

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

Subject to court approval, this Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Alexa Basnar, individually and on behalf of others similarly situated (collectively, “Plaintiffs”), and Defendants Desert Ventures EWC1, LLC, Desert Ventures EWC2, LLC, Desert Ventures EWC3, LLC and Desert Ventures EWC4, LLC (hereinafter, “Desert Ventures” or “Defendants”). The Agreement refers to Plaintiffs and Desert Ventures collectively as “Parties” or as a “Party.”

1. DEFINITIONS.

1.1. “Action” means Plaintiffs’ lawsuit alleging wage and hour violations against Desert Ventures captioned *Alexa Basnar, et al. v. Desert Ventures EWC1, LLC, et al.*; Case No. CIVSB2307814, pending in San Bernardino County Superior Court.

1.2. “Address Search” means the Administrator’s search for Covered Employees’ mailing addresses using all reasonably available sources, including but not limited to the National Change of Address database, skip traces, and direct contact by the Administrator.

1.3. “Administrator” means Phoenix Settlement Administrators.

1.4. “Administration Expenses” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its costs in accordance with the Administrator’s bid to be submitted to the Court. The Administration Expenses shall not exceed \$15,000, except for a showing of good cause and as approved by the Court.

1.5. “Aggrieved Employees” means all individuals who were employed by Defendant in California and classified as a non-exempt employee at any time during the PAGA Period.

1.6. “Attorneys’ Fees” mean the amounts allocated to Plaintiffs’ Counsel for reimbursement of reasonable attorneys’ fees in connection with this Settlement to compensate Class Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action in an amount not to exceed 33.33% of the Gross Settlement Amount.

1.7. “Class” or “Class Member(s)” means all individuals currently or formerly employed by Desert Ventures in California as hourly, non-exempt employees during the Class Period.

1.8. “Class Counsel” means Ferraro Vega Employment Lawyers, Inc.

1.9. “Class Data” means Class Member identifying information in Defendants’ business records that identifies each Class Member’s full name, last known home or mailing address, Social Security number or, as applicable, other taxpayer identification number, dates of employment, and the number of Class Period Employment Weeks (i.e., the number of Class Workweeks) and PAGA Pay Periods.

1.10. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members material variation attached as Attachment A and including the Request for Exclusion attached as Exhibit B, to be mailed to Class Members and incorporated by reference into this Agreement.

1.11. “Class Period” means the period from February 14, 2019, through May 11, 2024, or the date of preliminary approval, whichever is earlier.

1.12. “Class Response Deadline” means 45 days after the Administrator mails Notice to Class Members and shall be the last date on which Class Members may: (a) email or mail Requests for Exclusion from the Settlement, or (b) email or mail their Objection to the Settlement. Class Members to whom the Class Notice is resent after being returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline expiry.

1.13. “Class Representative” or “Named Plaintiff” refers to Alexa Basnar.

1.14. “Class Workweek” means any week during which a Class Member worked for Desert Ventures for at least one day during the Class Period.

1.15. “Class Workweek Estimate” means, based on a review of Defendants’ records, a total of 12,421 Class Workweeks as of March 12, 2024.

1.16. “Court” means the California Superior Court for the County of San Bernardino .

1.17. “Covered Employees” means all PAGA Members and all Class Members.

1.18. “Defendants” means Desert Ventures EWC1, LLC, Desert Ventures EWC2, LLC, Desert Ventures EWC3, LLC and Desert Ventures EWC4, LLC.

1.19. “Defense Counsel” means Paul S. Fleck, David M. Lester, and Michele Collender of Atkinson, Andelson, Loya, Ruud & Romo.

1.20. “Disposition” means the method by which the Court approves the terms of the Settlement and retains jurisdiction over its enforcement, implementation, construction, administration, and interpretation.

1.21. “Effective Date” means the later of the following: (1) the date the Final Order is signed if no objections are filed to the Settlement; (2) if objections are filed and overruled, and no appeal is taken of the Final Order, sixty-five (65) days after the Final Order; or (3) if an appeal or other judicial review is taken from the Court’s overruling of objections to the settlement, ten (10) days after the appeal is withdrawn or after an appellate decision affirming the Final Order becomes final.

1.22. “Employee Data” means all Covered Employees’ identifying information in Desert Ventures’ possession including their names, last-known mailing addresses, Social Security numbers, and number of Class Workweeks and PAGA Periods.

1.23. “Final Approval” means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

1.24. “Final Order Approving Settlement of Class Action” means the final formal court order signed by the Court following the Final Fairness and Approval Hearing in accordance with the terms herein, approving this Agreement.

1.25. “Final Approval Hearing” means the Court’s hearing on the final motion for approval of the Settlement.

1.26. “Gross Settlement Amount” means **\$136,631.00**, which is the total amount Defendant(s) agree(s) to pay under the Settlement, except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Attorney Fees, Litigation Costs, Administration Expenses Payment, and Service Payment. This Gross Settlement Amount is an all-in amount without any reversion to Defendant, and excludes any employer payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages which shall not be paid from the Gross Settlement Amount and shall be the separate additional obligation of Defendant. The Gross Settlement Amount is subject to a pro rata increase pursuant to Paragraph 8 below.

