

CLASS ACTION SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action Settlement Agreement (“Agreement”) is made by and between plaintiff Nasreddine Daoud (“Plaintiff”) and defendant Bay Air Systems, Inc. (“Bay Air” or “Defendant”). The Agreement refers to Plaintiff and BAY AIR collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1. “Action” means Plaintiff’s lawsuit alleging wage and hour violations against BAY AIR captioned *Nasreddine Daoud v. Bay Air Systems, Inc., John Morgan, Roberta Morgan, Ben Morgan, and Bert Morgan* (Contra Costa Co. Sup. Ct. Case No. C22-00988), initiated on or about April 27, 2022 and currently pending in the Superior Court of the State of California, County of Contra Costa.

1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. “Aggrieved Employee” consists of all non-exempt employees who were employed by Defendant in the State of California at any time during the PAGA Period.

1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in BAY AIR’s possession, including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. “Class” means all non-exempt employees who were employed by BAY AIR in the State of California at any time during the Class Period (defined as April 27, 2018, through the date on which the Court enters an Order granting Preliminary Approval of this Settlement) (“Class Members”).

1.7. “Class Counsel” means MATERN LAW GROUP, PC.

1.8. “Class Counsel Fees Payment” means the amount allocated to Class Counsel for reimbursement of reasonable attorneys’ fees incurred to prosecute the Action.

1.9. “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of reasonable expenses incurred to prosecute the Action, as evidenced by documentation and evidence submitted by Class Counsel verifying the nature and amount of each such expense. The Class Counsel Litigation Expense Payment shall not exceed \$25,000

1.10. “Class Data” means Class Member identifying information in BAY AIR’s possession, including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks.

1.11. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member.

1.12. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.13. “Class Notice” means the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.14. “Class Period” means the period from April 27, 2018, through the date on which the Court enters an Order granting Preliminary Approval of this Settlement.

1.15. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.16. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.17. “Court” means the Superior Court of California, County of Contra Costa.

1.18. “BAY AIR” means named defendant BAY AIR, SYSTEMS, INC.

1.19. “Defense Counsel” means Quarles & Brady LLP.

1.20. “Effective Date” means the date by when both of the following have occurred:

- a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.21. “Final Approval” means the Court’s order granting final approval of the Settlement.

1.22. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.23. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.24. “Gross Settlement Amount” means Nine Hundred Thousand Dollars (\$900,000.00) which is the total amount BAY AIR agrees to pay under the Settlement except as provided in Paragraph 3.1 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Class Counsel Fees, Class Counsel Expenses, Individual PAGA Payments, LWDA PAGA Payment, Class Representative Service Payment and the Administrator’s Expenses.

1.25. “Individual Class Payment” means the Participating Class Member’s *pro rata* share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.26. “Individual PAGA Payment” means the Aggrieved Employee’s *pro rata* share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.27. “Judgment” means the judgment entered by the Court based upon the Final

Approval.

1.28. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.29. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.30. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, PAGA Penalties and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.31. “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.32. “PAGA” means the California Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.33. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated as 25% to the Aggrieved Employees and 75% to LWDA in settlement of PAGA claims.

1.34. “PAGA Period” means February 16, 2021, through the date on which the Court enters an Order granting Preliminary Approval of this Settlement.

1.35. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.36. “Plaintiff” means Nasreddine Daoud, the named plaintiff in the Action.

1.37. “Preliminary Approval Order” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.38. “Proposed Preliminary Approval Order” means the proposed Order Granting Preliminary Approval.

1.39. “Released Class Claims” means the claims being released as described in Paragraph

5.2 below.

1.40. “Released Parties” means: BAY AIR, John Morgan, Roberta Morgan, Ben Morgan, and Bert Morgan, and its and their present and former parents, owners, affiliates and all of its and their managers, members, officers, directors, employees, agents, servants, registered representatives, attorneys, insurers, successors and assigns, and any other persons acting by through, under or in concert with any of them.

1.41. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.42. “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.43. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.44. “Workweek” means any week during which a Class Member worked for BAY AIR for at least one day, during the Class Period.

