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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA BARBARA

JESUS GARCIA, individually, and on behalf
of all others similarly situated, and on behalf
of other aggrieved employees pursuant to the
California Private Attorneys General Act
("PAGA"),

Plaintiff,

v.

THE TOWBES GROUP, INC., a California
corporation; MICHAEL TOWBES
CONSTRUCTION & DEVELOPMENT,
INC., a California corporation; and DOES 1
through 10,

Defendants.

Case No. 25CV02583

ASSIGNED FOR ALL PURPOSES TO HON.
DONNA D. GECK

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

1 This Class Action Settlement Agreement and Stipulation is entered into between Defendants
2 THE TOWBES GROUP, INC. and MICHAEL TOWBES CONSTRUCTION & DEVELOPMENT,
3 INC. (“Defendants”) and Plaintiff JESUS GARCIA (“Named Plaintiff” and Defendants and Plaintiff
4 collectively the “Parties”) in the Action (as defined below).

5 DEFINITIONS

6 1. Action. The “Action” means the class action complaints and charges, including
7 the lawsuits entitled, *Jesus Garcia v. The Towbes Group, Inc. et al.*, Santa Barbara County Superior
8 Court Case No. 25CV02583.

9 2. Agreement. “Agreement” shall refer to the instant Class Action Settlement
10 Agreement and Stipulation.

11 3. Class Counsel. “Class Counsel” shall mean The Sentinel Firm, APC and/or any
12 successor(s) thereof.

13 4. Class Members, the Class, and Settlement Class Members. “Class Members”
14 shall mean: all current or former hourly-paid or non-exempt employees of Defendant who worked for
15 Defendant within the State of California at any time during the Class Period. The “Settlement Class”
16 or “Settlement Class Members” means all Class Members other than those who opt out (see paragraphs
17 20 and 57.d), as well as PAGA Members (see paragraph 24).

18 5. Class Notice. “Class Notice” means the document mutually agreed upon by the
19 Parties and approved by the Court to be sent to the Class and PAGA Members in English and Spanish
20 following preliminary approval that includes the scope of release language for Settled Claims and
21 Settled PAGA Claims, notifies Class Members and PAGA Members of the Settlement, explains the
22 Settlement and Class Members’ options, including how Class Members may opt out or object to the
23 Settlement, and explains the facts and methods based on which the Class Member’s and PAGA
24 Members’ estimated settlement payments are calculated, substantially in the form attached hereto as
25 “**Exhibit A**”.

26 6. Class Period. “Class Period” means April 25, 2021 through March 11, 2026
27 (“Class Period”) unless modified by the Discretionary Escalator Clause or Cap in Paragraph 51(g).
28

1 7. The Court. The “Court” refers to the Santa Barbara County Superior Court or
2 other court or courts that will approve the Action, whether individually or together.

3 8. Day. “Day” or “days” refers to a calendar day(s) unless otherwise stated. If any
4 designated date or deadline falls on a weekend or holiday, the designated date or deadline will occur
5 on the next business day.

6 9. Defendants. “Defendants” means Defendants THE TOWBES GROUP, INC.
7 and MICHAEL TOWBES CONSTRUCTION & DEVELOPMENT, INC.

8 10. Effective Date. “Effective Date” of this Agreement means the first business
9 day following the last of the following occurrences: (i) if no Class Member timely and properly
10 intervenes, files a timely motion to vacate the Judgment under, or objects or otherwise challenges the
11 Settlement, then the date the Court enters an Order Granting Final Approval of the Settlement; (ii) if
12 a Class Member timely intervenes or files a timely motion to vacate the judgment or objects or
13 otherwise challenges the Settlement, then sixty-one (61) days following the date the Court enters an
14 Order Granting Final Approval, assuming no appeal is filed; or (iii) if a Class Member timely
15 intervenes or files a motion to vacate the Judgment, or objects or otherwise challenges the Settlement,
16 and files a timely appeal, then the date of final resolution of that appeal (including any requests for
17 rehearing and/or petitions for *certiorari*), resulting in final and complete judicial approval of the
18 Settlement in its entirety, with no further challenge to the Settlement being possible. Defendants shall
19 deposit all sums necessary to fund the Settlement after the Effective Date based on the schedule
20 explained in paragraph 68 of this Agreement. In the event an appeal, writ, motion challenging the
21 judgment or other collateral attack is made after the Effective Date, the funds shall not be distributed
22 until all challenges are resolved in a manner that upholds the Settlement in its entirety and shall be
23 returned if the Agreement is not finally and completely approved in all respects.

24 11. Exclusion Period. The “Exclusion Period” means the time period commencing
25 on the date the Class Notice is mailed to Class Members via First Class U.S. and ending sixty (60)
26 days later on the deadline to submit an Opt Out Request or Objection.

27 12. Final Judgment. “Final Judgment” means the judgment entered and filed by
28 the Court that: (1) finally approves this Agreement and the Settlement and disposes all class issues

1 raised in this Action, bars through collateral estoppel and/or res judicata Settlement Class Members
2 from reasserting Settled Claims against Released Parties; (2) finally approves this Agreement and the
3 Settlement and disposes all PAGA issues and claims raised in this Action, bars through collateral
4 estoppel and/or res judicata PAGA Members from reasserting PAGA Claims against Released Parties;
5 and (3) awards and orders the payment of all required amounts pursuant to the terms of this Agreement
6 (approved Class Counsel's attorneys' fees and costs, Settlement Payments to Class Members and
7 PAGA Payments to PAGA Members, *etc.*). The Final Judgment will constitute a binding and final
8 resolution of any and all claims by the Named Plaintiff and all Settlement Class Members as to all
9 Settled Claims and all PAGA Members as to all Settled PAGA Claims as set forth in this Agreement.

10 13. Final Settlement Approval Hearing. "Final Settlement Approval Hearing"
11 means the hearing at which the Court shall consider the motion for final approval of this Settlement
12 and determine whether to fully and finally approve the fairness and reasonableness of this Settlement
13 and Agreement, and enter an order barring through collateral estoppel and/or res judicata Settlement
14 Class Members from asserting Settled Claims against Released Parties and all PAGA Members from
15 pursuing Settled PAGA Claims against Released Parties.

16 14. Funding Payments. "Funding Payments" means the payment(s) remitted to the
17 Settlement Administrator ("SA") by Defendants following Final Judgment and the Effective Date in
18 full and complete discharge of the entire monetary obligation of Defendants in an amount equal to the
19 GSA, which, as set forth herein, shall satisfy all outstanding and awarded Settlement Payments, PAGA
20 Payments, attorneys' fees and costs awarded to Class Counsel, the Named Plaintiff' enhancement
21 awards as awarded by the Court, outstanding payments to the SA as approved by the Court for
22 settlement administration costs, and the payment to the Labor Workforce Development Agency (or
23 "LWDA"), minus any amounts already paid under the Agreement.

24 15. Gross Settlement Amount or GSA. "Gross Settlement Amount" or "GSA"
25 means a maximum total payment of Three Hundred Fifty Thousand Dollars and Zero Cents
26 (\$350,000.00), payable by Defendants under this Agreement.
27
28

1 16. Last Known Address. “Last Known Address” means the most recently
2 recorded mailing address for a Class Member and/or PAGA Member contained in Defendants’
3 records.

4 17. Named Plaintiff. “Named Plaintiff” means the proposed Class Representative
5 Jesus Garcia.

6 18. Net Settlement Amount or “NSA”. “Net Settlement Amount” or “NSA” means
7 the Gross Settlement Amount less the amounts deducted pursuant to paragraphs 51a through 51e of
8 this Agreement, including deductions of the amounts awarded to Class Counsel, the enhancement
9 award to the Named Plaintiff, the payment to the LWDA to resolve claims under the PAGA, and the
10 costs awarded for settlement administration owed pursuant to this Agreement.

11 19. Objection. “Objection” means a written request, which a Class Member may
12 submit no later than the last day of the Exclusion Period and in the form specified in paragraph 58 in
13 order to object to the Settlement, or a personal appearance, or other appearance permitted by the Court,
14 at the final approval hearing to object.

15 20. Opt Out Request. An “Opt Out Request” is a writing from a Class Member,
16 including the pre-printed Request for Exclusion form, indicating their intention to be excluded from
17 the class portion of the Settlement and must (1) contain the name, address, and telephone number of
18 the person requesting exclusion; (2) be signed by the Class Member; (3) be postmarked or fax stamped
19 within the Exclusion Period and returned to the Settlement Administrator at the specified address or
20 fax number. The Class Notice will include a pre-printed Opt-Out Request (See paragraph 57.d and
21 see **Exhibit “B”**).

22 21. Order of Final Approval or Order Granting Final Approval of Settlement.
23 “Order of Final Approval” or “Order Granting Final Approval of Settlement” or “Final Approval”
24 means the order issued in conjunction with the entry of the Final Judgment to be submitted by the
25 Named Plaintiff together with the Motion for Final Approval of the Settlement for entry and filing by
26 the Court as specified in this Settlement.

22. Parties. “Parties” shall mean Named Plaintiff, individually on behalf of himself and on behalf of all Class Members, PAGA Members and interests of the Labor Workforce Development Agency (“LWDA”), and Defendants.