1.27. “Individual Class Payments” means the Participating Class Member’s pro rata share of the Net Settlement Amount, calculated according to the number of Class Workweeks.

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

1.29. “Individual Settlement Payments” means the Individual Class Payment and the Individual PAGA Payments.

1.30. “Judgment” means the judgment entered by the Court based upon the Final Approval of the Settlement.

1.31. “Litigation Costs” means the amount incurred by Plaintiffs’ Counsel to prosecute the Action, according to proof and subject to Court approval, not to exceed \$25,000.

1.32. “LWDA” means the State of California Labor Workforce and Development Agency.

1.33. “LWDA Payment” means the 75% share of the PAGA Payment allocated to be paid to the LWDA under Labor Code section 2699, subd. (i), subject to Court approval.

1.34. “Motion for Final Approval” means Plaintiffs’ submission of a written motion, including any evidence as may be required for the Court to conduct an inquiry into the fairness of the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and to enter a Final Order in this Action.

1.35. “Motion for Preliminary Approval” means Plaintiffs’ submission of a written motion, including any evidence as may be required for the Court to grant preliminary approval of the Settlement as required by Rule 3.769 of the California Rules of Court.

1.36. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Service Payment, Attorneys’ Fees, Litigation Costs, the PAGA Payment (including the LWDA Payment), and the Administration Expenses. The Net Settlement Amount is to be paid to Participating Class Members as Individual Class Payments.

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

1.38. “Operative Complaint” means the most recently filed complaint, including amended complaints, filed by Plaintiff.

1.39. “PAGA” means California’s Private Attorneys General Act of 2004, which is codified in California Labor Code §§ 2698 *et seq.*

1.40. “PAGA Period” means January 26, 2022, through the sooner of May 11, 2024, or preliminary approval by the Court.

1.41. “PAGA Payment” means \$10,000 of civil penalties, which is the amount provided in exchange for the release of the PAGA claims addressed in this Settlement, and which shall be paid from the Gross Settlement Amount, with 75% of the PAGA Payment constituting the LWDA Payment, with the remaining 25% constituting the Net PAGA Payment to be allocated and paid to Aggrieved Employees.

1.42. “PAGA Counsel” or “Plaintiffs’ Counsel” means Ferraro Vega Employment Lawyers, Inc.

1.43. “PAGA Notice” means Named Plaintiff’s January 26, 2023 letter to Defendants and the LWDA, including any amendments thereto, pursuant to Labor Code § 2699.3(a).

1.44. “PAGA Pay Period” means any pay period during which a PAGA Member worked for Defendant for at least one day during the PAGA Period.

1.45. “PAGA Representative” or “Named Plaintiff” refers to Alexa Basnar.

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

1.47. “Pay Period” means any pay period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

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

1.49. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of Treasury Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement Administrator for the benefit of Participating Class Members.

1.50. “Released Class Claims” means all causes of action and factual or legal theories that were alleged, or reasonably could have been alleged, based on facts stated in the Operative Complaint which occurred during the Class Period, for violations of the California Labor Code including *inter alia* sections 201, 202, 203, 204, 226, 226.7, 510, 512, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802 and Industrial Welfare Commission Wage Orders including *inter alia*, Wage Orders 4-2001, 5-2001, and 10-2001 including all of the following claims for relief: (a) failure to pay all and overtime wages due; (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to pay all minimum wages due; (e) failure to pay all wages timely during employment; (f) failure to pay all wages timely at the time of termination; (g) failure to provide complete, accurate or properly formatted wage statements; (h) failure to keep complete and accurate payroll records; (i) failure to reimburse business expenses; (j) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action, or legal theories of relief pleaded in the Operative Complaint; (k) any other claims or penalties under the wage and hour laws pleaded in the Action; and (l) all damages, penalties, interest, and other amounts recoverable under said claims, causes of action or legal theories of relief. Except as expressly set forth in this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or California class claims based on facts occurring outside the Class Period.

1.51. “Released PAGA Claims” means all causes of action and factual or legal theories for civil penalties under the California Labor Code Private Attorneys General Act of 2004 against any of the Release Parties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, which occurred during the PAGA Period, for violations of the California Labor Code, including *inter alia* sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders including *inter alia*, Wage Orders 4-2001, 5-2001, and 10-2001, including all of the following: (a) failure to pay all and overtime wages due; (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to pay all minimum wages due; (e) failure to pay all wages timely during employment; (f) failure to pay all wages timely at the time of termination; (g) failure to provide complete, accurate or properly formatted wage statements; (h) failure to keep complete and accurate payroll records; and (i) failure to reimburse business expenses. The Released PAGA Claims do not include other PAGA claims, underlying wage and hour claims, claims for wrongful termination, discrimination,

unemployment insurance, disability and worker's compensation, and claims outside of the PAGA Period.

1.52. "Released Parties" means: Defendants and each former and present directors, officers, shareholders, owners, managers, board members, employees, agents, representatives, attorneys, insurers, reinsurers, predecessors, successors, joint ventures, assigns, parents, subsidiaries, and affiliates.