2. RECITALS.

2.1. On April 27, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes of action against BAY AIR for: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay Overtime Wages; (4) Failure to Pay Minimum Wages; (5) Failure to Pay All Wages Due to Discharged Employees; (6) Failure to Maintain Records; (7) Failure to Furnish Accurate Wage Statements; (8) Failure to Indemnify Employees for Necessary Expenditures; and (9) Unfair and Unlawful Business Practices (Bus. & Prof. Code § 17200). Plaintiff’s Complaint also includes a tenth cause of action alleging a representative claim under the Private Attorneys General Act (“PAGA”).

2.2. On February 16, 2022, Plaintiff provided written notice to the LWDA of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations.

2.3. Defendant filed an answer to the Complaint on July 11, 2022.

2.4. On May 12, 2023, Plaintiff filed an Amendment to Complaint seeking to designate John Morgan, Roberta Morgan, Ben Morgan, and Bert Morgan as fictitious names DOES 1 through 4, respectively.

2.5. On or about August 16, 2023, Defendant filed a demurrer to the Complaint, and motion to strike the individually named Defendants from the Complaint. On October 4, 2023, Defendant's demurrer was sustained with leave to amend.

2.6. On or about November 3, 2023, Plaintiff filed a First Amended Complaint ("FAC").

2.7. BAY AIR denies the allegations in the FAC, denies any failure to comply with the laws identified in the FAC and denies any and all liability for the causes of action alleged.

2.8. On October 3, 2022, the Parties participated in a full-day mediation before Lisa Klerman which resulted in a mediator's proposal that was accepted by Plaintiff and Defendants on or about December 6, 2023.

2.9. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 4.1 below, BAY AIR promises to pay Nine Hundred Thousand Dollars (\$900,000.00) and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. BAY AIR has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members to submit any claim as a condition of payment. None of

the Gross Settlement Amount will revert to BAY AIR.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than \$10,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). BAY AIR will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed \$10,000.00. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount which is currently estimated to be \$300,000.00, and a Class Counsel Litigation Expenses Payment of not more than \$25,000. BAY AIR will not oppose requests for these payments provided that they do not exceed these amounts, and as to the Class Counsel Litigation Expenses Payment, the amount is supported by documents and evidence submitted by Class Counsel. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any

portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds BAY AIR harmless, and indemnifies BAY AIR, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment estimated to be \$7,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$7,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 PAGA Allocations: A payment out of the Gross Settlement Amount of \$45,000.00 intended to resolve any and all claims of the LWDA for civil penalties under PAGA. This payment shall be allocated as \$33,750.00 to the LWDA as the LWDA's share of the settlement of civil penalties paid under this agreement pursuant to PAGA, and as \$11,250.00 for distribution to the Aggrieved Employees.

3.2.5 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.5.1 Tax Allocation of Individual Class Payments. One-third of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form, which shall be issued by the Administrator. The remaining two-thirds of each Participating Class Member's Individual Class Payment will be allocated to

settlement of claims for interest and penalties (the “Non- Wage Portion”).

The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.5.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments but will receive their share of the PAGA allocation. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Workweeks & Escalator Provision. Based on a review of its records to date, BAY AIR estimates as of October 23, 2024, there are 27,574 workweeks in the Class Period. If the workweeks as of the Preliminary Approval date are more than 10% of this number, then at its option Defendant may elect to either (a) end the Class Period on the date the number of workweeks reaches 30,331.40 (110% of the estimated workweeks through October 23, 2024) provided that the Class Period shall not extend past the date on which the number of workweeks reached 30,331.40, or (b) pay an increased pro rata amount for each 1% over 10%, so that if the additional workweeks are 11% Defendant will pay an additional 1%, if the additional workweeks are 12% Defendant will pay an additional 2%.

4.2 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, BAY AIR will simultaneously deliver the Class Data and the Aggrieved Employee Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the Administrator must maintain the Class Data and the Aggrieved Employee Data in confidence, use the Class Data and the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to

Administrator employees who need access to the Class Data and/or the Aggrieved Employee Data to effect and perform under this Agreement. BAY AIR has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data and/or the Aggrieved Employee Data omitted class member identifying information and to provide corrected or updated Class Data and/or the Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which BAY AIR must send the Class Data and the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data and/or the Aggrieved Employee Data. The Parties agree that as to the period.

4.3 Funding of Gross Settlement Amount. BAY AIR shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay BAY AIR's share of payroll taxes by transmitting the funds to the Administrator no later than 21 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 21 days after BAY AIR funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, the Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede the mailing of all Individual Class Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National

Change of Address Database.