23. PAGA Period. “PAGA Period” shall mean April 25, 2024 through March 11, 2026, unless modified by the Discretionary Escalator Clause or Cap in Paragraph 51(g).

24. PAGA Member. “PAGA Members” means: all current or former hourly-paid or non-exempt employees of Defendant who worked for Defendant within the State of California at any time during the during the PAGA Period.

25. PAGA Payment and PAGA Allocation. Of the Total Settlement Amount, Thirty Thousand Dollars and No Cents (\$30,000.00) shall be paid for the PAGA claims. “PAGA Allocation” is the Ten Thousand Five Hundred Dollars and No Cents (\$10,500.00) (*i.e.*, the remainder after subtracting the Nineteen Thousand Five Hundred Dollars and No Cents (\$19,500.00) allocated to the LWDA from the \$30,000.00 total amount allocated to the PAGA settlement) divided by the total number of PAGA Workweeks Worked credited to all PAGA Members. Each PAGA Member’s PAGA Payment is equal to the PAGA Workweek Rate multiplied by his or her individual PAGA Workweeks Worked pursuant to the records of Defendants.

26. PAGA Workweeks Worked. “PAGA Workweek Worked” means the number of workweeks credited to a PAGA Class Member during the PAGA Period (for the Settled PAGA Claims), as determined by Defendants’ records and as only subject to revision pursuant to this Agreement.

27. Parties. “Parties” shall mean Named Plaintiff, individually on behalf of himself and on behalf of all Class Members and PAGA Members and interests of the LWDA, and Defendants.

28. Preliminary Approval Order. “Preliminary Approval Order” is the Order entered and filed by the Court that preliminarily approves the terms and conditions of this Agreement, including approval of the Parties’ Agreement that specifies the content of notice and manner in which notice will be provided to the Class and responded to by the Class, substantially in the form attached hereto as “**Exhibit C**”.

1 29. Released Parties. “Released Parties” means Defendants and their affiliated
2 companies, parents, members, subsidiaries, related companies and business concerns, past and present,
3 including their predecessors and successors, and each of them, as well as each of their insurers,
4 partners, trustees, directors, owners, shareholders, officers, agents, attorneys, servants, joint employers
5 and employees, past and present, and each of them and anyone acting in concert with foregoing.

6 30. Settlement. “Settlement” shall refer to the agreement of the Parties to settle the
7 claims as set forth and embodied in this Agreement.

8 31. Settlement Administrator. “Settlement Administrator” or “SA” shall mean
9 Phoenix Class Action Settlement Administrators or such other neutral administrator as chosen by the
10 Parties and approved by the Court (see paragraph 55a).

11 32. Settled Claims. Upon the Effective Date, all Settlement Class Members, on
12 behalf of themselves and their respective former and present representatives, agents, attorneys, heirs,
13 administrators, successors, and assigns, release Released Parties from all claims, allegations and
14 assertions that were alleged, or reasonably could have been alleged, based on the facts, allegations,
15 assertions and claims in the operative Complaint and ascertained in the course of the Action, including,
16 (a)-(b) any and all claims involving any alleged failure to pay minimum wages, contract wages,
17 overtime, double-time or other amounts of wages for failing to compensate Plaintiff and Class
18 Members for all wages earned and all hours worked” (see Cal Labor Code §§ 510, 1194, 1197, 1198;
19 IWC Wage Order No. 1-2001, §§ 3-4); (c) Failure to authorize and permit or pay premium payments
20 for rest periods (see Labor Code §§ 226.7, 512; IWC Wage Order No. 1-2001, § 12); (d) Failure to
21 provide meal periods or pay premium payments for meal periods (see Labor Code §§ 226.7, 510, 512,
22 1194, 1197; IWC Wage Order No. 1-2001, § 11); (e) Failure to provide accurate, itemized wage
23 statements (see Labor Code § 226(a)); (f) failure to pay wages due to discharged and quitting
24 employees (see Labor Code §§ 201-203); (g) failure to indemnify necessary business expenses (see
25 Labor Code § 2802); and (h) unfair business practices (see Bus. and Prof. Code § 17200, et seq.)
26 (“Settled Claims”). “Settled Claims” includes all types of relief available for the above-referenced
27 claims, including, without limitation, any claims for damages, restitution, losses, penalties, fines, liens,
28 attorneys’ fees, costs, expenses, debts, interest, injunctive relief, declaratory relief, or liquidated

damages. “Settled Claims” expressly excludes all claims for wrongful termination, unemployment insurance, disability, social security, and workers’ compensation.

33. Settled PAGA Claims. “Settled PAGA Claims” means the claims that Plaintiff, as an agent and proxy of the California Labor and Workforce Development Agency, will and does release Defendants from as to all claims for civil penalties arising at any time during the PAGA Period for the claims asserted by Plaintiff in the Notice Letter sent to the LWDA on April 25, 2025 and in the Operative Complaint.

34. Settlement Class/Settlement Class Member(s). “Settlement Class Member” means all Class Members other than those who have timely and validly submitted Opt Out Requests and thereby excluded themselves from releasing Settled Claims from the Settlement.

35. Settlement Payment. “Settlement Payment” means a payment pursuant to a Settlement Class Member’s pro rata allocation of the NSA as specified in paragraph 51.

36. Settlement Proceeds Distribution Deadline. “Settlement Proceeds Distribution Deadline” means a date that is fourteen (14) days after the Funding Payment has been made by Defendants to the SA based on the schedule explained in paragraph 61 of this Agreement.

37. Updated Address. “Updated Address” means a mailing address that was updated by a reasonable address verification measure of the SA or by an updated mailing address provided by the United States Postal Service for a Class Member or PAGA Member.

38. Workweek Rate. “Workweek Rate” for the Settled Claims shall mean the amount yielded from dividing the Net Settlement Amount by the total of all Workweeks Worked credited to all Settlement Class Members during the Class Period. Each Settlement Class Member’s settlement payment is equal to his or her individual Workweeks Worked during the Class Period and as weighed by job title(s) worked by him or her and multiplied by the Workweek Rate. Therefore, the amount of each Settlement Class Member’s Individual Settlement Payment is tied to the number of Workweeks Worked that each Settlement Class Member worked for Defendants in the State of California in comparison to all Workweeks Worked by all Settlement Class Members in the State of California during the Class Period. Similarly, for the Settled PAGA Claims, “Workweek Rate” shall

mean the amount yielded from dividing the PAGA Allocation by the total of all Workweeks Worked credited to all PAGA Members during the PAGA Settlement Period.

39. Workweeks Worked. A “Workweek Worked” means the number of calendar workweeks credited to a Class Member during the Class Period or PAGA Member during the PAGA Period (for the Settled PAGA Claims), as determined by Defendant AIM’s records and as only subject to revision pursuant to this Agreement.

RECITALS

40. On April 25, 2025, former employee Jesus Garcia filed a class action complaint in the Action against The Towbes Group, Inc. and Michael Towbes Construction & Development, Inc. in Santa Barbara County Superior Court, asserting eight causes of action for wage-and-hour liability on behalf of himself and other non-exempt employees in the State of California from April 25, 2021 to the present and ongoing until there is a settlement or judgment in the case, specifically: (1) failure to pay minimum wages; (2) failure to pay overtime compensation; (3) failure to provide meal periods; (4) failure to authorize and permit rest breaks; (5) failure to indemnify necessary business expenses; (6) failure to timely pay final wages at termination; (7) failure to provide accurate itemized wage statements; and (8) unfair business practices. On September 22, 2025, Plaintiff filed a First Amended Complaint in the Action, which added a ninth cause of action for civil penalties under PAGA.

41. Named Plaintiff submitted the LWDA letter on April 25, 2025, in case number LWDA-CM-1094731-25 alleging the same claims as the complaint.

42. Defendants filed an Answer to the complaint and denied all allegations and claims asserted therein. Defendants deny that they engaged in any misconduct in connection with their wage-and-hour practices and that they have any liability or engaged in wrongdoing of any kind associated with the claims alleged in the Action, including any Settled PAGA Claims. Defendants further contend that they have complied at all times with both federal and state wage-and-hour laws, and all other laws regulating the employer-employee relationship that relate to the employment of Named Plaintiff and the Class and PAGA Members.

43. Defendants and Class Counsel, on behalf of Named Plaintiff and the Class and allegedly aggrieved employees, attended mediation with mediator Eve Wagner, Esq. on

December 11, 2025. The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive arms-length negotiations between the Parties supervised by an experienced employment law mediator. The Parties agree that the Agreement is entered into in good faith as to each Class Member and PAGA Member and that the Settlement is fair, reasonable and adequate as to each Class Member and PAGA Member.

44. While Defendants specifically deny any liability or wrongdoing in the Action, Defendants have agreed to enter into this Settlement to avoid the cost and business disruption associated with defending the Action. Defendants have claimed and continue to claim that the Settled Claims and Settled PAGA Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. This Agreement, made and entered into by and between the Named Plaintiff (on behalf of himself and on behalf of the Class Members and PAGA Members and interests of the LWDA) and Defendants, each with the assistance of their respective counsel or attorneys of record, is intended to fully, finally, and forever settle, compromise and discharge the Settled Claims and Settled PAGA Claims against the Released Parties, subject to the terms and conditions set forth herein.