1.53. "Request for Exclusion" means a Class Member's submission of a signed written request to be excluded from the Class Settlement, including on the form provided with the Class Notice.

1.54. "Response Deadline" means the deadline by which Class Members must postmark or fax to the Administrator Requests for Exclusion or written notices of objection. The Response Deadline will be forty-five (45) calendar days after the initial mailing of the Notice Packet by the Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline will be extended as set forth herein if there is a re-mailing.

1.55. "Service Payment(s)" means the payment to the Named Plaintiff for initiating and providing services in support of the Action in an amount up to \$10,000, subject to Court approval, which also constitutes consideration for Plaintiff's individual settlement and general release of all claims, as set forth in this Agreement.

1.56. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. CONTINGENT NATURE OF THE AGREEMENT

2.1. Stipulation of Class Certification for Settlement Purposes. Because the Parties have stipulated to the certification of the Class with respect to all causes of action alleged in the Action for settlement purposes only, this Agreement requires preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional basis. This Agreement is contingent upon the approval and certification by the Court. If the Effective Date does not occur, the fact that the Parties were willing to stipulate for the purposes of this Agreement to a Class shall have no bearing on, nor be admissible in connection with, the issue of certification of the Class with respect to all causes of action alleged in the Action. Defendants do not consent to certification of the Class for any purpose other than to effectuate settlement of the Action. If the Effective Date does not occur, or if Disposition of this Action is not effectuated, any certification of the Class as to Defendants will be vacated and Plaintiffs, Defendants, and the Class will be returned to their positions with respect to the Action as if the Agreement had not been entered into. In the event that the Effective Date does not occur: (a) any Court orders preliminarily or finally approving certification of any class contemplated by this Agreement shall be null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the fact of the settlement reflected in this Agreement, the fact that Defendants did not oppose the certification of a Class under this Agreement, or that the Court preliminarily approved the certification of the

Class, shall not be used or cited thereafter by any person or entity, including in any manner whatsoever, including without limitation any contested proceeding relating to the certification of any class. If the Effective Date does not occur, this Agreement shall be deemed null and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever. Defendants expressly reserve the right to challenge the propriety of class certification in the Action for any purpose if the Effective Date does not occur.

The Parties and their respective counsel shall take all steps that may be requested by the Court relating to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain Court approval and implement this Agreement. If the Court does not grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a resolution, the Parties agree to seek the assistance of mediator Hon. John Leo Wagner (Ret.) to resolve the dispute.

2.2 Defendants' Right to Withdraw. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred as of the date Defendants make this election to withdraw. Defendants must notify Class Counsel and the Court of its election to withdraw not later than 7 calendar days after the Administrator sends the final Exclusion List to Defense Counsel. Invalid Requests for Exclusion will have no effect on this threshold for an election.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Subject to all terms of this Agreement and in exchange for the Released Claims set forth in this Agreement, Defendant shall pay the Gross Settlement Amount in connection with this Settlement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Covered Employees do not need to submit any claim as a condition of payment. The Gross Settlement Amount is non-reversionary.

3.1.1. Employer Payroll Taxes: The Gross Settlement Amount does not include any employer payroll taxes owed on the Wage Portion of the Individual Class Payments, which shall be paid separately.

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

3.2.1. Service Payment: The Service Payment, in addition to any Individual Settlement Payment the Named Plaintiff may be entitled to receive as a Covered Employee. If the Court approves a Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Service Payment(s) using IRS Form 1099 because it is the intent of the Parties that the

Service Payment represents payment to the Named Plaintiff for her service to the Class Members, and not wages.. An award of less than the requested amount for the Service Payment will not give rise to a basis to abrogate the Settlement Agreement and the Court has authority under this Agreement to reduce (or increase) the Service Payment, at its discretion at the final approval stage.

3.2.2. To Plaintiffs' Counsel: Class Counsel shall file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing for an award of attorneys' fees of up to 33.33% of the Gross Settlement Amount, and for an award of costs not to exceed Twenty-Five Thousand Dollars (\$25,000.00). Such application for attorneys' fees and costs shall be heard by the Court at the Final Fairness and Approval Hearing. Defendants shall not object to or oppose any such application in these amounts provided that they do not exceed these amounts. Class Counsel shall serve Defendants with copies of all documents submitted in support of their application for an award of attorneys' fees and costs.

Any attorneys' fees and costs awarded to Class Counsel by the Court shall be paid from the Gross Settlement Amount and shall not constitute payment to any Class Member(s). The attorneys' fees and costs for Class Counsel approved by the Court shall encompass all work performed, costs, and expenses related to the investigation, prosecution, and settlement of the Action incurred through the Date of Finality. To the extent that the Court approves less than the amount of attorney's fees and/or costs that Class Counsel requests, the difference between the requested and awarded amounts will be reallocated to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Litigation Expenses using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments. With respect to the Attorneys' Fees and Costs to Class Counsel, the Administrator may purchase an annuity to utilize United States Treasuries and bonds or utilize other attorney fee deferral vehicles, for Class Counsel and any additional expenses for doing so shall be paid separately by Class Counsel and shall not be included within the Settlement Administration Costs. Defendants and Defendants' Counsel shall not be liable for any expenses associated with the purchase or use of any attorney fee deferral vehicles for Class Counsel by the Administrator.

