released Parties harmless from and against any and all claims, demands, causes of action, damages or liability of any kind, including the cost of defense and reasonable attorneys' fees arising out of or in connection with, any action, suit, proceeding, investigation,

complaint, claim grievance or charge commenced, maintained, or prosecuted by her contrary to terms of the Agreement.

7. **TAX CONSEQUENCES.** It is understood that Defendant makes no warranties or guarantees with respect to the tax consequences, if any, resulting from the payments made under this Agreement. If the Internal Revenue Service or State Franchise Tax Board find any additional portion of these settlement amounts to be income, or otherwise taxable, Plaintiffs agree to assume all liability for taxes and any costs, fees, interest, assessments, penalties, damages or other losses due to such a determination. Should it be determined by an authorized authority that the Gross Payment, or any portion thereof, should be treated as taxable income, Plaintiffs agree to indemnify Defendant and the Released Parties against any lien, claim or action asserted against the Gross Payment. Defendant makes no representations as to the taxability of the Gross Payment or any portion thereof.

8. **CONFIDENTIALITY.** The Parties agree that the terms and conditions of this Agreement shall remain strictly confidential and shall not be disclosed by the Parties or their representatives to any other person; however, the Parties may disclose such terms and conditions to their spouses, their accountants to the extent needed for legal advice or tax reporting purposes, and their attorneys. When releasing this information to any such person, the Parties shall advise the person receiving the information of its confidential nature. The Parties, and anyone to whom the confidential information has been disclosed by or through the Parties, shall not respond to, or in any way participate in or contribute to, any public discussion, notice or other publicity concerning this Agreement. The foregoing restrictions shall not apply to any disclosure by the Parties to any government agency or as otherwise required by applicable law (e.g., the Parties may disclose the terms and conditions of this Agreement if required to do so in response to a duly-issued subpoena, etc.). If asked about the Settlement herein, each party shall merely state that the action resolved to the satisfaction of the Parties, absent a court order directing disclosure.

Defendant shall respond to any inquiry from prospective employers of Plaintiffs only to confirm dates of employment and compensation. In connection with such an inquiry, employer shall not disparage Plaintiffs in any way, and will not disparage Plaintiffs to any future employers of Plaintiffs. Defendant shall not disclose any of the terms of this Agreement or this lawsuit.

9. **NO INDUCEMENT.** Plaintiffs agree that if the facts with respect to which this Agreement is executed are found hereafter to be different from the facts now believed by Plaintiffs, Plaintiffs expressly accepts and assumes the risk of such possible difference in facts, and agrees that this Agreement shall remain effective, notwithstanding such differences. Plaintiffs declare and represent that this Agreement is entered into voluntarily and that no promise, inducement or other agreement not expressly contained herein has been made to induce this Agreement.

10. **SUCCESSORS.** This Agreement shall inure to the benefit of each party hereto, its predecessors, successors, subsidiaries, affiliates, representatives, assigns, agents, officers, directors, employees and personal representatives, past, present and future.

11. **MODIFICATION.** This Agreement may not be altered, amended or modified in any respect, except by in writing duly executed by the party to be charged.

12. **ATTORNEY'S FEES.** In the event suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover as an element of costs their costs of suit, reasonable attorney's fees. The "prevailing party" shall be the party who is entitled to recover costs of suit, whether or not the suit ends with a final judgment. This Agreement shall be interpreted and covered under the laws of the State of California.

13. **NON-DISPARAGEMENTT.** The Parties mutually agree that they shall in no way disparage or defame the other Party or the other Party's owners, managers, directors, products, services, policies, practices, financial state, employees, or business reputation to any person or entity or engage in any conduct whatsoever that disrupts, damages, impairs, or interferes with the business reputation of either Party.

14. **SOLE REMEDY.** Without prejudice to any rights or remedies that Plaintiffs may hereafter have against Defendant, Plaintiffs waive any right they may have for a lawsuit for damages against any shareholder, owner, member director, officer, or employee of Defendant, for any claim, cause of action, damage, costs, or expense, including attorney's fees, arising from, in connection with, or relating to, the terms and provisions of this Agreement or any breach thereof. Any disputes arising out of or related to the construction of this Agreement or any claimed violation of this Agreement after execution of this Agreement shall be submitted by the parties to final, binding and confidential mediation and/or arbitration for resolution in County of Kern.