45. Because the Action is pleaded as a class action, this Settlement must receive preliminary and final approval by the Court. Because the Action is also pleaded as a PAGA action, this Settlement is subject to approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis.

TERMS AND CONDITIONS OF SETTLEMENT

NOW THEREFORE, in consideration of the recitals listed above and the promises and warranties set forth below, and intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings set forth herein, the Named Plaintiff, individually on behalf of himself and on behalf of the Class Members and PAGA Members and LWDA interests, on the one hand, and Defendants, on the other hand, agree that the Action shall be, and is finally and fully compromised and settled on the following terms and conditions.

46. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued

1 litigation. In entering into this Agreement, Defendants do not admit, and specifically deny, that they
2 have: violated any federal, state, or local law; violated any regulations or guidelines promulgated
3 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any
4 contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in
5 any other unlawful conduct with respect to its employees or any other person or entity. Neither this
6 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it or
7 proceedings, payouts or other events associated with it, shall be construed as an admission or
8 concession by Defendant of any such violation(s) or failure(s) to comply with any applicable law by
9 Defendants or any Released Parties. Except as necessary in a proceeding to approve, interpret or
10 enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered
11 or received as evidence in any action or proceeding to establish any liability or admission on the part
12 of Defendants or to establish the existence of any condition constituting a violation of, or
13 noncompliance with, federal, state, local or other applicable law. In addition, as set forth in paragraph
14 69, the Parties intend this Settlement to be contingent upon the preliminary and Final Approval of this
15 Agreement; and in the event Final Approval of this Agreement is not obtained the Parties do not waive,
16 and instead expressly reserve, their respective rights to prosecute and defend this Action as if this
17 Agreement never existed in the event the Settlement is not fully and finally approved as set forth
18 herein. In the event that this Agreement is not approved by the Court, fails to become effective, or is
19 reversed, withdrawn or modified by the Court or any other court with jurisdiction over the Action, the
20 Agreement shall become null and void *ab initio* and shall have no bearing on, and shall not be
21 admissible in connection with, further proceedings in this Action, except that the Court may award
22 less than the amounts listed in paragraph 51a through 51e without impacting the validity and
23 enforceability of this Agreement and the Parties will be returned to their respective positions prior to
24 entering this Agreement.

25 47. Stipulation for Class Certification. The Parties stipulate to the certification of
26 this Settlement Class for purposes of this Settlement only. If, however, the Settlement does not
27 become final for any reason, the Parties' Agreement shall become null and void *ab initio* and shall
28

1 have no bearing on, and shall not be admissible in connection with, whether class certification would
2 be appropriate in any other context in this Action.

3 48. Release of Settled Claims. As of the Effective Date, Named Plaintiff and all
4 Settlement Class Members hereby do and shall be deemed to have fully, finally, and forever released,
5 settled, compromised, relinquished and discharged any and all Settled Claims against any and all
6 Released Parties. The Settlement includes a release of all Settled Claims during the Class Period by
7 Settlement Class Members employed at any time during the Class Period.

8 a. The Parties agree for settlement purposes only that, because the Class
9 Members are so numerous, it is impossible or impracticable to have each Class Member execute this
10 Agreement. Accordingly, the Class Notice will advise all Class Members of the binding nature of the
11 release and such notice shall have the same force and effect as if the Agreement were executed by
12 each Class Member.

13 b. Named Plaintiff and Class Counsel represent, covenant, and warrant
14 that they have not directly or indirectly assigned, transferred, encumbered or purported to assign,
15 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause
16 of action, or rights herein released and discharged, except as set forth herein.

17 c. The Parties agree that this is a settlement of disputed claims not
18 involving undisputed wages, and that Labor Code Section 206.5 is therefore inapplicable.

19 49. Release of Settled PAGA Claims. As of the Effective Date, through the release
20 provided by the Named Plaintiff as agent and proxy of the State of California and the Labor and
21 Workforce Development Agency, Named Plaintiff and all PAGA Members hereby do and shall be
22 deemed to have fully, finally, and forever released, settled, compromised, relinquished and discharged
23 any and all of the Released Parties of and from any and all Settled PAGA Claims. The Settlement
24 includes a release of all Settled PAGA Claims during the PAGA Period by PAGA Members employed
25 at any time during the PAGA Period.

26 50. Individual Releases of Claims. In addition to the releases made by the
27 Settlement Class Members and PAGA Members set forth in this Agreement, as of the Effective Date,
28 Named Plaintiff releases, as an individual and in addition to the Settled Claims described above, all

1 claims, whether known or unknown, under federal law or state law against the Released Parties. The
2 Parties understand and agree that Plaintiff is not, by way of this release, releasing any claims which
3 cannot be released as a matter of law. Notwithstanding the foregoing, Named Plaintiff understands
4 that this release includes unknown claims and that Named Plaintiff is, as a result, waiving all rights
5 and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

12 51. Settlement Payments and Calculation of Claims. Subject to final Court
13 approval and the conditions specified in this Agreement, and in consideration of the mutual covenants
14 and promises set forth herein, Defendants agree to make a payment or payments as set forth herein
15 totaling an amount of, but not to exceed, the GSA. The GSA shall fully satisfy Defendants' obligations
16 for any and all payments, fees and costs identified in the Agreement, including, but not limited to, any
17 payments to be made to the Named Plaintiff, Settlement Class Members, PAGA Members, the LWDA,
18 Class Counsel's attorneys' fees and out-of-pocket litigation expenses and costs, and settlement
19 administration costs. Other than employer-side payroll taxes, in no event shall Defendants be required
20 to pay any amounts above the GSA under this Settlement and this Agreement. The Parties agree,
21 subject to Court approval, that the GSA shall be apportioned as follows:

22 a. Attorneys' Fees. Class Counsel will apply to the Court for an award of
23 attorneys' fees of no more than 35% of the GSA or One Hundred Twenty-Two Thousand Five
24 Hundred Dollars and Zero Cents (\$122,500.00). The attorneys' fees shall come from and be deducted
25 from the GSA and paid out as set forth herein. Defendants will not oppose such application.

26 b. Attorneys' Costs. Named Plaintiff and Class Counsel shall request
27 approval of payment of up to but not to exceed Twenty Five Thousand Dollars and No Cents
28 (\$25,000.00) in attorneys' costs, including any litigation costs, which will be deducted from the GSA
and paid out as set forth herein. Defendants will not oppose such application. Attorneys' fees as

1 specified in the preceding paragraph and costs as specified in this paragraph shall cover all claimed
2 and unclaimed attorneys' fees, attorneys' costs and other amounts payable or awardable against
3 Defendants for Class Counsel's work, effort or involvement in the Actions and in carrying out the
4 Agreement and includes any and all work, effort or involvement to carry out the terms of the
5 Agreement and as may be potentially or actually necessary or advisable to defend the Agreement
6 and/or Settlement through appeal, or collateral attack or in any other forum or proceeding. These
7 specified Attorneys' Fees and Costs shall be the sole payment for attorneys' fees and costs and,
8 otherwise, the Parties and Class Members and their counsel shall bear their own fees and costs in
9 connection with the Actions.

10 c. Administration Fees and Costs. Class Counsel will also apply to the
11 Court for approval of Settlement Administration costs in an amount estimated to be up to Seven
12 Thousand Dollars (\$7,000), which will be deducted from the GSA. Defendants will not oppose such
13 application. Class Counsel will specify the amount sought for such costs, up to the foregoing
14 maximum, in Named Plaintiff's motions for preliminary and Final Approval of the Settlement.

15 d. Named Plaintiff's Enhancement and General Release Payment. Class
16 Counsel will apply to the Court for approval of an enhancement award in an amount not to exceed
17 Seven Thousand Five Hundred Dollars and No Cents (\$7,500.00) to be paid to Named Plaintiff, which
18 will be taken from the GSA. Any Enhancement Award approved by the Court will result in the
19 issuance of a Form 1099 to Plaintiff as class representative, who shall assume full responsibility and
20 liability for the payment of taxes due on such award.

21 e. PAGA Allocation and Payments. Pursuant to California Labor Code
22 Section 2698, *et seq.*, the Parties designate Thirty Thousand Dollars and No Cents (\$30,000.00) of the
23 GSA to resolve any PAGA claims (including payment for Named Plaintiff's claims on his own behalf
24 and on behalf of all PAGA Members for penalties under the PAGA and payment to the LWDA).