3.2.3. To the Administrator: The Administrator Costs shall be paid out of the Gross Settlement Amount and shall not constitute payment to any Participating Class Member(s). The amount shall not exceed Fifteen Thousand Dollars (\$15,000.00). To the extent the Administration Expenses Payment is less or the Court approves payment less than fifteen thousand dollars \$15,000.00, the Administrator will retain the remainder in the Net Settlement Amount for distribution to Participating Class Members.

3.2.4. To the LWDA: Subject to Court approval, the Net PAGA Payment will be allocated to cover any and all claims for civil penalties associated with the Released Claims that were, or could have been, brought in the Actions under PAGA based on the factual allegations in the Operative Complaint and PAGA Notice; 75% of the Net PAGA Payment will be paid to the LWDA (i.e., the LWDA Payment) and the remaining 25% shall constituting the Net PAGA

Payment for distribution to PAGA Members as penalties in exchange for a full and final release of the PAGA claims. The Court has authority under this Agreement to increase (or reduce) the PAGA Payment up to and including at the final approval hearing, and the Parties respectfully reserve the right to increase (or reduce) the PAGA Payment up to and including at the final approval stage, subject to the Court's final approval. If the Court approves a PAGA Payment of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Court's adjustment, if any, of the amount allocated to Aggrieved Employees PAGA claim in the Action, will not invalidate this Agreement. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

3.2.5. To Each Participating Class Member/Tax Allocation: An Individual Class Payment calculated by: (a) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members during the Class Period; and (b) multiplying the result by each Participating Class Member's Class Workweeks. Workweeks will be rounded up to the next whole integer. Non-Participating Class Members will not receive any Individual Class Payments. Each Class Member's approximate Individual Settlement Payment amount will be included in his or her Notice Packet. After final approval by the Court, the Net Settlement Amount will be dispersed to Participating Class Members (those who did not exclude themselves) on a pro rata basis based on the individual Workweeks worked during the Class Period by each Participating Class Member. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and will be reported on an IRS W-2 Form. The employer-side taxes will be paid separate from and in addition to the Gross Settlement Amount. The remaining 90% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. The Administrator will withhold the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Payments, and issue checks to Participating Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Payment net of these taxes and withholdings).

3.2.6. To Each PAGA Member/Tax Allocation: An Individual PAGA Payment calculated by: (a) dividing the Net Settlement Amount by the total number of PAGA Pay Periods worked by all PAGA Members during the PAGA Period; and (b) multiplying the result by each PAGA Members' PAGA Pay Periods. Defendants will not oppose this request. The Individual PAGA Payments are not subject to wage withholdings and will be reported on IRS 1099 Forms. Covered Employees assume full responsibility and liability for any individual taxes owed on their Individual PAGA Payment.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Delivery of Employee Data to Administrator. Not later than 21 days after the Court grants Preliminary Approval, Desert Ventures will simultaneously deliver the Employee

Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Covered Employees' privacy, the Administrator must maintain the Employee Data in confidence, use the Employee Data only for purposes of this Settlement, and restrict access to the Employee Data to Administrator employees who need access to the Employee Data to effect and perform under this Agreement. Desert Ventures has a continuing duty to immediately notify Plaintiffs' Counsel if it discovers that the Employee Data omitted Covered Employees' identifying information and to provide corrected or updated Employee Data as soon as reasonably feasible. Without any extension of the foregoing deadline the Parties and their counsel must expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Employee Data.

4.2. Funding of Gross Settlement Amount. Desert Ventures shall fully fund the Gross Settlement Amount and fund the amounts necessary to fully pay its share of payroll taxes by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.3. Payments from the Gross Settlement Amount. Within 14 days after Desert Ventures funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Settlement Payments, the Administration Expenses, the LWDA Payment, Attorneys' Fees, Litigation Costs, and Service Payment(s).

4.3.1. The Administrator will issue checks for the Individual Settlement Payments and send them to Covered Employees via First Class U.S. Mail, postage prepaid. Prior to this distribution, the Administrator will perform a search based on the National Change of Address Database to update and correct for any known or identifiable address changes. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.3.2. The Administrator must conduct an Address Search for all other Covered Employees whose checks are returned undelivered without USPS forwarding addresses. The Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or a mass search on LexisNexis or a comparable databases based on set criteria and, if another address is identified, the Settlement Administrator shall mail the check to the newly identified address within 7 days of receiving a returned check. The Administrator need not take further steps to deliver checks to Covered Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Covered Employee whose original check was lost or misplaced, requested by the Covered Employee prior to the void date.

4.3.3. For any Covered Employee whose Individual Settlement Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds, in the name of the Covered Employee, to the State of California's Unclaimed Property Division. The Settling Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Participating Class Members, whether or not they all cash their Settlement Checks. Therefore, Defendants will not be required to pay any interest on said amounts. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting, required under applicable local, state, and

federal tax laws, that are necessitated due to the cancellation of any Individual Settlement Payment or Individual PAGA Payment checks. Participating Class Members whose Individual Settlement Payment checks are cancelled, shall, nevertheless, be bound by this Settlement Agreement and the Final Approval Order and Judgment will have claim preclusive impact with respect to them and all Participating Class Members with respect to the Released Class Claims. The Final Approval Order and Judgment will have claim preclusive impact on the PAGA Employees with respect to the Released PAGA Claims irrespective of whether their Individual PAGA Payment checks are cancelled.

