SETTLEMENT AGREEMENT

Plaintiffs Joel Farias and Nicholas Alexander Vega (each a "Plaintiff," and together, "Plaintiffs"), on behalf of themselves and, where applicable, Aggrieved Employees (as those terms are defined below), and Defendants Congruex Group, LLC ("Congruex") and HHS Construction, LLC ("HHS)" (collectively "Defendants") hereby enter this Settlement Agreement (the "Agreement") as follows:

I. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

A. "Administrator" or "Settlement Administrator" means Apex Class Action, LLC the neutral third-party entity the Parties have agreed to appoint to administer the Settlement subject to Court approval.

B. "Aggrieved Employees" means all persons employed by any Defendant in hourly or non-exempt positions in California at any time from April 8, 2021, through Approval of this Settlement.

C. "Aggrieved Employee Data" means the following identifying information for each Aggrieved Employee, if and as it exists in Defendant's possession: the name; last-known mailing address; Social Security Number; dates of hire and, if applicable, termination of employment; and the number of Pay Periods for each Aggrieved Employee.

D. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employees' mailing addresses using the National Change of Address database.

E. "Court" means the Superior Court of California, County of San Bernardino.

F. "Defense Counsel" means Gerald L. Maatman, Jr., Jennifer A. Riley, and Sarah Gilbert of Duane Morris, LLP.

G. "Effective Date" means 30 days after the Court's Approval of the Settlement Agreement (assuming no appeal, motion for reconsideration, or other request for review is filed and, if so, 31 days after all such motions are resolved in favor of appeal).

H. "Approval" means entry of the Court's order granting approval of the Settlement and entering judgment in accordance with the terms of this Agreement.

I. "Approval Hearing" means the Court's hearing on the Motion for Approval of the Settlement to determine whether to approve and implement the terms of this Agreement, grant approval, and enter the Approval Order and Final Judgment.

J. "Gross Settlement Fund" means $995,000.00 (Nine Hundred and Ninety-Five Thousand Dollars and Zero Cents), which is the maximum total amount to be paid by Defendants in connection with this Agreement. The Gross Settlement Fund will be used to pay, without limitation, Plaintiffs' Individual Settlement Payments, Plaintiffs' attorneys' fees and costs approved by the Court, all interest, all liquidated and/or multiple damages, all penalties, all payroll taxes, including all employer-side payroll taxes, all payments to the LWDA, and all costs including costs of administration of the Settlement Administrator.

K. "Individual PAGA Payment" means each Aggrieved Employee's pro rata share of 25% of the PAGA Distributed Amount, defined in Paragraph IV.B.

L. "Individual Settlement Payments" means the payment of $10,000.00 (Ten Thousand Dollars and Zero Cents) to each Plaintiff in exchange for their general release of claims against Defendants, each of which are memorialized in separate settlement agreements and contingent upon Court Approval of this Settlement Agreement.

M. "Lawsuits" means the Plaintiffs' lawsuits alleging wage and hour violations against Defendants and captioned *Joel Farias v. HHS Construction, LLC,* Case No. CIVSB2213104 (Sup Ct. San Bernardino Cty. Cal.); and *Nicholas Alexander Vega v. HHS Construction, LLC,* et al., Case No. CIVSB2309192, as well as Plaintiff Farias' Lawsuit against HHS captioned *Joel Farias v. HHS Construction, LLC,* Case No. CIVSB2206498 (Sup Ct. San Bernardino Cty. Cal.).

N. "LWDA" refers to the California Labor & Workforce Development Agency.

O. "PAGA" refers to the Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, *et seq.*

P. "PAGA Pay Period" means any pay period during which an Aggrieved Employee performed worked for any Defendant on at least one shift during the PAGA Period.

Q. "PAGA Period" means the period from April 8, 2021, through the date of Approval.

R. "PAGA Settlement Fund" means the remainder of the Gross Settlement Amount, after reduction for the Plaintiffs' Individual Settlement Payments, Plaintiffs' attorney's fees and costs approved by the Court, employer-side payroll taxes, and all Settlement Administrator costs.