25 i. Sixty-five percent (65%) of that amount, or Nineteen Thousand
26 Five Hundred Dollars and No Cents (\$19,500.00), shall be paid out of the GSA to the LWDA. In the
27 event the LWDA refuses to accept the above amount in full for all civil penalties to PAGA Members
28 in connection with the civil penalty claims alleged in this Action, or in the event the LWDA or anyone

on its behalf otherwise challenges the above allocation or the Settlement, the Parties shall work in good faith to revise the allocation so that it is accepted.

ii. The remaining Ten Thousand Five Hundred Dollars and No Cents (\$10,500.00) shall be paid to PAGA Members by multiplying the PAGA Workweek Rate by each individual PAGA Member's respective PAGA Workweeks Worked.

f. NSA. The NSA will be the amount remaining after deducting the amounts specified in paragraphs 51a through 51e above.

g. Discretionary Escalator Clause or Cap: For purposes of this settlement, Defendants estimated that there were 16,400 workweeks worked by the Settlement Class Members through December 11, 2025 (the "Mediation Date"). Should the actual number of workweeks for Settlement Class Members exceed 16,400 by more than ten percent (10%) (*i.e.*, exceed 18,040 workweeks), then Defendants shall make an election that one of the following occur: (1) the GSA shall be increased on a *pro rata* basis for workweeks above the 10% cushion (for example, if the Settlement Class Member workweeks exceed 16,400 by 16%, Defendants shall owe an additional amount equal to 6% of the GSA. The additional payments in this paragraph will not be used to calculate enhancement payments (§ 5) or impact the amount of the PAGA payment (§ 9)); or (2) the Class Period and PAGA Period (including the end date for the corresponding release period) will end on the date that the number of Workweeks worked by Class Members reaches 18,040. Defendants shall inform Plaintiff no later than April 10, 2026 whether the provisions of this Paragraph appear to have been triggered and if so, their election under this paragraph. The Settlement Administrator shall be responsible for making the final determination regarding whether the provisions of this paragraph are triggered.

h. Settlement Payments to Settlement Class Members. Only the following individuals will receive Settlement Payments under the Settlement Agreement: (1) the Named Plaintiff and (2) Settlement Class Members. Settlement Payments will be calculated as follows:

i. The NSA will be divided by the total Workweeks Worked by all Settlement Class Members during the Class Period as reflected in Defendants' records. All Settlement Class Members shall be paid an amount equal to their individual Workweeks Worked during the Class

1 Period, multiplied by the Workweek Rate. Workweeks Worked shall be determined by the SA based
2 on data to be provided by Defendants, as may be modified by the resolution of any challenges.

3 ii. The Parties agree that under no circumstances shall Defendants
4 be obligated to pay any amount under this Agreement to any Class Member other than Settlement
5 Class Members and PAGA Members. In addition, the Parties agree that in no event shall Defendants
6 be obligated to pay more than the GSA, except for the separate payment of employer-side taxes, as
7 provided above.

8 iii. The Parties acknowledge and agree that the formula used to
9 calculate Workweeks Worked, individual Settlement Payments, PAGA Workweeks Worked, and
10 PAGA Payments does not imply that all of the elements of damages covered by the release are not
11 being taken into account. The above formulas were devised as practical and logistical tools to simplify
12 the payment process.

13 52. No Credit Toward Benefit Plans. The Settlement Payments made to Settlement
14 Class Members and PAGA Payments made to PAGA Members under this Agreement shall not be
15 utilized to calculate any additional benefits under any benefit plans to which any Settlement Class
16 Members or Class Members or PAGA Members may be eligible, including, but not limited to: profit-
17 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO
18 plans, and any other benefit plan. Rather, it is the Parties' intention that this Agreement will not affect
19 any rights, contributions, or amounts to which any Settlement Class Members, Class Members and
20 PAGA Members may be entitled under any benefit plans.

21 53. Taxation of Settlement Proceeds. All Settlement Payments shall be paid in a
22 net amount after applicable employee state and federal tax withholdings, including payroll taxes, if
23 any, have been deducted.

24 a. The Parties agree that forty percent (40%) will be allocated to wages for
25 which W-2s shall be issued, forty percent (40%) of the amount distributed to each Settlement Class
26 Member will be considered penalties, and twenty percent (20%) shall be allocated to interest and any
27 other non-wage related amount, if any, and will be reported as such to each Settlement Class Member
28

1 on an IRS Form 1099. The PAGA Payments to PAGA Members will be designated as payments for
2 alleged penalties and other non-wage amounts.

3 b. The SA shall calculate, withhold from the Settlement Payments, and
4 remit to applicable governmental agencies sufficient amounts, if any, as may be owed by Settlement
5 Class Members for applicable employee taxes. The SA will issue appropriate tax forms, if required,
6 to each such Settlement Class Member consistent with the foregoing breakdown. The SA shall also
7 calculate and obtain from Defendants and remit to applicable governmental agencies sufficient
8 amounts, if any, as may be owed by employers for the wage portion of the Settlement Payments.

9 c. All Parties represent that they have not received, and shall not rely on,
10 advice or representations from other parties or their agents, including Class Members and PAGA
11 Members, regarding the tax treatment of payments under federal, state, or local law. In this regard,
12 Defendants make no representations regarding the taxability of the Settlement Payments and PAGA
13 Payments.

14 d. Class Counsel will be issued an IRS Form 1099 for any fees and costs
15 awarded by the Court pursuant to Paragraph 51. Except as provided in Paragraph 51, each Party shall
16 bear his, her or its own attorneys' fees, costs, and expenses incurred in the prosecution, defense, or
17 settlement of the Actions. Class Counsel agrees that any allocation of fees between or among each of
18 the Class Counsel or among the Class Counsel and any other attorney that may be representing Named
19 Plaintiff or the Class, if any, shall be the sole responsibility of Class Counsel. Each Party to this
20 Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement
21 other than the acknowledging party, an "other party") acknowledges and agrees that no provision of
22 this Agreement, and no written or oral communication or disclosure or other representation by
23 Defendants and/or Released Parties is or was intended to be, nor shall be construed or be relied upon
24 as, tax advice, and Named Plaintiff, Class Members and PAGA Members shall not rely on Defendants
25 and/or Released Parties for any tax advice with respect to the Settlement of this Actions.

26 e. The Named Plaintiff will be issued IRS Form 1099s for any
27 enhancement awards approved by the Court pursuant to Paragraph 51. The enhancement awards
28

1 payable to the Named Plaintiff shall be in addition to the Settlement Payments and PAGA Payments
2 that they, as applicable, will receive.

3 54. Provisional Approval of Settlement. Named Plaintiff shall file a motion in the
4 Actions and take all other action to request that the Court enter the Preliminary Approval Order based
5 on an agreed-upon Settlement schedule, subject to Court approval:

6 a. Seeking class certification on the terms set forth in this Agreement
7 solely for purposes of class settlement;

8 b. Preliminarily approving the proposed Settlement and this Agreement,
9 including the payments to the Settlement Class Members, Class Counsel, the Named Plaintiff, PAGA
10 Members, the SA, and the LWDA;

11 c. Preliminarily approving the appointment of the Named Plaintiff as
12 representative of the Class for settlement purposes, if not otherwise accomplished by class
13 certification;

14 d. Preliminarily approving the appointment of counsel for Named Plaintiff
15 as Class Counsel;

16 e. Appointing and approving a SA as chosen by the Parties and approved
17 by the Court, to administer the notice, opt-out requests, objections and Settlement Payment and PAGA
18 Payment procedures required by this Agreement;

19 f. Approving the form of the Class Notice mutually agreed by the Parties;

20 g. Scheduling the Final Settlement Approval Hearing for consideration of
21 Final Approval of this Agreement;

22 h. Requiring that any Class Members who object to the Settlement
23 Agreement submit any objection to the SA postmarked by the end of the Exclusion Period or appear
24 in person or by other Court approved means at the Final Approval Hearing, and that the Parties be
25 given an opportunity to file written responses to any objection(s) with the Court;

26 i. Approving the procedure for Class Members to submit Opt Out
27 Requests, and setting a date after which no Class Members shall be allowed to submit Opt Out
28 Requests; and

1 j. Approving the procedure for Settlement Class Members to object to the
2 Settlement.

3 Defendants shall not oppose Class Counsel's motions for preliminary approval and
4 Final Approval of the Settlement so long as the motions and supporting papers are consistent with the
5 terms of this Agreement. Class Counsel shall provide Defendants with an opportunity of 5 days to
6 review, and provide comments on the motions for preliminary and Final Approval of the Settlement
7 before the motion and supporting papers are filed with the Court. The Parties will meet and confer
8 and agree upon the wording of the settlement packages to be sent to Class Members, as well as the
9 proposed orders for preliminary and Final Approval before filing. Failure of the Court to grant the
10 Preliminary Approval Order will be grounds for the Parties to terminate the Settlement and the terms
11 of the Agreement, except that the Parties must work in good faith to comply with any changes to the
12 Settlement proposed by the Court to the extent the changes are acceptable by both Parties, and the
13 Court may award less than the amounts listed in paragraph subparts 51a through 51d without impacting
14 the validity and enforceability of this Agreement.

15 55. Notice Procedure.

16 a. Settlement Administrator. The Parties will select Phoenix Class Action
17 Settlement Administrators or a mutually agreeable third-party Settlement Administrator (or "SA") to
18 distribute the Class Notice and the Settlement Payments and PAGA Payments and handle the tax
19 reporting and field questions with a hotline. The SA (along with any of its agents) shall represent and
20 warrant that it will: (a) provide reasonable and appropriate administrative, physical and technical
21 safeguards for any personally identifiable information ("PII"), which it receives from Defendants;
22 (b) not disclose the PII to Class Counsel, Named Plaintiff, any party or third parties, including agents
23 or subcontractors, without Defendants' consent; (c) not disclose or otherwise use the PII other than to
24 carry out its duties as set forth herein; (d) promptly provide Defendants with notice if PII is subject to
25 unauthorized access, use, disclosure, modification, or destruction; and (e) continue to protect the PII
26 upon termination of its services.