4.3.4. The payment of Individual Settlement Payments shall not obligate Desert Ventures to confer any additional benefits or make any additional payments to Covered Employee beyond those specified in this Agreement.

4.3.5. The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees, who have no right to opt-out or otherwise exclude themselves from the settlement and release of PAGA claims set forth in this Settlement.

4.4. Payments to the Responsible Tax Authorities. The Administrator will pay the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Class Payment. The Administrator shall also pay Desert Ventures' portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) to the appropriate local, state, and federal taxing authorities. The Administrator will calculate the amount of the Participating Class Members' and Desert Ventures' portion of payroll withholding taxes and forward those amounts to the appropriate taxing authorities.

5. RELEASES OF CLAIMS.

Effective on the date when Desert Ventures fully funds the Gross Settlement Amount and all associated employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the following releases of claims will take effect:

5.1. Named Plaintiff's General Release. Named Plaintiff's respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint or ascertained during the Action; and (b) any other claims, debts, liabilities, demands, damages, obligations, actions and causes of actions, of any nature whatsoever, whether known or unknown, or suspected or unsuspected, arising out of or in connection with their employment with Desert Ventures, the separation of such employment, or any other act, omission or event occurring between the Parties at any time prior to the date the Named Plaintiff(s) executes this Agreement. This General Release includes, without limitation: (1) all claims for violation of any federal, state or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in

Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, and the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining Notification Act, the Uniformed Service Employment and Reemployment Rights Act, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for failure to pay minimum or overtime wages, failure to timely pay wages, failure to provide accurate itemized wage statements, failure to maintain accurate records, failure to reimburse business expenses, failure to provide meal periods or rest breaks, failure to provide paid sick leave, failure to post notice of paydays and time and place of payment, and any claim for violations of the California Labor Code, California's Business and Professions Code § 17200 et seq., and the applicable California Industrial Welfare Commission Wage Order; (3) any non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, and conversion; (4) all claims for wrongful termination of employment; (5) all claims for wages, penalties and/or benefits; and (6) all claims for attorneys' fees and costs. Named Plaintiff's General Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Named Plaintiff(s) acknowledge that they may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Named Plaintiff's General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or their discovery of them.

5.1.1. Named Plaintiff's Section 1542 Waiver. For purposes of Named Plaintiff's General Release, Named Plaintiff expressly waives and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2. Release by Participating Class Members: All Participating Class Members release Released Parties from any and all causes of action and factual or legal theories that were alleged, or reasonably could have been alleged, based on facts stated in the Operative Complaint which occurred during the Class Period, for violations of the California Labor Code including *inter alia* sections 201, 202, 203, 204, 226, 226.7, 510, 512, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802 and Industrial Welfare Commission Wage Orders including *inter alia*, Wage Orders 4-2001, 5-2001, and 10-2001 including all of the following claims for relief: (a) failure to pay all and overtime wages due; (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to pay all minimum wages due; (e) failure to pay all wages timely during employment; (f) failure to pay all wages timely at the time of termination; (g) failure to provide complete, accurate or properly formatted wage statements; (h) failure to keep complete and accurate payroll records; (i) failure to reimburse business expenses; (j) unfair business

practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action, or legal theories of relief pleaded in the Operative Complaint; (k) any other claims or penalties under the wage and hour laws pleaded in the Action; and (l) all damages, penalties, interest, and other amounts recoverable under said claims, causes of action or legal theories of relief. Except as expressly set forth in this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or California class claims based on facts occurring outside the Class Period.

5.3. Release by Aggrieved Employees: All Aggrieved Employees and the LWDA release Released Parties from, and are forever barred from pursuing such against Released Parties for, the PAGA claims alleged in the notice sent to the LWDA and/or arising out of the facts alleged in the Operative Complaint during the PAGA Period, including, without limitation penalties predicated on the underlying alleged violations for: (1) minimum wage violations, (2) failure to pay all overtime wages, (3) meal period violations, (4) rest period violations, (5) paid sick leave violations, (6) untimely payment of wages, (7) wage statement violations, (8) waiting time penalties, (9) unfair competition, and (10) civil penalties under the private attorneys general act (labor code §§ 2698 et seq.).

6. MOTION FOR SETTLEMENT APPROVAL.

6.1. Preliminary Approval. Plaintiffs will bring a motion before the Court that complies with the Court's procedures and instructions for an order conditionally certifying the Class to include all claims pled in the Action based on the preliminary approval of this Agreement. The date that the Court grants preliminary approval of this Agreement will be the "Preliminary Approval Date."

6.1.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval of the Class Action and PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator.

6.1.2. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.1.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any non-material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. The Parties are not obligated to agree to a material change to this Agreement if the Court conditions approval on a material change to this Agreement, and in the event the Parties do not agree to a material change to obtain approval, this Agreement shall be deemed void *ab initio*. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment or the Court's decision to reallocate the distribution funds between the Class Members and Aggrieved Employees shall not constitute a material change to the Agreement within the meaning of this paragraph.