S. "PAGA Penalties" means the 75% of the PAGA Settlement Fund to be paid to the LWDA in accordance with Labor Code section 2699, subd. (i).

T. "PAGA Distributed Amount" means the 25% of the PAGA Settlement Fund allocated among the Aggrieved Employees in accordance with Paragraph IV.B.

U. "Plaintiffs" collectively refers to Joel Farias and Nicholas Alexander Vega, the named Plaintiffs in the Lawsuits.

V. "Parties" collectively refers to Plaintiffs and Defendants.

W. "Released Claims" means any and all suits, actions, causes of action, claims, or demands for PAGA penalties arising through Approval of the Settlement Agreement based on or arising from any and all claims that were or could have been asserted in the Lawsuits or in Plaintiffs' letters to the LWDA, or based on or arising out of any or all of the facts alleged in any version of the complaints filed in the Lawsuits or in any letter to the LWDA, including without limitation any claims for alleged failure to pay minimum wages, straight wages, or overtime wages, unlawful deductions, unlawful withholdings, failure to provide meal periods, failure to provide rest periods, failure to reimburse for business expenses, failure to provide sick leave, wage notice violations, wage statement violations, failure to pay all wages due upon termination of employment, failure to properly calculate the regular rate of pay, failure to pay employees timely during employment, failure to maintain accurate records of hours worked and meal periods, failure to produce requested employment records, unfair business practices in violation of California Business and Professions Code sections 17200, *et seq.*, and statutory penalties based on the foregoing under PAGA (Lab. Code section 2698, *et seq.*) Nothing in this provision releases any claims that cannot be released as a matter of law, but this paragraph will be given the broadest possible interpretation allowable by law.

X. "Released Claims" shall mean Released Claims of Plaintiffs in these lawsuits.

Y. "Released Parties" means a) Defendant HHS Construction, LLC; (b) Defendant Congruex Group, LLC; (c) Defendants' respective past, present, and future direct and indirect parents, subsidiaries, related companies, and affiliates, including Insperity PEO Services, L.P.; (d) the past, present, and future shareholders, directors, officers, agents, business partners, employees, clients, attorneys, insurers, predecessors, successors, and assigns of any of the foregoing; and (e) any individual or entity which could be jointly liable with any of the foregoing.

Z. "Settlement" means the resolution of the Lawsuits effected by this Agreement and the final judgment entered by the Court.

II. RECITALS

A. On March 30, 2022, Plaintiff Farias filed a lawsuit against Defendant HHS in the Superior Court of the State of California, County of San Bernardino, entitled *Joel Farias v. HHS Construction, LLC*, Case No. CIVSB2206498 (this lawsuit was originally a class action lawsuit). On June 23, 2022, PAGA Farias filed a PAGA lawsuit against Defendant HHS in the Superior Court of the State of California, County of San Bernardino, entitled *Joel Farias v. HHS Construction, LLC*, Case No. CIVSB2213104. alleging a cause of action under the PAGA based on alleged Labor Code violations for: (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Permit Rest Periods; (5) Failure to Pay All Wages Owed at Termination; (6) Failure To Provide Accurate Itemized Wage Statements; (7) Failure to Reimburse Necessary Business Expenses; (8) Failure to Produce Records; (9) Failure to Pay Earned Wages Twice Per Month; and (10) Failure to Maintain Accurate Records of Hours Worked and Meal Periods

B. On April 19, 2023, Plaintiff Vega filed a lawsuit against Defendants HHS and Congruex in the Superior Court of the State of California, County of San Bernardino, entitled

Nicholas Alexander Vega v. HHS Construction, LLC, et al., Case No. CIVSB2309192. alleging a cause of action under the PAGA based on alleged Labor Code violations for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Failure to Pay All Wages Owed Upon Separation; (6) Failure To Provide Accurate Itemized Wage Statements; (7) Failure to Pay Timely Wages During Employment; and (8) Failure to Reimburse Necessary Business Expenses.

C. On April 8, 2025, the Parties engaged in mediation with Hon. Amy D. Hogue (Ret.), and through the mediator's and the Parties' efforts in mediation, the Parties reached a settlement of the Lawsuits, the terms of which have been formalized in this Agreement and the individual settlement agreements with Plaintiffs which are incorporated in full as though set forth herein.