15. **FAIR READING.** This Agreement is a result of the negotiations between the parties, and will not be construed strictly against or in favor of any party hereto. The parties intend that this Agreement will be given a fair reading and reasonable construction in accordance with the intentions of the parties and without regard to, or aid of Section 1654 of the California Civil Code.

16. **CONSTRUCTION.** Headings are used herein for convenience only and shall have no force or effect in the interpretation or construction of this Agreement. As used in this Agreement, the singular shall include the plural, the masculine, the feminine and neuter genders. The above-stated Recitals are incorporated into this Agreement by this reference.

17. **WAIVER/INVALID PROVISION.** Should any term, clause or provision of this Agreement be found to be waived or invalid, the validity of the remaining terms, clauses and provisions shall not be affected.

18. **FURTHER ASSURANCES.** The parties each agree to make, execute, and deliver such other documents, and to undertake such other and further acts as may be reasonably necessary to carry out the intent of this Agreement.

19. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one Agreement.

20. **COMPLETE AGREEMENT.** This Agreement sets forth the final, complete, and exclusive statement of the parties' agreement concerning their employment relationship. All prior agreements, understandings, oral agreements and writings are expressly superseded hereby and of no further force and effect.

21. **LEGAL REPRESENTATION.** The parties represent and acknowledge that each of them is represented by legal counsel with respect to this Agreement and all matters covered by or related to this Agreement. Each party has been fully advised with respect to all rights which are affected by this Agreement, has carefully read, and fully understands all the provisions of this Agreement, and voluntarily enters into this Agreement. The parties shall bear their own costs and attorneys' fees.

Each party, having read, understood, and agreed to be bound by the terms and conditions of this Agreement, do hereby execute said Agreement by affixing their signatures hereto. This Agreement shall be effective on the date last written below.

Signature: _____ Date: _____
Jorge Ayala

Signature: _____ Date: _____
Mariano Arellano

Signature: _____ Date: _____
Laura Gutierrez

Signature: _____ Date: _____
Carina Valencia

Signature: _____ Date: _____
Jaime Lopez

Signature: _____ Date: _____
Cristo Farms Contracting, Inc.

Its: _____

Name: _____

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Each party, having read, understood, and agreed to be bound by the terms and conditions of this Agreement, do hereby execute said Agreement by affixing their signatures hereto. This Agreement shall be effective on the date last written below.

Signature: _____ Date: _____
Jorge Ayala

Signature: Mariano Arellano Date: 2-18-22
Mariano Arellano

Signature:  Date: 2/18/22
Laura Gutierrez

Signature:  Date: 2-18-2022
Carina Valencia

Signature: Jaime Lopez Date: 2/18/22
Jaime Lopez

Signature: _____ Date: _____
Cristo Farms Contracting, Inc.
Its: _____
Name: _____

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Each party, having read, understood, and agreed to be bound by the terms and conditions of this Agreement, do hereby execute said Agreement by affixing their signatures hereto. This Agreement shall be effective on the date last written below.

Signature: Jorge Ayala Date: 02/24/22
Jorge Ayala

Signature: _____ Date: _____
Mariano Arellano

Signature: _____ Date: _____
Laura Gutierrez

Signature: _____ Date: _____
Carina Valencia

Signature: _____ Date: _____
Jaime Lopez

Signature: _____ Date: _____
Cristo Farms Contracting, Inc.

Its: _____

Name: _____

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Each party, having read, understood, and agreed to be bound by the terms and conditions of this Agreement, do hereby execute said Agreement by affixing their signatures hereto. This Agreement shall be effective on the date last written below.

Signature: _____ Date: _____
Jorge Ayala

Signature: _____ Date: _____
Mariano Arellano

Signature: _____ Date: _____
Laura Gutierrez

Signature: _____ Date: _____
Carina Valencia

Signature: _____ Date: _____
Jaime Lopez

Signature:  Date: 3/4/2022
Cristo Farms Contracting, Inc.

Its: CEO

Name: Erika Arellano