- 4.4.2. The Administrator must conduct a Class Member Address Search for all Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3. For any Class Member whose Individual Class Payment and/or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.4.4. Neither the payment of Individual Class Payments nor the Individual PAGA Payments shall obligate BAY AIR to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS.

Effective on the date when BAY AIR fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

- 5.1. Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release

and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to all claims that were, or reasonably could have been, alleged, based on the facts contained, in the First Amended Complaint. (“Plaintiff’s Release.”) Plaintiff’s Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff’s Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff’s discovery of them.

5.1.1 Plaintiff’s Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff’s Release, Plaintiff expressly waives and relinquishes the rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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 the released party.

5.2. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from any and all claims, costs, expenses, attorney’s fees, damages, actions or causes of action any and all claims during the Class Period which were alleged or could have been alleged based on the facts, conduct, and/or omissions alleged in the First Amended Complaint, including without limitation any alleged failure to pay all wages due (including regular rate of pay, vacation wages and overtime wages), claims regarding time-rounding, failure to pay for all hours worked (including off-the clock work), failure to provide meal and rest periods, short/late meal and rest periods, failure to relieve of all duties

during meal and rest periods, failure to timely pay wages and final wages, failure to reimburse employees for business expenses, failure to furnish accurate wage statements including claims derivative of and/or related to these claims. This release shall include all claims and theories arising under the California Labor Code, wage orders, and applicable regulations, including Labor Code Sections 201, 202, 203, 204, 226, 226.7, 227, 510, 1197.1, all claims and theories arising under Labor Code Section 2802 as well as claims under Business and Professions Code section 17200 et seq. and/or Labor Code Section 2698 et seq. based on alleged violations of the above Labor Code provisions, as alleged in the lawsuits, as well as all claims that were alleged, or reasonably could have been alleged, based on the facts stated in the First Amended Complaint. The release shall run through the date on which the Court enters an Order granting Preliminary Approval of this Settlement. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3. Aggrieved Employees PAGA Release: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the First Amended Complaint and the PAGA Notice. The Aggrieved Employees further agree they cannot serve as an Aggrieved Employee for the PAGA Period.

6. MOTION FOR PRELIMINARY APPROVAL.

Plaintiff shall prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1. BAY AIR's Declaration in Support of Preliminary Approval. Within thirty (30) days of the full execution of this Agreement, BAY AIR will prepare and deliver to Class Counsel a signed Declaration from BAY AIR and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In its Declaration, Defense Counsel

shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.____

6.2. Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities, including but not limited to IRS Forms 1099 and W-2.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4. Notice to Class Members.

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members and Workweeks in the Class Data.

7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment payable to the Class Member, and the number of Workweeks used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3. Not later than three (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4. The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class

Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5. If the Administrator, BAY AIR or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5. Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not

appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraph 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement.

7.6. Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel and the Administrator's determination as to the challenges.

7.7. Objections to Settlement.

- 7.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.
- 7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).
- 7.7.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.
- 7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.
- 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members, including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expense Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity.

Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing: (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: (a) Class Notices mailed or re-mailed; (b) Class Notices returned undelivered; (c) Requests for Exclusion (whether valid or invalid) received; (d) objections to settlement received; (e) challenges to Workweeks received and/or resolved; and (f) checks mailed for Individual Class Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4. Workweek Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5. Administrator’s Declaration. Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests

for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.6. Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. BAY AIR'S RIGHT TO WITHDRAW.

If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, BAY AIR may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if BAY AIR withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, BAY AIR will remain responsible for paying all Settlement Administration Expenses incurred to that point. BAY AIR must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

9. MOTION FOR FINAL APPROVAL.

Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval").

9.1. Response to Objections. Each Party retains the right to respond to any objection

raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

9.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

9.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

9.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the

reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

10. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

11. ADDITIONAL PROVISIONS.

11.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by BAY AIR or the Released Parties that any of the allegations in the Operative Complaint have merit or that BAY AIR or the Released Parties has or have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that BAY AIR's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, BAY AIR reserves the right to contest certification of any class for any reason, and BAY AIR reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest BAY AIR's defenses. The Settlement, this Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

11.2. Confidentiality. Prior to Preliminary Approval. Plaintiff, Class Counsel, BAY AIR and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement, directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, BAY AIR and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any with third party regarding this Agreement or the matters giving rise to this Agreement, except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

11.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

11.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits, shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

11.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant

and represent that they are authorized by Plaintiff and BAY AIR, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement, including any amendments to this Agreement.