D. The Parties' Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended to or will be construed as an admission by any Defendant that the claims in the Lawsuits by any of the Plaintiffs or the Aggrieved Employees have merit or that any Defendant bears any liability to any Plaintiff or any Aggrieved Employee.

E. Defendants specifically deny, and continue to deny, each claim and contention alleged in the Lawsuits and maintain that Defendants have not engaged in any unlawful acts regarding any of the matters alleged in the Lawsuits. Defendants further assert that the Lawsuits cannot manageably proceed to trial as a PAGA representative action.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and conditions set forth, the Parties agree as follows:

III. NON-ADMISSION OF LIABILITY

A. Based on the factual and legal issues involved, the expense and time necessary to prosecute the Lawsuits, the risks, uncertainty, and costs of further prosecution, the difficulty of proof necessary to establish PAGA representative actions for purposes of liability, and the relative benefits to the Aggrieved Employees of an expeditious resolution of the Lawsuits, the Parties have concluded that the terms set forth in this Settlement are fair, reasonable, adequate, and in the best interests of the Aggrieved Employees.

B. By entering into this Settlement, Defendants deny any liability for any of the claims in the Lawsuits, as well as any other potential or unknown claims based on wage and hour violations under state or federal law. Neither this Settlement, nor any document referred to or contemplated herein, nor any action taken to carry out this Settlement, is, may be construed as, or may be used as, an admission, concession, or indication by or against Defendants of any unlawful conduct, fault, wrongdoing or liability whatsoever. Defendants specifically deny engaging in any unlawful or wrongful conduct against Plaintiffs and Aggrieved Employees. Rather, Defendants maintain they complied with, at all times, all applicable laws governing wages and hours of work for their employees.

IV. MONETARY TERMS OF THE SETTLEMENT

A. Gross Settlement Fund: Defendants will pay no more than $995,000.00 (Nine Hundred and Ninety-Five Thousand Dollars and Zero Cents) in connection with this Settlement. This amount is all-inclusive of all payments contemplated in this Settlement. The Parties agree that there are no circumstances which would require Defendants to pay any amount greater than the Gross Settlement Amount in connection with this Agreement unless the escalator clause in Paragraph X.D. is invoked.

B. Payments From The Gross Settlement Fund: Subject to the terms and conditions of this Agreement, and subject to approval by the Court, the Administrator will make the following payments out of the Gross Settlement Fund, in the amounts specified by the Court in its order granting Approval. The Settlement is not contingent on the payment of any of the following awards. In other words, the Court's decision to award any of the following payments and the amount of those awards, if any, shall not affect the enforceability of the Settlement.

1. To Plaintiffs' Counsel: Subject to the Court's approval, the Settlement Administrator will pay to Plaintiffs' counsel fees of not more than one-third of the Gross Settlement Fund, which is currently estimated to be $331,666.66 and expenses of not more than $40,000 for their actual out-of-pocket costs and expenses. Plaintiffs and/or Plaintiffs' counsel will file a Motion for Approval of PAGA Settlement not later than 16 court days prior to the Approval Hearing. The Plaintiffs and their Counsel, and each of them, agree to accept whatever amounts the Court orders, even if the total is less than the amounts set forth above. If the Court approves an Attorneys' Fees Payment and/or a Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the PAGA Settlement Fund to the Settlement participants. Released Parties shall have no liability to Plaintiffs' Counsel for any portion any Attorneys' Fee Payment and/or Litigation Expenses Payment. This Settlement is not contingent on the award of Attorneys' Fees Payment or Litigation Expenses Payment. The Administrator will report the Attorneys' Fees Payment and Litigation Expenses Payment to Plaintiffs' Counsel using an IRS Form 1099. Plaintiffs' Counsel assumes full responsibility and liability for taxes owed on the Attorneys' Fees Payment and the Litigation Expenses Payment and agrees to hold Defendants harmless, and to indemnify Defendant, from any dispute or controversy regarding any division, taxation, or sharing of any of these payments.