6.2. PAGA Approval. Plaintiffs shall prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this PAGA Settlement under Labor Code § 2699(f)(2). To effectuate Final Approval and Judgment of the Settlement of PAGA claims, Plaintiff shall prepare either a Joint Stipulation Approving PAGA Settlement (subject to Defense Counsels' review and revision) or a Motion for Approval of PAGA Settlement. Plaintiffs shall file declarations from Plaintiffs' Counsel and the Named Plaintiff to support the Settlement.

6.3. Final Approval. Not later than 16 court days before the Final Approval Hearing, Named Plaintiff shall move for an order conditionally certifying the Class for settlement purposes only, granting Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice. Desert Ventures shall accept service of the Motion for Final Approval (or any other motions, stipulations, declarations, proposed orders, exhibits, or other documents filed in connection with this Settlement) via electronic service at the email addresses set forth in this Agreement or, if an electronic service agreement is already in place, at the email addresses in the Parties' electronic service agreement.

7. SETTLEMENT ADMINISTRATION.

7.1. Administrator. The Parties have jointly selected the Administrator to administer this Settlement. The Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements. The Administrator's duties include but

are not limited to preparing, printing, and mailing the Class Notice Packet to all Class Members; conducting a National Change of Address search to update Class Member addresses before mailing the Class Notice Packets; re-mailing Class Notice Packets that are returned to the Class Member's new address; setting up a toll-free telephone number and email and a fax number to receive communications from Class Members; receiving and reviewing for validity completed Requests for Exclusion; providing the Parties with weekly status reports about the delivery of Class Notice Packets and receipt of Requests for Exclusion, objections and disputes; calculating Individual Class Payments and Individual PAGA Payments; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement.

7.1.1 The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval Order and Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.1.2 The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 7 calendar days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.1.3 The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Class Period Employment Weeks and/or PAGA Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.1.4 Not later than 20 court days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court. The

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

7.1.5 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number to calculate payroll tax withholdings and report to state and federal tax authorities.

7.1.6 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under U.S. Treasury Regulation section 468B-1.

7.1.7 All costs of administering the Settlement, including but not limited to all costs and fees associated with preparing, issuing and mailing any and all notices to Class Members and/or Participating Class Members, all costs and fees associated with computing, processing, reviewing, and mailing the Individual Settlement Payments, all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency, all costs and fees associated with preparing any other checks, notices, reports, or filings to be prepared in the course of administering disbursements from the Net Settlement Amount, and any other costs and fees incurred and/or charged by the Administrator in connection with the execution of its duties under this Agreement ("Administration Expenses Payment"), shall be paid to the Administrator from the Gross Settlement Amount.

7.1.8 Within ten (10) calendar days after the Administrator disburses all funds of the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court. If any further declaration(s) attesting to the distribution of uncashed checks is required, the Administrator shall provide a declaration at least 7 days before any deadline for a further declaration(s) and Class Counsel shall be responsible for filing the declaration with the Court.

7.2. Notice to Class Members.

7.2.1. Using best efforts to perform as soon as possible, and no later than 14 calendar days after receiving the Employee Data, the Administrator will send to all Class Members identified in the Employee Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as Attachment A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA payment payable to the Class Member, and the number of Class Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Covered Employees' addresses using the National Change of Address database.

7.2.2. Not later than 7 calendar days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct an Address Search ("skip trace"), and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.2.3. In the event a Class Member's Notice Packet remains undeliverable sixty (60) calendar days after the Notice Packet was initially mailed, the Administrator will not mail the Class Member's Individual Settlement Payment. The Administrator will hold the Class Member's Individual Settlement Payment during the check cashing period on behalf of the Class Member. If at the conclusion of the check cashing period the Class Member's Notice Packet and Individual Settlement Payment remain undeliverable and/or unclaimed and uncashed, the Administrator will distribute the funds from unclaimed/uncashed checks in accordance with the procedures set forth in Section 4.03.

7.2.4. The deadlines for Class Members' written objections, challenges to Class Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional 14 calendar days beyond the time otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice. If the Notice Packet is re-mailed, the Administrator will note for its own records and notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly status report provided to the Parties.

7.2.5. If the Administrator, Desert Ventures or Plaintiffs' Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Employee Data and should have received Class Notice, the Parties will expeditiously meet and confer in a good-faith effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 calendar days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.2.6. Class Members shall not be required to submit claim forms in order to receive a proportional share of the Net Settlement Amount.

7.3. Requests for Exclusion (Opt-Outs).

7.3.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). The Notice Packet shall contain instructions on how to validly exclude himself or herself from the Class and this Settlement (*i.e.*, opt out), including the language to be used in a request for exclusion. A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name,

address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. The date of the initial mailing of the Notice Packet, and the date the signed request for exclusion was postmarked, shall be conclusively determined according to the records of the Administrator.

7.3.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

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

7.3.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment, nor shall they have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are eligible for an Individual PAGA Payment. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted, and the objection will be void.