11.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

11.7. No Prior Assignments. The Parties separately represent 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 released and discharged by the Party in this Settlement.

11.8. No Tax Advice. Neither Plaintiff, Class Counsel, BAY AIR nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

11.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

11.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

11.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

11.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

11.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

11.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152 and/or in connection with the mediation of this matter, and all copies and summaries of the Class Data provided to Class Counsel by BAY AIR in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from BAY AIR unless, prior to the Court's discharge of the Administrator's obligation, BAY AIR makes a written request to Class Counsel for the return, rather than the destruction of, Class Data.

11.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

11.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

11.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Joshua D. Boxer

Clare E. Moran
Matern Law Group PC
1230 Rosecrans Ave., Suite 200
Manhattan Beach, CA 90266
(310) 531-1900
jboxer@maternlawgroup.com
cmoran@maternlawgroup.com

To BAY AIR:

Sandra L. McDonough
Quarles & Brady LLP
101 West Broadway, Ninth Floor,
San Diego, CA 92101-8285
619-237-5200
Sandy.Mcdonough@quarles.com

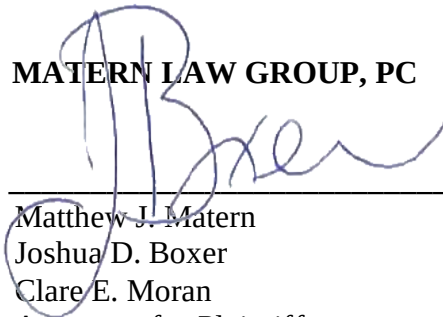
11.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.19. Stay of Litigation. The Parties agree that, upon the execution of this Agreement, the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that, upon the signing of this Agreement, pursuant to CCP section 583.330, the date to bring a case to trial under CCP section 583.310 is extended for the entire period of this settlement process.

Dated: December 18, 2024

MATERN LAW GROUP, PC

By: _____


Matthew J. Matern
Joshua D. Boxer
Clare E. Moran
Attorneys for Plaintiff
NASREDDINE DAOUD, individually and on
behalf of others similarly situated and
aggrieved

Dated: January 17, 2025

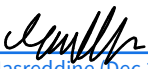
QUARLES & BRADY LLP

By: 
Sandra L. McDonough

Attorneys for Defendant
BAY AIR SYSTEMS, INC.

Dated: Dec 13, 2024

PLAINTIFF


[Nasreddine \(Dec 13, 2024 09:42 CST\)](#)
Plaintiff Nasreddine Daoud

DEFENDANT BAY AIR SYSTEMS, INC.

Dated: 1/21/2025

Signed by:

E500EBDC714542E...

EXHIBIT A

NOTICE OF SETTLEMENT OF CLASS ACTION

Nasreddine Daoud v. Bay Air Systems, Inc., et al.

Contra Costa County Superior Court

Case No. C22-00988

To: All current and former non-exempt, hourly employees working for Bay Air Systems, Inc. in California at any time between April 27, 2018 through the date of Preliminary Approval:

THIS NOTICE is of a proposed Settlement of a class action and representative action lawsuit in which you may be entitled to receive money (“Settlement”). Your rights may be affected by the legal proceedings in this action. Please review this notice carefully.

You will automatically receive a share of the Individual Settlement Payment. If you do not want to receive a share of the Individual Settlement Payment, you must affirmatively opt out of this Settlement by completing and submitting a timely and valid Request for Exclusion.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

YOU MAY DO NOTHING

If you take no further action, you will remain a Class Member, represented by Class Counsel.

You will receive a share of the Individual Settlement Payment and will be bound by the release provisions of the Settlement Agreement with respect to the California Labor Code, California Industrial Welfare Commission Wage Orders, California Private Attorneys General Act of 2004 under California Labor Code §§ 2968, *et seq.*, and California Unfair Competition Law under California Business and Professions Code §§ 17200, *et seq.*

As a Class Member, you will not be charged for the services of Class Counsel.

YOU MAY EXCLUDE YOURSELF

You may submit a Request for Exclusion to “opt out” of this Settlement. If you do not want to remain a Class Member, you must submit the enclosed Request for Exclusion to “opt out” of the Settlement.