2. To the Administrator: Subject to the Court's approval, the Settlement Administrator will receive an Administration Expenses Payment not to exceed $10,000 except for a showing of good cause and as approved by the Court. The Parties agree that the actual Administration Expenses Payment shall not exceed that Court-approved figure unless the Court approves a request for additional Administration Expenses Payment. To the extent the Administration Expenses Payment is less, or the Court approves an

Administration Expenses Payment less than $10,000, the Administrator will allocate the remainder to the PAGA Settlement Fund to the Settlement participants.

3. To the LWDA and Aggrieved Employees: The Settlement Administrator will pay from the PAGA Settlement Fund the sums of 75% allocated to the LWDA as PAGA Penalties, and 25% allocated to the Individual PAGA Payments from the PAGA Distributed Amount.

4. The Individual Settlement Payments" means the payment of $10,000.00 (Ten Thousand Dollars and Zero Cents) to each Plaintiff in exchange for their general release of claims against Defendants, each of which are memorialized in separate settlement agreements and contingent upon Court Approval of this Settlement Agreement.

5. The Administrator will calculate each Individual PAGA Payment by: (a) dividing the amount of the PAGA Distributed Amount by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period; and (b) multiplying the result by the number of each Aggrieved Employee's respective Pay Periods in the PAGA Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

6. The Administrator will report the Individual PAGA Payments on IRS Form 1099 as required.

C. Tax Treatment and Tax Indemnification: Aggrieved Employees, including Plaintiffs, will assume any tax obligations or consequences which may arise from this Settlement. Aggrieved Employees, including Plaintiffs, release all claims that they have or may have against Defendants for any claims, demands, deficiencies, levies, assessments, executions, judgments, penalties, taxes, indemnification, and any other recoveries related to any payments made under this Settlement or any compensation provided at any time by Defendants or any of the Released Parties. If any state or federal taxing authority contacts, investigates, or pursues any action against any Aggrieved Employee, including Plaintiffs, for his or her individual share of taxes related to any payment made under this Settlement or any compensation provided at any time by any Defendant or any of the Released Parties, each Aggrieved Employee, including Plaintiffs, shall be responsible for his or her own defense of and any payment for any claim of unpaid taxes, interest, or penalties brought by any state or federal taxing authority for the Aggrieved Employee's (including Plaintiffs) share of any state or federal tax obligation. Aggrieved Employees, including Plaintiffs, agree to hold Defendants and any of the Released Parties harmless and to fully indemnify Defendants and any of the Released Parties for any costs, assessments, penalties, taxes, and/or attorneys' fees, which Defendants and any of the Released Parties may incur arising out of any and all claims made, sought or imposed by the IRS, the California Franchise Tax Board, and/or any other federal, state or local taxing board and/or agency in regard to any amounts due, or claimed to be due, by the Aggrieved Employees, including Plaintiffs, if any, to such authority or agency as a result of the tax treatment of the payments described above. If an Aggrieved Employee has questions about any liability to any state or federal taxing authority, he or she shall contact the Settlement Administrator. Aggrieved Employees, including Plaintiffs, shall not contact Defendants or any of the Released Parties regarding this Settlement or its tax consequences. Nothing herein shall be deemed to constitute tax advice or guidance.

V. SETTLEMENT FUNDING

A. Based on records kept in the ordinary course of business, Defendants' records show that Aggrieved Employees employed by Defendants worked approximately 61,000 Pay Periods during the PAGA Period. The records further show that Defendants employed approximately 891 allegedly Aggrieved Employees during this period.

B. Not later than thirty (30) days after this Agreement is approved by the Court, Defendants will deliver information sufficient to identify the Aggrieved Employees to the Administrator, in the form of a Microsoft Excel spreadsheet. For clarity, Defendants may provide hire and termination dates from which the Administrator may calculate total PAGA Pay Periods in lieu of making that calculation. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Defendants and Administrator employees who need access to the Aggrieved Employee Data to effect and perform their duties under this Agreement. The contact information shall be provided confidentially to the Settlement Administrator only, and the Settlement Administrator shall treat the information as private and highly confidential and take all necessary precautions to maintain the confidentiality of contact information of the Aggrieved Employees. This information is to be used only to carry out the Settlement Administrator's duties as specified in this Settlement, shall not be shared with Plaintiffs' counsel.