27 b. Class Member Data. Within thirty (30) days after filing of the
28 Preliminary Approval Order, Defendants shall provide to the SA a list of Class Members and PAGA

1 Members that identifies for each Class Member/PAGA Member, his/her Social Security number, last-
2 known address, class Workweeks Worked and PAGA Workweeks Worked. Defendants agree to
3 consult with the SA as required to provide the list in a format reasonably acceptable for the duties of
4 the SA. The SA will keep the list confidential, use it only for the purposes described herein, take
5 adequate safeguards to protect confidential or private information and return or certify the destruction
6 of the information upon completion of the Settlement Administration process.

7 56. Class Notice. The SA will send to each Class Member and PAGA Members
8 by First-Class U.S. Mail the Class Notice, which includes information on how Class Members may
9 opt out of or Object to the Settlement and a procedure by which a Class Member may challenge the
10 number of Workweeks Worked identified on his/her Class Notice. The Named Plaintiff will seek
11 approval of language in the Class Notice in the motion for preliminary approval and will seek
12 permission for the Parties in conjunction with the SA to be able to correct immaterial errors on these
13 forms or other mailed materials without approval from the Court, provided the changes do not alter
14 the preliminary approval by the Court.

15 a. Settlement Administrator Duties. Prior to mailing the Class Notice, the
16 SA will update the addresses for the Class Members and PAGA Members using the National Change
17 of Address database and other available resources deemed suitable by the SA. To the extent this
18 process yields a different address from the one supplied by Defendants (“Updated Address”), that
19 Updated Address shall replace the address supplied by Defendants (“Last Known Address”) and be
20 treated as the new Last Known Address for purposes of this Agreement and for subsequent mailings
21 in particular. The Settlement Administrator shall be permitted to provide notices and communicate
22 to the Class and PAGA Members in a format and statement to be provided to the Court, which Named
23 Plaintiff will submit in conjunction with the motion for preliminary approval and/or motion for Final
24 Approval.

25 b. Notice Procedure. Within seven (7) days after receipt of the above
26 information from Defendants, the SA shall send the Class Notice to each Class Member’s and PAGA
27 Member’s Last Known Address or Updated Address (if applicable) via First-Class U.S. mail.
28

1 c. Exclusion Period. Class Members will have sixty (60) days from the
2 postmark of the initial mailing of the Class Notice by the SA to submit by U.S. mail their Opt Out
3 Requests, with proof of date of submission to be the postmark date of the completed Opt Out Request.
4 Class Members will also have sixty (60) days to object to the Settlement by submitting a written
5 objection (**see Exhibit B**) with the SA that sets forth the basis of the objection pursuant to paragraph
6 58, which the SA shall submit to the Parties within 10 days after the end of the Exclusion Period, and
7 Class Counsel shall submit to the Court. Opt Out Requests do not apply to the Settled PAGA Claims
8 and will not exclude PAGA Members from the release of Settled PAGA Claims.

9 d. SA Follow-up efforts.

10 i. The SA shall re-mail by First-Class U.S. mail the Class Notice
11 returned by the Post Office with a forwarding address, and shall re-mail by First-Class U.S. mail the
12 Class Notice to any Class Member/PAGA Member who personally provides an updated address to the
13 SA.

14 ii. In the event that the first mailing of the Class Notice to any Class
15 Member/PAGA Member is returned without a forwarding address, the SA will immediately perform
16 skip trace(s) if necessary using social security numbers provided by Defendants and National Change
17 of Address searches, as needed, to verify the accuracy of the addresses provided and will conduct a
18 second round of mailings of the Class Notice by First-Class U.S. mail within an agreed number of
19 days for those forms returned to sender. If no new information is ascertained by means of a skip trace,
20 or if the Class Notice is returned to SA after using an address obtained from a standard skip trace, the
21 SA will immediately perform a manual “in-depth skip trace” to locate a more recent or accurate
22 address. If an Updated Address is identified by this method, the SA will resend the Class Notice to
23 the Updated Address within three (3) days of identifying the Updated Address.

24 e. Documenting Communications. The SA shall date stamp documents it
25 receives, including Opt Out Requests, Objections and any correspondences and documents from Class
26 Members/PAGA Member.

27 f. Settlement Administrator Declaration. At least ten (10) days prior to
28 the filing of the motion for final approval, the SA shall prepare, subject to Class Counsel’s/PAGA

1 Member's and Defendants' input and approval, a declaration setting forth the due diligence and proof
2 of mailing of the Class Notices, the results of the SA's mailings, including tracing and re-mailing
3 efforts, and the Class Members' and PAGA Member's responses to those mailing and provide
4 additional information deemed necessary to approve the settlement.

5 g. SA Written Reports. Each week during the Exclusion Period, the SA
6 shall provide the Parties with a report listing the number of Class Members that submitted Opt Out
7 Requests and Objections. Within seven (7) days of the close of the Exclusion Period, the SA will
8 provide a final report listing the number of Class Members who submitted Opt Out Requests or
9 Objections.

10 h. SA Calculations of Settlement Payments. Within seven (7) days after
11 resolving all challenges made by Settlement Class Members, and following the Final Approval Order,
12 the SA shall provide to the Parties a report showing its calculation of all Settlement Payments to be
13 made to Settlement Class Members and PAGA Members. After receiving the SA's report, Class
14 Counsel and Defendants' counsel shall review the same to determine if the calculation of payments to
15 Settlement Class Members/PAGA Members is consistent with this Agreement, and shall notify the
16 SA if either counsel does not believe the calculation is consistent with the Agreement. After receipt
17 of comments from counsel, the SA shall finalize its calculation of Settlement Payments and PAGA
18 Payments, at least five (5) days prior to the distribution of such payments, and shall provide Class
19 Counsel and Defendants' Counsel with a final report listing the amount of all payments to be made to
20 each Settlement Class Member from the NSA and listing the amount of all payments to be made to
21 each PAGA Member from the amount allocated for PAGA Payments. The SA will also provide
22 information that is requested and approved by both Parties regarding its duties and other aspects of the
23 Settlement and that is necessary to carry out the terms of the Settlement.

24 57. Requirements for Recovery of Settlement Payments.

25 a. Class Members. No claim form is necessary to participate in the
26 Settlement. Unless a Class Member submits a valid and timely Opt Out Request, he or she will be a
27 Settlement Class Member, bound by the Judgment, and will receive a payment from the NSA. All
28 Class Members except for those who timely and validly opt out of the Settlement shall be bound by

1 the release of Settled Claims in this Agreement. All PAGA Members shall be bound by the release
2 of Settled PAGA Claims in this Agreement. At Defendants' option, checks in payment of amounts
3 due to Settlement Class Members under the Settlement may contain a brief statement of waiver of
4 Settled Claims as part of the endorsement language.

5 b. Late Submissions. The SA shall not accept as valid any Opt Out
6 Request postmarked after the end of the Exclusion Period, absent agreement from both Parties or order
7 of the Court. It shall be presumed that, if an Opt Out Request is not postmarked on or before the last
8 day of the Exclusion Period, the Class Member did not return the Opt Out Request in a timely manner.

9 c. Challenges. Class Members will have the right to challenge the number
10 of Workweeks Worked allocated to them. The following challenge procedure will be established for
11 the Class Member to dispute information on which his/her payment amount is based: Challenges to
12 the number of Workweeks Worked shall be sent directly to the SA at the address indicated on the
13 Class Notice. A Class Member challenging the number of Workweeks Worked identified may also
14 submit documentary evidence in order to prove the number of Workweeks Worked during the Class
15 Period. Defendants shall have the right to respond to the challenge by any Settlement Class Member.
16 No challenge to the number of Workweeks Worked will be accepted unless sent by U.S. mail within
17 sixty (60) days from the initial mailing of the Class Notice by the SA, with proof of date of submission
18 to be the postmark date unless ordered by the Court. Additional time may be provided to a Class
19 Member only upon a showing of good cause and within an amount of time determined by the SA that
20 will not delay the distribution of Settlement Payments to other Class Members/PAGA Members and
21 in no event beyond the date of filing of the motion for final approval. The SA will inform Class
22 Counsel and Defendants' Counsel in writing of any timely filed challenges and will determine all such
23 disputes after consulting with the Parties regarding the number of Workweeks Worked. Challenges
24 will be resolved without hearing by the SA, who will make a decision based on Defendants' records
25 and any documents or other information presented by the Class Member making the challenge, Class
26 Counsel or Defendants. The Court can review all such challenges and its determination is final and
27 binding without a right of appeal.
28

1 d. Opt-Out Procedure. Unless a Class Member timely opts out of the
2 Settlement described in this Agreement (**see Exhibit A**), he/she shall be bound by the terms and
3 conditions of this Agreement, and shall also be bound by the Final Judgment. A Class Member will
4 not be entitled to opt out of the Settlement established by this Agreement unless he or she submits to
5 the SA a request or notice of opting out via U.S. mail postmarked on or before the expiration of the
6 Exclusion Period. The request must be in writing and include the Class Member's name, address,
7 date, signature, to the notice that indicates he or she "opts out" of the Settlement. Opt Out Requests
8 do not apply to the Settled PAGA Claims and will not exclude PAGA Members from the release of
9 Settled PAGA Claims.