If you submit a timely and valid Request for Exclusion, you will **not** receive **any** Individual Settlement Payment from the Class portion of the settlement but will receive a portion of the settlement allocated to penalties provided under the Private Attorneys General Act (“PAGA”).

If you opt out, you may not object to the Settlement and will not be bound by the release provisions in the Settlement Agreement. You will be free to pursue any claims you may have against Defendants on your own behalf, but Class Counsel will not represent you.

In order to exclude yourself from the Class, you must submit the completed Request for Exclusion to the Settlement Administrator, Phoenix Settlement Administrators, so that it is **postmarked** no later than **[INSERT DATE]**. **If you do not comply with these procedures and the deadline for exclusions, you will lose any opportunity to exclude yourself from the Settlement, and your rights will be determined in this lawsuit by the Settlement Agreement if it is approved by the Court and you may not recover under any other individual settlement agreement with respect to the Release of Claims, including California Labor Code, California Industrial Welfare Commission Wage Orders, California Private Attorneys General Act of 2004 under California Labor Code §§ 2968, *et seq.*, and California Unfair Competition Law under California Business and Professions Code §§ 17200 *et seq.***

**YOU MAY
OBJECT**

You may object to the Settlement by timely submitting a written objection.

If the Court grants final approval of the Settlement despite your objection, you will receive a share of the Individual Settlement Payment and will be bound by the release provisions of the Settlement Agreement with respect to the California Labor Code, California Industrial Welfare Commission Wage Orders, California Private Attorneys General Act of 2004 under California Labor Code §§ 2968, *et seq.*, and California Unfair Competition Law under California Business and Professions Code §§ 17200 *et seq.*

In order to make a timely and valid objection, you must complete and submit a written objection and send it to the Settlement Administrator, Phoenix Settlement Administrators, **postmarked** no later than **[INSERT DATE]**. If you wish to appear at the Settlement Hearing and be heard orally in support of, or in opposition to the Settlement, you must state so in the objection. **If you do not comply with the procedures for submitting an objection, as set forth in this notice below, and the deadline for objections, you will lose any opportunity to have your objection considered by the Court or otherwise to contest the approval of the Settlement or to appeal from any orders or judgments entered by the Court in connection with the Proposed Settlement.**

PLEASE NOTE: If you do not wish to be represented by Class Counsel, you may hire your own attorney at your own expense. Your attorney must send a Notice of Appearance to the Settlement Administrator, Phoenix Settlement Administrators, so that it is **postmarked** on or before **[INSERT DATE]**. You will be responsible for any attorneys' fees and costs charged by your attorney.

I. Why should I read this Notice?

This Notice outlines a Settlement for a class action and representative action lawsuit. If the Court approves the proposed Settlement, your legal rights may be affected. This Notice, which has been approved by the Court, is only a summary. A more detailed Joint Stipulation of Class Action Settlement and Release of Claims ("Settlement Agreement") is on file with the Court, where it is available for your review.

II. What is this lawsuit about?

A lawsuit entitled *Nasreddine Daoud v. Bay Air Systems, Inc., et al.* is now pending in Contra Costa County Superior Court, Case No. C22-00988 (the "Lawsuit"). Plaintiff Nasreddine Daoud

(“Plaintiff”) alleged claims against Defendants Bay Air Systems, Inc., John Morgan, Roberta Morgan, Ben Morgan, and Bert Morgan (“Defendants”) under the California Labor Code and the California Unfair Competition Law.

Plaintiff brought this Lawsuit as a class action on behalf of himself and other similarly situated employees and “aggrieved” employees, and is claiming that Defendants failed to pay minimum, overtime, and double time wages; failed to pay wages for work performed off-the-clock; failed to provide meal and rest periods; failed to provide reimbursements for necessary expenditures; failed to provide accurate wage statements; failed to maintain required records; failed to timely pay wages during employment; and failed to pay final wages upon termination. Plaintiff seeks monetary recovery on behalf of the Class for the alleged violations, along with penalties, interest, restitution, costs and attorneys’ fees.

Defendants contends that they have complied with all laws and denies the allegations in this Lawsuit. The Court has not formed any opinions concerning the merits of the Lawsuit, and the Court has not ruled on any of the claims. The Court also has not yet ruled that the Lawsuit satisfies the requirements for a class action. This Settlement is intended to resolve the Lawsuit in order to avoid the uncertainties associated with subsequent decisions to be issued by the Court.