C. Defendants shall fund a Qualified Settlement Fund with the amount of the Gross Settlement Fund by the Effective Date.

VI. PAYMENTS FROM THE GROSS SETTLEMENT FUND

A. In the event that this Agreement is canceled, rescinded, terminated, voided, or nullified, or if for any reason approval of the settlement does not occur, however that may occur as permitted herein, or the settlement is barred by operation of law, invalidated, or ordered not to be carried out by a court of competent jurisdiction, Defendants shall have no obligation to pay any of the Gross Settlement Fund and the Parties' respective legal positions shall be restored to positions prior to the settlement. Further, in that event, nothing in this Agreement, the negotiations leading to this settlement, nor any papers prepared in connection with this Agreement shall be admissible in any proceeding for any purpose whatsoever.

B. Within twenty-one (21) days after Defendants complete funding of the Qualified Settlement Fund as set forth in Paragraph V.C., the Administrator will mail the Notice of

Settlement (attached hereto as "Exhibit A"), together with settlement checks containing their full Individual PAGA Settlement Payments, with no claims process required, to all Aggrieved Employees, to the last known address of each recipient with directions to the Postmaster to forward the Notice of Settlement and to return all undeliverable Notices of Settlement.

C. Additionally, within twenty-one (21) days after Defendants complete funding of the Qualified Settlement Fund as set forth in Paragraph V.C., the Administrator will transmit the checks for the Individual Settlement Payments, the LWDA PAGA Penalties payment, the Administration Expenses Payment, the Attorneys' Fees Payment, and the Litigation Expenses Payment in accordance with this Agreement.

D. The Administrator will issue checks for the Individual PAGA Settlement Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the "void date," which is one hundred and eighty (180) days after the date of mailing, when the check will be voided. Before checks are mailed, the Administrator shall update address information through the National Change of Address database. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual PAGA Settlement Payments to all Aggrieved Employees to the most updated address available to the Administrator.

E. The Settlement Administrator shall not withhold any taxes from the Individual PAGA Settlement Payment. The Administrator will issue the appropriate tax reporting documentation within the same tax year that the Settlement is paid to the Aggrieved Employees.

F. The Administrator must conduct an Aggrieved Employee Address Search for all other Aggrieved Employees 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 Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

G. For any Individual PAGA Settlement Payment check that 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 individual, thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subdivision (b).

VII. RELEASE OF CLAIMS

A. <u>General Release by Plaintiffs</u>: The Parties will execute separate individual settlement and release agreements, addressing the general release Plaintiffs are providing to Defendants in exchange for the Individual Settlement Payments and is contingent upon the approval of this Settlement Agreement.

B. Release of PAGA Claims: All Aggrieved Employees and the LWDA 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 the Released PAGA Claims.

VIII. APPROVAL OF PAGA SETTLEMENT

A. Responsibilities of Counsel: Plaintiffs' Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing either a Stipulation or unopposed Motion for Approval of the PAGA settlement not later than thirty (30) days after the full execution of this Agreement; obtaining the earliest available hearing date mutually convenient for Plaintiffs' Counsel and Defense Counsel for the approval; and for appearing in Court to advocate in favor of the approval as necessary. Plaintiffs' Counsel is responsible for delivering the Court's Approval to the Administrator.

B. Transmission To LWDA: The Court's approval of the settlement as described in this Agreement shall be embodied in a written Order, which shall be transmitted by Plaintiffs' Counsel to the LWDA within ten (10) calendar days upon entry, as required by the PAGA.

C. Duty to Cooperate: If the Parties disagree on any aspect of the proposed Stipulation or unopposed Motion for Approval of the PAGA Settlement, and/or the supporting declarations and documents, Plaintiffs' 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. Plaintiffs' Counsel agrees to timely consider and incorporate Defense Counsel's reasonable revisions to the Stipulation or unopposed Motion for Approval. If the Court does not grant Approval or conditions Approval on any material change to this Agreement, Plaintiffs' 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 attempt to reach agreement on modifications to this Agreement to satisfy the Court's concerns.