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

7.5. Objections to Settlement.

7.5.1. Only Participating Class Members may object to the Settlement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel

Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.5.2. For any Participating Class Member to object to this Agreement, or any term of it, the person making the objection must not submit a request for exclusion (*i.e.*, must not opt out), and should send to the Settlement Administrator, postmarked or faxed no later than the Response Deadline (or fifteen (15) days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later), a written statement of the grounds of objection, signed by the objecting Class Member or his or her attorney, along with all supporting papers. Alternatively, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. The date of the initial mailing of the Notice Packet, and the date the signed objection was postmarked, shall be conclusively determined according to the records of the Administrator. The Administrator shall send any objections it receives to Defense Counsel and Class Counsel within three (3) business days of receipt. The Court retains final authority with respect to the consideration and admissibility of any Class Member objections.

7.5.3. Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

8. ESCALATION CLAUSE. Based on its records, Desert Ventures has provided a Class Workweek Estimate. In the event the total Class Workweeks set forth in the Class Workweek Estimate is incorrect by more than 10% as of March 12, 2024, then, the Gross Settlement Amount will be increased by 1% for every 1% increase in Class Period Employment Weeks over the 10% threshold .

9. EMPLOYEE ESTIMATE. Based on the records evaluated, there are an estimated 265 Class Members and 184 Aggrieved Employees covered by this Agreement.

10. MOTION FOR FINAL APPROVAL. Unless otherwise ordered by the Court, not later than 16 court days before the calendared Final Approval Hearing, Named Plaintiff will file in Court and serve on Defendants a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699(l), a Proposed Final Approval Order, and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs’ Counsel will provide drafts of these documents to Defense Counsel in advance of filing for Defense Counsel’s review. Desert Ventures shall accept service of the Motion for Final Approval (or any other motions, stipulations, declarations, proposed orders, exhibits, or other documents filed in connection with this Settlement) via electronic service at the email addresses set forth in this Agreement or, if an electronic service agreement is already in place, at the email addresses in the Parties’ electronic service agreement. Class Counsel and Defense Counsel will expeditiously meet and confer and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2. Duty to Cooperate. If the Court does not enter an Order Granting Final Approval Order and Judgment or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain an Order Granting Final Approval Order and Judgment. The Parties are not obligated to agree to a material change to this Agreement if the Court conditions approval on a material change to this Agreement, and in the event the Parties do not agree to a material change to obtain approval, this Agreement shall be deemed void *ab initio*. The Court's decision to award less than the amounts requested for a Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3. Continuing Jurisdiction of the Court. The Parties agree, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, 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.

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Attorneys' Fees and Litigation Costs set forth in this Settlement, the Parties, their respective counsel, and all Covered Employees, excluding opt outs in a class action, as applicable and provided in this Agreement, waive all rights to appeal from the Final Approval Order and Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Final Approval Order and Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Final Approval Order and Judgment becomes final. However, should the Court approve less than the requested Class Counsel Fees Payment or Class Representative Service Payment, Class Representative and Class Counsel retain the right to appeal that ruling, but in no event shall such reduction void the Settlement.

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

11. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment. Prior to the filing of the motion for preliminary approval of the

Settlement, the Parties may not amend or modify any provision of this Settlement Agreement except by written agreement signed by counsel for all of the Parties. After the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement except by written agreement signed by counsel for all of the Parties and subject to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

12. ADDITIONAL PROVISIONS.

12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by the Parties that any of the allegations or the defenses in the Operative Complaint have merit or that there is any liability for any claims asserted or that any claims may proceed on a class, collective, or representative basis. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or Judgment pursuant to this Agreement, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2. Non-Evidentiary Use. Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further proceeding in the Action, except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendant to establish that a Class Member has resolved any of his or her claims released through this Agreement.

12.3. Nullification. The Parties have agreed to the certification of the Class encompassing all claims alleged in the Action for the sole purpose of effectuating this Agreement. If (a) the Court should for any reason fail to certify this Class for settlement, or (b) the Court should for any reason fail to approve this Settlement, or (c) the Court should for any reason fail to enter the Final Order, or (d) the Final Order is reversed, or declared or rendered void, or (e) the Court should for any reason fail to dispose of the Action in its entirety, then (i) this Agreement shall be considered null and void; (ii) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court; and (iv) the fact that the Parties were willing to stipulate to class certification of all causes of action pled in the Action as part of the Settlement will have no bearing on, and will not be admissible in connection with, the issue of whether the Class should be certified by the Court

in a non-settlement context in this Action or any other action, and in any of those events, Defendant expressly reserves the right to oppose certification of the Class.

12.4. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Covered Employee to opt out of or object to the Settlement, or appeal from the Judgment. However, Class Counsel may respond to inquiries from Covered Employees.

12.5. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party. In case of any conflict between text contained in this Agreement and text contained in the Exhibits to this Agreement, the former shall be controlling, unless the Exhibits are changed by or in response to a Court order. There are no restrictions, promises, inducements, representations, warranties, covenants, or undertakings governing the subject matter of this Agreement other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings among the Parties with respect to the settlement of the Action, including correspondence between Class Counsel and Defense Counsel and drafts of prior agreements or proposals.