III. Who is covered by the class action lawsuit and the proposed Settlement?

A. The Settlement Class. The Court granted preliminary approval of the Settlement and authorized this Notice. The Court defined the “Settlement Class” as including all current and former non-exempt, hourly employees employed by Bay Air Systems, Inc. in California at any time between April 27, 2018 through the date of Preliminary Approval, who did not file a timely and valid opt-out Request for Exclusion.

B. The Effect of Membership in the Settlement Class. If you come within the definition of the Settlement Class, you are eligible for compensation and are subject to the terms of the Settlement, unless you file the enclosed Request for Exclusion to opt out of the Settlement Class. Members of the Settlement Class are eligible to receive the benefits created by the proposed Settlement and will be bound by the Settlement if it is approved by the Court. Persons who exclude themselves from the Class will not be bound by the Settlement and will not share in the Settlement proceeds, but may pursue their own timely individual claims against Defendant.

IV. What are the terms of the Settlement?

The proposed Settlement was negotiated between Defendants and the attorneys for the Settlement Class (“Class Counsel”). The attorneys for all of the Parties believe this Settlement is in the best interest of the members of the Settlement Class.

Monetary Compensation

- Defendants shall provide the members of the Settlement Class monetary compensation in the maximum total amount of \$900,000.00 (the “Gross Settlement Amount”). The Gross Settlement Amount will deduct amounts awarded by the Court for attorneys’ fees and costs,

Exhibit A-4

administrative expenses, payment to the California's Labor and Workforce Development Agency ("LWDA"), and an enhancement payment to the Plaintiff who filed the Lawsuit. The remainder of the Gross Settlement Amount is referred to as the "Net Settlement Amount." The Net Settlement Amount will be paid as Individual Settlement Payments to Settlement Class Members who do not opt out of the Settlement.

- Each Settlement Class Member's proportional share of the Class portion of Net Settlement Amount will be determined by dividing the number of weeks worked by the Settlement Class Member for Defendants at any time during the period of April 27, 2018 through the date of Preliminary Approval (the "Class Period") by all weeks worked by all Settlement Class Members during the Class Period, multiplied by the Net Settlement Amount.
- Each Settlement Class Member, even if they opt out, will receive their share of the PAGA portion of the settlement, explained below, which shall be distributed to aggrieved employees based on number of workweeks worked during the PAGA period, defined as one year and sixty-five days preceding the filing of the original Complaint.
- Defendants, through the Settlement Administrator, shall pay the amounts awarded by the Court for attorneys' fees and costs, administrative expenses, enhancements, payments to the LWDA, and the amounts claimed by the Settlement Class Members, within 30 days after the Effective Date of the Settlement Agreement. The Effective Date is defined as follows: the 15th day after the date by which the last of the following has occurred: (a) all conditions of Settlement have been satisfied; (b) the Court has entered and filed the Final Approval Order and Judgment; and (c) the time period for appeal of the Judgment has been exhausted without any appeals having been filed, and/or all such appeals have been voluntarily or involuntarily dismissed, and/or the appropriate appellate court or courts have entered a final judgment affirming the Final Approval Order and Judgment of the Court and the final judgment of such appellate court or courts is no longer subject to any further appellate challenge or procedure.

Fees and Expenses

When seeking Final Approval of the proposed Settlement, Class Counsel will apply to the Court for an award of attorneys' fees in an amount up to \$300,000.00 (which is one third of the total Gross Settlement Amount of \$900,000.00), and an award of reasonable, documented costs, not to exceed \$25,000. Such payments, if approved by the Court, will be deducted from the Gross Settlement Amount before calculation of the Net Settlement Amount available for distribution to the Settlement Class Members.

Settlement Administration Costs

When seeking Final Approval of the proposed Settlement, Class Counsel will apply to the Court for an award of Settlement administration costs of up to \$7,000.00 for a third-party class-action administrator, Phoenix Settlement Administrators, for the administrative services in connection with this Settlement. Such payments, if approved by the Court, will be deducted from the Gross

Settlement Amount before calculation of the Net Settlement Amount available for distribution to the Settlement Class Members.