10 i. Upon receipt of any Opt Out Request within the Exclusion
11 Period, the SA shall review the request to verify the information contained therein, and confirm that
12 the request complies with the requirements of this Agreement.

13 ii. Any Class Member who fails to submit via U.S. mail a timely,
14 complete and valid Opt Out Request shall be barred from opting out of this Agreement or the
15 Settlement. The SA shall not have the authority to extend the deadline for Class Members to file a
16 request to opt out of the Settlement absent agreement by both Parties.

17 iii. Class Members shall be permitted to rescind in writing their
18 request to opt out by submitting a written rescission statement to the SA no later than the Effective
19 Date and provided individual Settlement Payments can be recalculated to reflect the rescission.

20 iv. Defendants may, at its option, withdraw from the settlement if
21 five percent (5%) or more of the Settlement Class Members opt out. If Defendants choose to withdraw
22 from the settlement, they shall be responsible for all costs incurred by the Settlement Administrator
23 up to the date of the opt-out election, and the Parties shall revert to their respective procedural positions
24 in the Action as if no settlement had occurred.

25 58. Objections to Settlement. Any Settlement Class Member may object to the
26 Settlement. Any such objection may be submitted to the SA in writing on or before the close of the
27 Exclusion Period. Any such written Objection shall include: (1) the full name of the Settlement Class
28 Member; (2) address of the Settlement Class Member; (3) the basis for the objection; and (4) if the

1 Settlement Class Member intends to appear at the Final Approval Hearing. The Parties shall be
2 permitted to file responses to the Objection in addition to any motion for final approval documents.
3 Settlement Class Members may also appear at the Final Approval Hearing to object. At no time shall
4 any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to
5 submit written objections to the Settlement or appeal from the Order granting final approval and/or
6 Final Judgment. Class Counsel shall not represent any Settlement Class Members with respect to any
7 such objections.

8 59. Final Fairness Hearing, Final Approval and Final Judgment.

9 a. Entry of Final Judgment. At the Final Approval Hearing, Named
10 Plaintiff will request, and Defendants will concur in said request, that the Court enter a Final Judgment.

11 b. Motion. Named Plaintiff will draft and file a motion for final approval
12 and for approval of any attorneys' fees and costs and enhancement award in conformity with any
13 requirements from the Court and will take other action to request the entry of Final Judgment in
14 accordance with this Agreement. The motion for final approval and corresponding paperwork will be
15 subject to input and approval from Defendants and the proposed judgment finally approving the
16 Settlement shall be subject to the input from and approval by Defendants, provided that Defendants
17 shall have 7 days from receipt to provide such input. Defendants will concur in or not object to said
18 request that the Court enter Final Judgment finally approving this Agreement. In conjunction with the
19 motion for final approval, Class Counsel shall file a declaration from the SA confirming that the Class
20 Notice and related forms were mailed to all Class Members as required by this Agreement, as well as
21 any additional information Class Counsel, with the input and approval of Defendants, deems
22 appropriate to provide to the Court.

23 c. Objections. Before and/or at the Final Fairness Hearing, Named
24 Plaintiff and Defendants, through their counsel of record, may address any written objections from
25 Class Members or any concerns from Class Members who attend the hearing as well as any concerns
26 of the Court.

27 d. Order. Named Plaintiff will also draft and submit a proposed Order of
28 Final Approval and Final Judgment in the form that is consistent with this Agreement and subject to

1 prior review, revision and approval by Defendants. The Parties shall take all reasonable efforts to
2 secure entry of the Order of Final Approval and Final Judgment. If the Court rejects the Agreement,
3 fails to enter the Order of Final Approval, or fails to enter the Final Judgment, even after good faith
4 efforts by the Parties to meet and confer and remedy where agreement can be reached any perceived
5 deficiencies in the Settlement, this Agreement shall be void *ab initio*, and Defendants shall have no
6 obligation to make any payments under the Agreement, except for payments to the SA for services
7 performed up to that time. The Named Plaintiff will submit a proposed Order of Final Approval
8 subject to the review and approval of Defendants that will contain provisions:

9 i. Wherein the Court enters Final Judgment, finding that this
10 Agreement and Settlement is fair, just, equitable, reasonable, adequate and in the best interests of the
11 Class and was reached as a result of intensive, serious, and non-collusive arms-length negotiations and
12 was achieved with the aid of an experienced mediator and in good faith as to each Class Member;

13 ii. Affirms that each side will bear its own costs and fees (including
14 attorneys' fees), except as provided by the Agreement, and that Defendants shall not be required to
15 pay any amounts other than as set forth in the Agreement and the Order of Final Approval, and in no
16 event any amount above the GSA, except for employer-side taxes;

17 iii. That confirms the certification of the Class for purposes of
18 Settlement;

19 iv. That finds that the Settlement Administration process as carried
20 out afforded adequate protections to Class Members, provided the best notice practicable, and satisfied
21 the requirements of law and due process;

22 v. That rejects any Objections to the Settlement;

23 vi. That approves the settlement of PAGA Claims consistent with
24 the Settlement;

25 vii. That retains Court jurisdiction after entry of judgment to oversee
26 administration and enforcement of the terms of the Agreement; and

27 viii. That requires the Parties to carry out the provisions of this
28 Agreement.

1 60. Post-Final Approval Requirements and Procedures. Following entry of the
2 Court's Order Granting Final Approval of Settlement and Final Judgment, the Parties will act to assure
3 the timely execution and fulfillment of all its provisions, including, but not limited to, the following:

4 a. Should an appeal be taken from the Final Approval of the Settlement,
5 all Parties will support the Order of Final Approval and Final Judgment on appeal;

6 b. The Parties will assist the SA as needed or requested in the process of
7 identifying and locating Settlement Class Members entitled to Settlement Payments from the NSA and
8 PAGA Members entitled to PAGA Payments and assuring delivery of such payments;

9 c. Class Counsel will assist the SA as needed or requested in completing
10 the distribution of any uncashed checks as directed by the Court; and

11 d. Class Counsel will certify to the Court completion of all payments
12 required to be made by this Settlement Agreement.

13 61. Payment of Settlement. Defendants will deposit the Funding Payment into an
14 account established by the SA within 30 days of the Effective Date. In the event an appeal, writ,
15 motion challenging the judgment or other collateral attack is made, the funds shall not be distributed
16 until the challenge or other collateral attack is resolved in a manner that upholds the settlement in its
17 entirety. The remittance of the Funding Payment to the SA shall constitute full and complete discharge
18 of the entire monetary obligation of Defendants under this Agreement. No Released Party shall have
19 any further monetary obligation or liability to Class Counsel, Named Plaintiff, or Settlement Class
20 Members under this Agreement after receipt by the SA of the Funding Payment.

21 a. The Parties agree that the Funding Payment will qualify as a settlement
22 fund pursuant to the requirements of Section 468(B)(g) of the Internal Revenue Code of 1986, as
23 amended, and Section 1.468B-1 *et seq.* of the income tax regulations. Furthermore, the SA is hereby
24 designated as the "Administrator" of the qualified Settlement funds for purposes of Section 1.468B-
25 2(k) of the income tax regulations. As such, all employee taxes imposed on the gross income of that
26 settlement fund and any tax-related expenses arising from any income tax returns or other reporting
27 documents that may be required by the Internal Revenue Service or any state or local taxing body will
28 be paid from the Funding Payment by the SA.

b. The distribution of Settlement Payments to Settlement Class Members shall occur no later than the Settlement Proceeds Distribution Deadline. The SA shall be deemed to have timely distributed Settlement Payments if it places said payment in the mail (First-Class U.S.). When the SA receives notice from Settlement Class Members that they have not received such Settlement Payments due to changes of address or other circumstances, the SA shall be deemed to have timely distributed those Settlement Payments if (after satisfying itself that the amounts have not been received or negotiated) it re-mails the payments to the updated addresses or provides for delivery by other reasonable methods requested by such Settlement Class Members, provided that any and all requests for re-mailing shall be actually received and acknowledged by the SA before the 180-day deadline referenced in paragraphs 62 and 63 or will be deemed ineffective, and have no effect and the original mailed amount shall be deemed timely distribution of the Settlement Payment. The SA shall mail all Settlement Payments by the Settlement Proceeds Distribution Deadline. To comply with California Rules of Court, rule 3.771, settlement checks shall include the following language on the check: "A Court has approved settlement of the class action and PAGA representative actions and entered judgment for claims asserted in *Jesus Garcia v. The Towbes Group, Inc. et al.*, Santa Barbara County Superior Court Case No. 25CV02583." No person shall have any claim against the SA, Defendants, Class Counsel, Defendants' counsel, or any other agent designated by Named Plaintiff or Defendants based upon the distribution of Settlement Payments made substantially in accordance with this Agreement or further orders of the Court.

c. The distribution of attorneys' fees, costs, Administration Fees, and the Named Plaintiff's enhancement/general release awards shall occur no later than the payment date of the payment under the Settlement Proceeds Distribution Deadline. Under no circumstances shall the foregoing payments be made prior to the distribution of Settlement Payments to Settlement Class Members.

d. Upon Defendants' transfer of the Funding Payment and employer-side taxes to the SA, Defendants, the Released Parties, and Defendants' counsel shall have no further monetary liability or financial responsibility to Class Counsel or to any vendors or third parties employed by the Named Plaintiff or Class Counsel in connection with the Actions.