IX. SETTLEMENT ADMINISTRATION

A. Selection of the Administrator: The Parties have jointly selected Apex Class Action, LLC to serve as the Administrator, subject to Court approval, and verified that, as a condition of appointment, Apex Class Action LLC 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 Administrator's duties will include conducting a National Change of Address search to update Aggrieved Employees addresses as needed; setting up or identifying a toll-free telephone number and email and a fax number to receive communications from Aggrieved Employees; calculating Individual PAGA Payments; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Agreement; calculating, withholding, remitting, and reporting each Plaintiffs' share of applicable payroll taxes for the Individual Settlement Payments (including, without limitation, federal state and local income tax withholding, FICA, Medicare, and any state or local employment taxes); satisfying all federal, state and local income and other tax reporting, return, and filing requirements with respect to the Qualified Settlement Fund; satisfying out of the Qualified Settlement Fund all taxes (including any estimated taxes, interest, or penalties) with respect to employer-side payroll taxes and taxes on the interest or other income earned by the Qualified Settlement Fund; satisfying any fees, expenses, and costs incurred in connection with the opening and administration of the Qualified Settlement Fund and the performance of its duties and function as described in this Settlement Agreement, which such fees, costs, and expenses shall be treated as and included in the costs of administering the Qualified Settlement Fund; and otherwise administering the Settlement pursuant to this Agreement. 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.

X. ADDITIONAL PROVISIONS

A. Confidentiality: Prior to the submission of the Settlement to the LWDA as well as the filing of the Motion For Approval of the PAGA Settlement, the Parties and their Counsel separately agree that 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 this 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. Plaintiffs' Counsel also agrees that, both before and after the filing of the Motion For Approval of the PAGA Settlement (including after the Court grants approval of the Settlement), they will refrain from and will not take any steps to publicize the Settlement, will not make any statements about the Settlement on social media, and will not post any statements about the Settlement on any websites. This paragraph does not restrict (1) Plaintiffs' Counsel's communications with Plaintiffs and Aggrieved Employees in accordance with Class Counsel's ethical obligations owed to Plaintiffs and Aggrieved Employees; (2) Plaintiffs' Counsel's ability to identify the Settlement and/or this action to demonstrate their adequacy as class or representative action counsel in other actions; or (3) Defendants' ability to disclose the Settlement in filings that it is required to make with the IRS, including IRS Form 990 filings, or in other disclosures.

B. Continuing Jurisdiction of the Court: The Parties agree that, after entry of final judgment, the Court will retain jurisdiction over the Parties, the Lawsuit, and the Settlement under C.C.P. section 664.6 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.

C. Waiver of the Right to Appeal: Provided the judgment is consistent with the terms and conditions of this Agreement, the Parties, their respective counsel, and all Aggrieved Employees 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.

D. Escalator Clause:

1. The Gross Settlement Amount was calculated based on Defendant's estimate that, as of March 3, 2025, 891 Aggrieved Employees worked approximately 61,000 Pay Periods during the PAGA Period.

2. If the final Pay Period count upon Approval exceeds this estimate by more than 10% (i.e., 61,000 + (61,000*10%) = 67,100), Defendants, at their option, may elect to do either of the following: (1) end the PAGA Period on the date in which the number of PAGA Pay Periods reaches 67,100 Pay Periods; or (2) increase the Gross Settlement Amount pro rata for each percentage of increased workweeks over 10%. For example, if the final number of total PAGA Pay Periods for the PAGA Period increases by 15% over 61,000 PAGA Pay Periods, the amount of the Gross Settlement Amount will increase by 5% ($995,000 x 5% = $49,750).

3. If this provision is triggered and the Gross Settlement Amount is increased, the Parties agree that the portion of the Gross Settlement Amount allocated to attorneys' fees will increase proportionally such that the total amount of attorneys' fees that Plaintiffs may seek remains one-third of the Gross Settlement Amount, subject to approval by the Court, after the upward adjustment required by this provision is implemented.