Class Representative Service Awards

When seeking Final Approval of the proposed Settlement, Class Counsel will apply to the Court for a service award of up to \$10,000.00 for Plaintiff Nasreddine Daoud. Such payment, if approved by the Court, will be deducted from the Gross Settlement Amount before calculation of the Net Settlement Amount available for distribution to the Class Members.

The Portion of the PAGA Payment to the LWDA

When seeking Final Approval of the proposed Settlement, Class Counsel will seek approval for a payment of \$45,000.00 in PAGA penalties, \$33,750.00 of which shall go to the LWDA, and \$11,250.00 of which will be distributed to Class Members. Such payment, if approved by the Court, will be deducted from the Gross Settlement Amount before calculation of the Net Settlement Amount available for distribution to the Class Members.

Release of Claims

- Upon the Court’s approval of the Settlement, judgment will be entered fully and finally settling the Lawsuit as to all Settlement Class Members.
- As a result of the Settlement and judgment to be entered, Plaintiff and the Settlement Class Members who did not opt out of the Settlement by filing a timely, valid Request for Exclusion, will have released and discharged Defendants and any of their affiliates, parents, subsidiaries, divisions, predecessors, successors, and assigns, and each of their officers, directors, board members, trustees, shareholders, employees, agents, attorneys, auditors, accountants, experts, contractors, stockholders, representatives, partners, insurers, reinsurers, and other persons acting on their behalf, and each of them (collectively, the “Released Parties”) from any and all any and all claims, rights, demands, charges, complaints, causes of action, obligations, or liability of any and every kind between April 27, 2018 to the date of preliminary approval of the Settlement, for any and all claims that were raised or could have been raised based on the factual allegations made in the operative First Amended Complaint through final approval of the Settlement. This includes but is not limited to: (1) failure to pay minimum wages; (2) failure to pay overtime wages at the regular rate of pay; (3) failure to provide required meal periods; (4) failure to provide required rest periods; (5) failure to indemnify employees for necessary expenditures incurred in discharge of duties; (6) failure to maintain required records; (7) failure to furnish accurate itemized wages statements; (8) failure to timely pay wages during employment; (9) failure to pay all wages due to discharged and quitting employees; (10) PAGA claims for civil penalties due to any Labor Code violations by Defendants arising out of or related to events alleged in the Complaint including, but not limited to, Labor Code sections 200, 201, 202, 203, 204, 210, 221, 225.5, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698-2699.5, and 2802; (11) claims brought under Business & Professions Code section 17200 *et seq.* including, but not limited to, all claims for unfair, unlawful and harmful conduct to class members, the general public and Defendants’ competitors and claims of unlawfully gaining an unfair advantage over other businesses; (12) any and all claims arising out of alleged violations of the California Labor Code, including sections 200, 201, 202, 203, 204, 210, 221, 225.5, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698-2699.5, and 2802, and California Industrial Welfare Commission Wage Order No. 4-2001; (13) penalties of any nature, interest, or attorneys’ fees and costs arising out of any claims that were raised or could have been raised based on the factual allegations made in the operative First Amended Complaint through final approval of the Settlement; and (14) any other claims that were raised or could have been raised based on the factual allegations made in the operative First Amended Complaint through final approval of the Settlement.

If you do NOT exclude yourself from the Settlement Class by following the procedures set forth in the Request for Exclusion and the Court approves the proposed Settlement, you will be deemed to have entered into the Release in the Settlement Agreement.

V. How do I receive a payment?

Any Class Member who wishes to be considered for any payment under this Settlement must not submit a Request for Exclusion. If a Class Member does not submit a Request for Exclusion he or she will receive a share of the Individual Settlement Payment.

The Individual Settlement Payment is based on the number of weeks you worked during the period covered by the Settlement. Defendants' records show that you have **[Insert Number of Weeks Worked]**. If you dispute the number of weeks worked on the Notice, you may produce, by no later than ten (10) days from the date the Notice is postmarked, evidence to the Settlement Administrator showing that such information is inaccurate. All disputes will be decided within seven (7) business days from the date the dispute is received by the Settlement Administrator. The Settlement Administrator may be contacted at:

- Phoenix Settlement Administrators, P.O. Box 7208, Orange, CA 92863
 - Telephone: (800) 623-5773
 - Email: info@phoenixclassaction.com

VI. Who represents the Class?

The attorneys that serve as Class Counsel are Matthew J. Matern, Joshua D. Boxer, and Clare E. Moran of Matern Law Group, PC.