1 e. Defendants shall not be obligated to make any payments contemplated
2 by this Agreement unless and until the Court enters the Final Approval Order and Final Judgment, and
3 after the Effective Date of the Agreement, and no amounts will be owed or payable until all appeals if
4 taken or other collateral attacks have lapsed or have been favorably resolved in favor of the Settlement
5 and no further challenge to the Settlement is possible.

6 62. Settlement Class Members who are sent Settlement Payments shall have one
7 hundred eighty (180) days after mailing by the SA to cash their settlement checks.

8 63. If Settlement Class Members do not cash their checks within one hundred and
9 eighty (180) days of mailing, those checks will become void and a stop payment will be placed on the
10 uncashed checks. Settlement checks that are not cashed within one hundred and eighty (180) days of
11 mailing shall, subject to Court approval, be distributed pursuant to the State Controller Unclaimed
12 Property Fund, or as otherwise directed by California Code of Civil Procedure section 384 and as
13 ordered by the Court. In such event, those Settlement Class Members will be deemed to have waived
14 irrevocably any right in or claim to a Settlement Payment subject to their rights, if any, to recover the
15 Settlement Payments from the Unclaimed Property Fund if ordered or otherwise will be extinguished.
16 Settlement Class Members who fail to negotiate their check(s) in a timely fashion shall, like all
17 Settlement Class Members who did not validly opt out of the Settlement, remain subject to the terms
18 of the Settlement and the Final Judgment. The Parties agree that if the remaining funds are not able
19 to be distributed to the State Controller Unclaimed Property Fund and if a *cy pres* fund is required,
20 subject to Court instruction, that the SA shall forward the entire amount of any amounts remaining
21 from uncashed checks, plus any interest that has accrued thereon, to CASA (Court Appointed Special
22 Advocates. See web url:
23 <http://www.casaforchildren.org/site/c.mtJSJ7MPIsE/b.5301295/k.BE9A/Home.htm>). The Parties
24 agree that they have no pecuniary interest of any kind in CASA.

25 64. The SA shall keep Class Counsel and Defendants' counsel apprised of all
26 distributions from the GSA. Upon completion of administration of the Settlement, the SA shall
27 provide written certification of such completion to the Court, Class Counsel and Defendants' Counsel.
28

1 65. Binding Effect of Agreement on Settlement Class Members and PAGA
2 Members. Subject to final Court approval, all Settlement Class Members and PAGA Members shall
3 be bound by this Agreement, and Final Judgment shall be entered in the Actions. In addition, unless
4 the Class Member opts out of the Settlement described in this Agreement, he/she shall be bound by
5 the Court's Order of Final Approval and Final Judgment. As set forth more fully in paragraph 69, if
6 the Court does not enter an Order of Final Approval and Final Judgment granting Final Approval of
7 the Settlement, which becomes final, the Settlement shall become null and void, and its terms and all
8 documents setting out its terms shall be inadmissible in further litigation of this Actions or any other
9 case.

10 66. Non-Interference with Opt Out Procedure. The Parties and their counsel agree
11 that they shall not seek to solicit or otherwise encourage Class Members to submit Opt Out Requests
12 or objections to the Settlement or to appeal from the Final Judgment.

13 67. Waiver of Appeal. Subject to preliminary and Final Approval of this
14 Settlement, all Class Members, except those Class Members who make timely and valid objections
15 pursuant to the terms of this Agreement, expressly waive the right to appeal.

16 68. Preliminary Timeline for Completion of Settlement. The preliminary schedule
17 for notice, approval, and payment procedures carrying out this Settlement is set forth in the subsections
18 below. This schedule may be modified depending on whether and when the Court grants necessary
19 approvals and orders notice to the Class and PAGA Members, and sets further hearings. In the event
20 of such modification, the Parties shall cooperate in order to complete the Settlement procedures as
21 expeditiously as reasonably practicable.

- 22 a. Preliminary Approval Hearing as permitted by the Court;
- 23 b. Defendants to provide information described in paragraph 55 b (name,
24 address, dates of employment, etc.) no later than thirty (30) days after filing of the Preliminary
25 Approval Order;
- 26 c. The SA to mail the Class Notice by U.S. First Class mail to Class
27 Members and PAGA Members by approximately fourteen (14) days after receipt from Defendants of
28 the information described in the preceding subparagraph;

1 d. The SA to conduct trace/search efforts and send a follow up mailing, no
2 later than ten (10) days after initial mailing, to individuals whose Class Notice was returned as
3 undeliverable or whose listed address is found to be inaccurate or outdated;

4 e. Opt Out Requests and Objections to the Settlement must be postmarked
5 no later than sixty (60) days after the date of initial mailing of the Class Notice;

6 f. The SA will provide to the Parties, and to the Court as directed by the
7 Parties, information regarding Opt Out Requests and written objections or statements of intention to
8 object to the Settlement received from Class Members within seven (7) days of the close of the
9 Exclusion Period;

10 g. Class Counsel will file a timely motion for final approval of the
11 Settlement and a separate application for award of attorneys' fees and costs and an enhancement award
12 to the Named Plaintiff by the date set by the Court, or if no date is set, at least sixteen (16) court days
13 prior to the scheduled Final Approval Hearing date;

14 h. The Parties will request a Final Approval Hearing before the Court
15 within a reasonable time after the close of the Exclusion Period, or as soon thereafter as the Court will
16 hear the Motion for Final Approval. After entry of the Final Approval Order and Judgment Defendants
17 shall remit the Funding Payment to the SA.

18 i. Settlement Payments to Settlement Class Members, including the
19 Named Plaintiff, and payments to Class Counsel for litigation costs and expenses and awarded
20 attorneys' fees, and the enhancement award to Named Plaintiff, and payment to the LWDA shall be
21 made by the Settlement Proceeds Distribution Deadlines by mailing of checks by First Class U.S. mail
22 or by wire (as to Class Counsel's payments only).

23 69. Automatic Voiding of Agreement if Settlement Not Finalized. If for any reason
24 the Effective Date does not occur, the Settlement shall be null and void and the orders, judgment, and
25 dismissal to be entered pursuant to this Agreement shall be vacated; and the Parties will be returned
26 to the status quo prior to entering this Agreement with respect to the Actions, as if the Parties had
27 never entered into this Agreement. In addition, in such event, the Agreement and all negotiations,
28 court orders and proceedings relating thereto shall be without prejudice to the rights of any and all

Parties hereto, and evidence relating to the Agreement and all negotiations shall not be admissible or discoverable in the Actions or otherwise in any other proceeding.

70. No Injunctive Relief. The Parties agree that the Settlement does not include injunctive relief against Defendants or the Released Parties.

71. Confidentiality and Non-Disparagement.

a. Parties and their counsel will keep the Settlement confidential, through the Court's order granting the Parties' Motion for Preliminary Approval, but the Parties will be able to disclose to the Court, when and as necessary before preliminary approval, that they have reached an agreement in principle, subject to completion of a final Agreement and Court approval.

b. Following the Court's order granting the Parties' Motion for Preliminary Approval, the Parties and their counsel agree to make no comments to the media or otherwise publicize the terms of the settlement on any social media or websites, except that Class Counsel may post on its firm website: "The Firm settled a class action with a property management company for \$350,000." This shall not restrict Class Counsel from responding to inquiries posed by Class Members. Further, Class Counsel may include the case name, number, and settlement information in declarations setting out their qualifications as class counsel.

c. Named Plaintiff and Class Counsel agree to maintain the confidentiality of any documents produced, formally or informally, during the course of the Actions. Named Plaintiff and Class Counsel agree to return to Defendants' counsel or destroy, at their option, any information designated as confidential during the course of the Actions, including but not limited to any information and/or documents provided to Class Counsel for purposes of mediation.

d. Defendants shall direct all inquiries by the Class to the SA, which shall provide general information about the lawsuit, including responding to questions about the lawsuit, by providing neutral information about the agreement consistent with the Agreement.

e. Defendants agree they will adopt a neutral reporting policy regarding any future employment inquiries related to Named Plaintiff. Thus, in the event that any potential or future employers should inquire regarding Defendants' employment of Named Plaintiff, they will be

1 informed only of Named Plaintiff' dates of employment with Defendants, job title(s) during their
2 employment with Defendants, and starting and final rates of pay.

3 72. Invalidation of Agreement for Failure to Satisfy Conditions. The terms and
4 provisions in ¶¶ 1 through 86 of this Agreement are not mere recitals, but are deemed to constitute
5 contractual terms. The Court may allocate less to the Named Plaintiff, Class Counsel, and/or the
6 LWDA than indicated in paragraph 51 without impacting the validity and enforceability of the
7 Agreement. The Court may allocate less to the SA than indicated in paragraph 51 provided the actual
8 amount spent by the SA is less than the maximum set forth in that Paragraph. Without limiting the
9 generality of the foregoing, if this Agreement is terminated for failure to satisfy any material terms or
10 material conditions of this Agreement:

11 a. Defendants shall not be obligated to create or maintain any type of
12 settlement fund, and shall not be obligated to make any Settlement Payment to any Class Member,
13 PAGA Member and/or any payment to Class Counsel or to the Named Plaintiff.