E. Integrated Agreement: Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits and the individual settlement agreements shall constitute the entire agreement between the Parties relating to the Settlement, superseding all prior or contemporaneous agreements, understandings, representations, statements warranties, covenants, or inducements, whether oral or written and whether by a Party or such Party's legal counsel. No rights under this Agreement may be waived except in writing and signed by the Party against whom such waiver is to be enforced.

F. Attorney Authorization: Plaintiffs' Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, 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.

G. 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 and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

H. Tax Advice: Neither Plaintiffs' Counsel, Defendants, 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.

I. 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 legal representatives.

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

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

L. 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.

M. 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. Plaintiffs and Plaintiffs' Counsel agree that they will not, issue any press releases, initiate any contact with the press, respond to any press inquiry, post on any internet website, or have any communication with the press about the Lawsuits, and/or the fact, amount or terms of the settlement.

N. Use and Return of Aggrieved Employee Data: Information provided to Plaintiffs' Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Aggrieved Employee Data or other documentation or information provided to Plaintiffs' Counsel by Defendants 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 Administrator confirms the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Aggrieved Employee Data or other documentation or information received from Defendants and verify to Defense Counsel that such destruction has been completed.

O. 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.

P. 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 court day thereafter.

Q. 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 Plaintiffs and the Aggrieved Employees

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jariley@duanemorris.com

R. Execution in Counterparts: This Agreement may be executed in one or more counterparts by facsimile, electronically (*i.e.*, DocuSign), or e-mail 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 executed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

S. Stay of Litigation: The Parties agree that upon the execution of this Agreement the litigation of the Lawsuits shall remain stayed and that they will exercise all reasonable efforts to maintain the stays of the Lawsuits, except to effectuate the terms of this Agreement.

T. Fair Settlement: The Parties, Plaintiffs' Counsel, and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

U. Parties' Authority: The signatories hereto represent that they are fully authorized to enter into this Settlement.

V. Effect on Effective Date: In the event that the Effective Date does not occur, this Agreement shall be deemed null, void and unenforceable, and each Party shall retain each of its respective rights as they existed as of the date of the mediation on April 8, 2025, and neither this Agreement, nor any of its accompanying exhibits, nor any orders entered by the Court in connection with this Agreement, shall be admissible or used for any purpose in any subsequent proceedings in the Lawsuits or in any other judicial, arbitral, administrative, investigative, or other court tribunal, forum or proceeding.

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

X. Representations by Plaintiffs:

1. Plaintiffs acknowledge the following:

(a) Plaintiffs, and each of them, have carefully read and fully understand all of the provisions of this Settlement;

(b) Plaintiffs, and each of them, knowingly and voluntarily agree to all of the terms set forth in this Settlement and have not been coerced, threatened, or intimidated into executing this Settlement;

(c) Plaintiffs, and each of them, were advised, and hereby are advised in writing, to consider the terms of this Settlement and consult with their attorneys before signing this Settlement; and

(d) Other than the fees and costs awarded pursuant to the terms of this Settlement, Plaintiffs, and each of them, acknowledge that all Parties shall bear their own fees and costs through the conclusion of the Lawsuit.

Y. Representations by Defendants:

1. Defendants acknowledge the following:

(a) Defendants have carefully read and fully understand all of the provisions of this Settlement;

(b) Defendants knowingly and voluntarily agree to all of the terms set forth in this Settlement and have not been coerced, threatened, or intimidated into executing this Settlement;

(c) Defendants were advised, and hereby are advised in writing, to consider the terms of this Settlement and consult with Defendants' attorneys before signing this Settlement.

(d) Other than the fees and costs awarded pursuant to the terms of this Settlement, Defendants acknowledges that all Parties shall bear their own fees and costs through the conclusion of the Lawsuits.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date(s) set forth below:

AGREED TO BY PLAINTIFFS AS TO FORM AND CONTENT:

DATED: ____________ ___________________
JOEL FARIAS

DATED: ____________ ___________________
NICHOLAS ALEXANDER VEGA

AGREED TO BY DEFENDANTS AS TO FORM AND CONTENT:

.