If you have questions about the Settlement, or the procedures outlined in this Notice, you should contact Class Counsel. For purposes of this Notice, Class Counsel to be contacted shall be Joshua D. Boxer (jboxer@maternlawgroup.com) and/or Clare E. Moran (cmoran@maternlawgroup.com), 2101 E. El Segundo Blvd., Suite 403, El Segundo, CA 90245.

Do not contact the Court.

VII. What are the reasons for the Settlement?

The Parties agreed to enter into this proposed Settlement after weighing the risks and benefits of this Settlement compared with those of continuing the Lawsuit. The factors considered included the uncertainty and delay associated with continued legal proceedings, a trial and appeals, and the uncertainty of several important legal issues that have yet to be determined. The Parties balanced these and other substantial risks in determining that the proposed Settlement is fair, reasonable, and adequate in light of all circumstances and in the best interests of Settlement Class Members.

If the Lawsuit continued, the Court might rule in favor of Defendants and the Settlement Class Members might not receive any recovery or monetary compensation. Defendants agreed to this proposed Settlement in order to avoid the expense and distraction associated with continued legal proceedings and the chance that the Court might rule in favor of the Settlement Class Members.

IX. When is the Court hearing and what is it for?

On [INSERT COURT HEARING DATE], the Hon. Charles S. Treat will hold a public hearing in Department 12 of Contra Costa County Superior Court, 725 Court Street, Martinez, CA 94553, for the purposes of determining whether the proposed Settlement is fair, adequate and reasonable and should be approved, whether to approve Class Counsel's applications for attorneys' fees and costs, and whether to approve the Class Representative's request for an enhancement. Settlement Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval.

X. Where can I get more information?

If you have questions about this Notice, the enclosed Request for Exclusion, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Settlement Class, you should contact Phoenix Settlement Administrators for more information or to request that a copy of this Notice be sent to you in the mail. You may also request a copy of the full Settlement Agreement.

If you wish to communicate directly with Class Counsel, you may contact Joshua D. Boxer (jboxer@maternlawgroup.com) and/or Clare E. Moran (cmoran@maternlawgroup.com), 2101 E. El Segundo Blvd., Suite 403, El Segundo, CA 90245. You may also seek advice and guidance from your own private attorney at your own expense, if you so desire.

This Notice is only a summary. For more detailed information, you may review the Settlement Agreement, containing the complete terms of the proposed Settlement, which is on file with the Court and available to be inspected at any time during regular business hours at the Court's records office, 1111 Ward St., Martinez, CA 94553. You may also review the pleadings, records and other papers on file in this lawsuit at the Clerk's Office.

PLEASE DO NOT WRITE OR TELEPHONE THE COURT OR DEFENDANTS FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT.

QUESTIONS? CALL (800) 623-5773

EXHIBIT B

**REQUEST FOR EXCLUSION FROM SETTLEMENT
AND EXCLUSION FROM INDIVIDUAL SETTLEMENT PAYMENT**

Nasreddine Daoud v. Bay Air Systems Inc., et al.
Contra Costa County Superior Court
Case No. C22-00988

YOU MAY TIMELY SUBMIT THIS REQUEST FOR EXCLUSION ONLY IF YOU DO NOT WISH TO BE INCLUDED IN THE SETTLEMENT AND IF YOU DO NOT WISH TO RECEIVE AN INDIVIDUAL SETTLEMENT PAYMENT.

INSTRUCTIONS:

You must timely complete, sign, and mail this Request for Exclusion if you want to “opt-out” of the Settlement and do not want to receive an Individual Settlement Payment. If you choose to continue to pursue the lawsuit, you will have to find new counsel at your own expense.

IDENTIFYING INFORMATION

Please verify and/or complete any missing identifying information:

NAME AND FORMER NAMES (IF ANY): _____
ADDRESS LINE 1 _____
ADDRESS LINE 2 _____
LAST FOUR DIGITS OF _____
SOCIAL SECURITY NUMBER _____
TELEPHONE NUMBER _____

If you want to be excluded from the Settlement and not receive an Individual Settlement Payment, you must timely file this Request for Exclusion with Phoenix Settlement Administrators no later than **[INSERT DATE]**.

I declare the foregoing to be true and correct under penalty of perjury under the laws of the United States and the State of California.

Date: _____, 2025

Signed: _____
[NAME]