14 b. The Agreement and all negotiations, Court orders and proceedings
15 relating thereto shall be without prejudice to the rights of the Named Plaintiff, PAGA Members, Class
16 Members, and Defendants, each of whom shall be restored to their respective positions existing prior
17 to the execution of this Agreement, and evidence relating to the Agreement and all negotiations shall
18 not be discoverable or admissible in the Actions or any other litigation;

19 c. Defendants will not have waived, and instead expressly reserves, its
20 right to challenge the continuing propriety of class certification for any purpose; and

21 d. To the extent one exists, the Preliminary Approval Order shall be
22 vacated in its entirety and neither this Agreement, the Preliminary Approval Order, nor any other
23 document in any way relating to any of the foregoing, shall be relied upon, referred to or used in any
24 way for any purpose in connection with any further proceedings in this Action or any related action,
25 including class certification proceedings.

26 73. Notices. All notices, requests, demands and other communications required or
27 permitted to be given pursuant to this Agreement shall be in writing, and shall be delivered by First-
28

1 Class U.S. mail to the attorneys listed in the caption above and the SA, with additional copies to be
2 sent via electronic mail.

3 74. Modification in Writing. This Agreement may be altered, amended, modified
4 or waived, in whole or in part, only in a writing signed by counsel for the Parties and approved by the
5 Court, and supersedes any memorandum of understandings or prior agreement(s). This Agreement
6 may not be amended, altered, modified or waived, in whole or in part, orally. Any waiver of any
7 provision of this Agreement shall not constitute a waiver of any other provision of this Agreement
8 unless expressly so indicated.

9 75. Ongoing Cooperation. Named Plaintiff and Defendants, and each of their
10 respective counsel, shall cooperate in good faith to execute all documents and perform all acts
11 necessary and proper to effectuate and implement the terms of this Agreement, including but not
12 limited to drafting and submitting the Motions for Preliminary and Final Approval, and defending the
13 Agreement and Final Judgment against objections and appeals. Plaintiff shall, as necessary, properly
14 and completely take all steps, including but not limited to submitting any required documents to the
15 Labor Workforce Development Agency and take any other actions necessary to resolve the Released
16 PAGA Claims pursuant to this Agreement. The Parties to this Agreement shall use their best efforts,
17 including all efforts contemplated by this Agreement and any other efforts that may become necessary
18 by order of the Court or otherwise, to effectuate this Agreement and the terms set forth herein.

19 76. No Prior Assignments. The Parties hereto represent, covenant, and warrant that
20 they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer,
21 or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action
22 or rights herein released and discharged except as set forth herein.

23 77. Binding on Successors. This Agreement shall be binding and shall inure to the
24 benefit of the Parties and their respective successors, assigns, executors, administrators, heirs and legal
25 representatives, including the Released Parties.

26 78. Entire Agreement. This Agreement constitutes the full, complete and entire
27 understanding, agreement and arrangement between Named Plaintiff and the Class Members/PAGA
28 Members on the one hand, and Defendants and Released Parties on the other hand, with respect to the

1 Settlement of the Actions and the Settled Claims against the Released Parties, including Defendants.
2 This Agreement supersedes any and all prior oral or written understandings, agreements and
3 arrangements between the Parties with respect to the Settlement of the Actions and the Settled Claims
4 against the Released Parties. Except those set forth and included expressly in this Agreement, there
5 are no other agreements, covenants, promises, representations or arrangements between the Parties
6 with respect to the Settlement of the Actions and the Settled Claims/Settled PAGA Claims against the
7 Released Parties. The Parties explicitly recognize California Civil Code Section 1625 and California
8 Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed
9 according to its terms, and may not be varied or contradicted by extrinsic evidence, and agree that no
10 such extrinsic oral or written representations or terms shall modify, vary, or contradict the terms of
11 this Agreement.

12 79. Execution in Counterparts. This Agreement may be signed in one or more
13 counterparts. A facsimile, scanned shall be treated as an original signature for all purposes. All
14 executed copies of this Agreement, and photocopies thereof (including facsimile or email copies of
15 the signature pages), shall have the same force and effect and shall be as legally binding and
16 enforceable as the original. Parties shall execute by hand with “wet” signatures.

17 80. Captions. The captions and section numbers in this Agreement are inserted for
18 the reader’s convenience, and in no way define, limit, construe, or describe the scope or intent of the
19 provisions of this Agreement.

20 81. Governing Law. This Agreement shall be interpreted, construed, enforced, and
21 administered in accordance with the laws of the State of California, without regard to conflict of law
22 rules.

23 82. Reservation of Jurisdiction. Notwithstanding the entry and filing of Final
24 Judgment, the Court shall retain jurisdiction under Section 664.6 of the Code of Civil Procedure and
25 Rule 3.769, Cal. Rules of Court, for purposes of interpreting and enforcing the terms of this
26 Agreement.

27 83. Mutual Preparation. The Parties have had a full opportunity to negotiate the
28 terms and conditions of this Agreement. Accordingly, this Agreement shall not be construed more

1 strictly against one Party than another merely by virtue of the fact that it may have been prepared by
2 counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
3 between the Parties, all Parties have contributed to the preparation of this Agreement.

4 84. Warranties and Representations. With respect to themselves, each of the Parties
5 to this Agreement and/or their agents or counsel represent, covenant and warrant that (a) they have
6 full power and authority to enter into and consummate all transactions contemplated by this Agreement
7 and have duly authorized the execution, delivery and performance of this Agreement, and (b) the
8 person executing this Agreement has the full right, power and authority to enter into this Agreement
9 on behalf of the Party for whom he/she has executed this Agreement, and the full right, power and
10 authority to execute any and all necessary instruments in connection herewith, and to fully bind such
11 Party to the terms and obligations of this Agreement, except that the Parties understand that the Named
12 Plaintiff and Class Counsel only have the power to bind Class Members to the extent this Agreement
13 is approved by the Court.

14 85. Representation by Counsel. The Parties acknowledge that they have been
15 represented by counsel throughout all negotiations that preceded the execution of this Agreement, and
16 that this Agreement has been executed with the consent and advice of counsel. Further, the Named
17 Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement, and that
18 after entry by the Court of the Final Judgment, Defendants, through the SA, may distribute funds to
19 Settlement Class Members, PAGA Members, Class Counsel, and the Named Plaintiff as provided by
20 this Agreement.

21 86. Authorization by Named Plaintiff. Named Plaintiff agrees not to request to be
22 excluded from the Class and not to object to any terms of this Agreement. Any such Opt Out Request
23 or objection shall therefore be void and of no force or effect.

24 87. Stay of Litigation. The Parties agree that after the execution of this Agreement,
25 a stipulation shall be jointly prepared to effectuate a stay of the litigation, except to effectuate the terms
26 of this Agreement. The Parties further agree pursuant to CCP section 583.330 that upon the signing of
27 this Agreement, the date to bring a case to trial under CCP section 583.310 shall extended for the
28 entire period of this settlement process.

1
2 **IT IS SO AGREED:**

3
4 Dated: 05 / 20 / 2026, 2026



5
6 Jesus Garcia
Named Plaintiff/Class and PAGA Representative

7
8 Dated: _____, 2026

Defendant THE TOWBES GROUP, INC.

9
10
11 By: Robert L. Skinner
Its: Chief Executive Officer

12 Dated: _____, 2026

Defendant MICHAEL TOWBES CONSTRUCTION &
DEVELOPMENT, INC.

13
14
15 By:
16 Its:

17 Approved as to form.

18 Dated: 5/20/2026, 2026

THE SENTINEL FIRM, APC



20
21 Counsel for Plaintiff Jesus Garcia

22 Dated: _____, 2026

LITTLER MENDELSON, P.C.

23
24
25 Counsel for Defendants THE TOWBES GROUP, INC.
26 and MICHAEL TOWBES CONSTRUCTION &
27 DEVELOPMENT, INC.
28

IT IS SO AGREED:

Dated: _____, 2026

Jesus Garcia
Named Plaintiff/Class and PAGA Representative

Dated: 5/4/2026 | 11:39 AM PDT, 2026

Defendant THE TOWBES GROUP, INC.

Signed by:

Robert L. Skinner

By: Robert L. Skinner

Its: Chief Executive Officer

Dated: 5/4/2026 | 11:39 AM PDT, 2026

Defendant MICHAEL TOWBES CONSTRUCTION &
DEVELOPMENT, INC.

Signed by:

Robert L. Skinner

By: Robert L. Skinner

Its: Chief Executive Officer

Approved as to form.

Dated: _____, 2026

THE SENTINEL FIRM, APC

Counsel for Plaintiff Jesus Garcia

Dated: 5/4/26, 2026

LITTLER MENDELSON, P.C.

Counsel for Defendants THE TOWBES GROUP, INC.
and MICHAEL TOWBES CONSTRUCTION &
DEVELOPMENT, INC.