DATED: 11/12/2025 ____________________ ______________________________

HHS CONSTRUCTION, LLC and CONGRUEX GROUP, LLC

By: Kathryn E. Ford

Title: General Counsel

AGREED TO BY PLAINTIFFS' COUNSEL:

Wilshire Law Firm, PLC

DATED: ____________________ ______________________________

Arrash T. Fattahi

Attorneys for Plaintiff Joel Farias

JAMES HAWKINS APLC

____

Gregory Mauro

Attorneys for Plaintiff Nicholas Alexander Vega

AGREED TO BY DEFENDANTS' COUNSEL:

DUANE MORRIS LLP

DATED: 11/21/2025

Sarah A. Gilbert

Gerald L. Maatman, Jr.
Jennifer A. Riley
Sarah A. Gilbert
Attorneys for HHS Construction, LLC and Congruex Group, LLC

Docusign Envelope ID: BA844BD1-95AD-439C-9EB4-04D350FD7B50

Y. Representations by Defendants:

1. Defendants acknowledge the following:

(a) Defendants have carefully read and fully understand all of the provisions of this Settlement;

(b) Defendants knowingly and voluntarily agree to all of the terms set forth in this Settlement and have not been coerced, threatened, or intimidated into executing this Settlement;

(c) Defendants were advised, and hereby are advised in writing, to consider the terms of this Settlement and consult with Defendants' attorneys before signing this Settlement.

(d) Other than the fees and costs awarded pursuant to the terms of this Settlement, Defendants acknowledges that all Parties shall bear their own fees and costs through the conclusion of the Lawsuits.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date(s) set forth below:

AGREED TO BY PLAINTIFFS AS TO FORM AND CONTENT:

Firmado por:

Joel Farias

A7F8470B40EF459...

DATED: 11/2/2025

JOEL FARIAS

DATED: ____________

NICHOLAS ALEXANDER VEGA

Docusign Envelope ID: BA844BD1-95AD-439C-9EB4-04D350FD7B50

AGREED TO BY DEFENDANTS AS TO FORM AND CONTENT:

.

DATED: ____________

____

HHS CONSTRUCTION, LLC and CONGRUEX GROUP, LLC

By:___________________

Title:_________________

AGREED TO BY PLAINTIFFS' COUNSEL:

Wilshire Law Firm, PLC

DATED: 11/3/2025

____
Arrash T. Fattahi

Attorneys for Plaintiff Joel Farias

JAMES HAWKINS APLC

____
Gregory Mauro
Attorneys for Plaintiff Nicholas Alexander Vega

Docusign Envelope ID: 6DE57AF8-4059-4DCB-B5EE-C034B008607C

Y. Representations by Defendants:

1. Defendants acknowledge the following:

(a) Defendants have carefully read and fully understand all of the provisions of this Settlement;

(b) Defendants knowingly and voluntarily agree to all of the terms set forth in this Settlement and have not been coerced, threatened, or intimidated into executing this Settlement;

(c) Defendants were advised, and hereby are advised in writing, to consider the terms of this Settlement and consult with Defendants' attorneys before signing this Settlement.

(d) Other than the fees and costs awarded pursuant to the terms of this Settlement, Defendants acknowledges that all Parties shall bear their own fees and costs through the conclusion of the Lawsuits.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date(s) set forth below:

AGREED TO BY PLAINTIFFS AS TO FORM AND CONTENT:

DATED: ____________ ____________________

JOEL FARIAS

DATED: 11/21/2025

DocuSigned by:

BEF001F931AB467...

NICHOLAS ALEXANDER VEGA

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AGREED TO BY DEFENDANTS AS TO FORM AND CONTENT:

.

DATED: ____________ ______________________________

HHS CONSTRUCTION, LLC and CONGRUEX GROUP, LLC

By:___________________

Title:_________________

AGREED TO BY PLAINTIFFS' COUNSEL:

Wilshire Law Firm, PLC

DATED: _______________ ___________________

Arrash T. Fattahi

Attorneys for Plaintiff Joel Farias

DATED: 11/21/2025

JAMES HAWKINS APLC

____

Gregory Mauro

Attorneys for Plaintiff Nicholas Alexander Vega