12.6. Attorney Authorization. Plaintiffs' Counsel and Defense Counsel separately warrant and represent that they are authorized by the Parties, 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.

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

12.8. Assignment. None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written consent of each other Party and their respective counsel. The representations, warranties, covenants, and agreements contained in this Agreement are for the sole benefit of the Parties under this Agreement and shall not be construed to confer any right or to avail any remedy to any other person.

12.9. No Tax Advice. Neither the Parties, Plaintiffs' Counsel, 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.

12.10. 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 Plaintiffs' Counsel and Defense Counsel, as their legal representatives, and approved by the Court.

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

12.12. Governing 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.

12.13. 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.

12.14. Fair and Reasonable Settlement. The Parties believe that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arm's-length negotiation and in the context of adversarial litigation, taking into account all relevant factors, current and potential. The Parties further believe that the Settlement is and is consistent with public policy, and fully complies with applicable law.

12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement and shall not be considered in interpreting this Agreement..

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

12.17. Waiver of Compliance. Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any obligation, covenant, agreement, or condition set forth in this Agreement may be expressly waived in writing, to the extent permitted under applicable law, by the Party or Parties and their respective counsel entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

12.18. Counterparts and Fax/PDF Signatures. This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or their respective counsel may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original. All counterparts taken together shall constitute one instrument. A fax, electronic (i.e. DocuSign) or PDF signature on this Agreement shall be as valid as an original signature.

12.19. Notice. Except as otherwise expressly provided in the Agreement, all notices, demands, or other communications between the Parties required in connection with this

Agreement shall be in writing and shall be deemed to have been duly given as of the 3rd business day after mailing by U.S. Mail or the same day if sent by email or messenger, addressed as follows:

To Plaintiffs:

Ferraro Vega Employment Lawyers, Inc.

Attn: Nicholas J. Ferraro

3333 Camino del Rio South, Suite 300

San Diego, CA 92108 USA

nick@ferrarovega.com / classactions@ferrarovega.com

www.ferrarovega.com

To Defendants:

Atkinson, Andelson, Loya, Ruud & Romo

Attn: David M. Lester

Address 12800 Center Court Drive South, Suite 300

Address Cerritos, California 90703

Emails David.lester@aalrr.com

12.20. Enforcement of Settlement and Continuing Court Jurisdiction. To the extent consistent with class action procedure, this Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Action or the liability of the Parties resulting from the allegations of the Action. Its sole purpose is to adopt the terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall retain continuing jurisdiction over this Action and over all Parties and Class Members, to the fullest extent to enforce and effectuate the terms and intent of this Agreement. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

12.21. Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize or cause or permit another person to 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, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This

paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members. Nothing herein will restrict Class Counsel from including publicly available information regarding this Settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Furthermore, Plaintiffs and Class Counsel will undertake any and all disclosures required to be made to the LWDA in conformity with PAGA.

12.22. No Publicity, Marketing, or Advertising. The Parties agree that there will be no publicity, marketing, or advertising of the terms of this Settlement. Required filings with the courts or public agencies are acceptable.

12.23. Circular 230 Disclosure. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

12.24. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant 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 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendant.

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

12.26. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 from the date of signing until the earlier of the Effective Date or the date this Agreement shall no longer be of any force or effect.

12.27. Representation By Counsel. Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel and reviewed in full.

12.28. All Term Subject to Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to Court approval.

[Signature Page Follows]

SIGNATURES

I have read this Agreement and agree to its terms.

Plaintiff Alexa Basnar

Date: Apr 11, 2024

Alexa Basnar

Alexa Basnar

Defendant Desert Ventures EWC1, LLC

Date: _____

Name: _____

Title: _____

Defendant Desert Ventures EWC2, LLC

Date: _____

Name: _____

Title: _____

Defendant Desert Ventures EWC3, LLC

Date: _____

Name: _____

Title: _____

SIGNATURES

I have read this Agreement and agree to its terms.

Plaintiff Alexa Basnar

Date: _____

Alexa Basnar

Defendant Desert Ventures EWC1, LLC

Date: 4/12/24

Name: MARK MUSSMANN

Title: managing member

Defendant Desert Ventures EWC2, LLC

Date: 4/12/24

Name: MARK MUSSMANN

Title: Managing member

Defendant Desert Ventures EWC3, LLC

Date: 4/12/24

Name: MARK MUSSMANN

Title: managing member

Defendant Desert Ventures EWC4, LLC

Date: 4/12/24


Name: MARK MUSSMAN
Title: Managing Member

Attachment A

Notice of Class Action Settlement

THIS IS AN IMPORTANT COURT APPROVDNOTICE – READ CAREFULLY

Alexa Basnar et al. v. Desert Ventures EWC1, LLC et al.
Superior Court of the State of California for the County of San Bernardino
Case No. CIVSB2307814

This notice is to the following individuals in connection with a pending class action settlement:

If you worked for Desert Ventures European Wax Center 1, 2, 3, or 4 in California as a non-exempt, hourly employee at any time from February 14, 2019, through May 11, 2024, the settlement of this class action lawsuit may affect your rights.

This is a court authorized notice. Read this notice carefully. It is not junk mail, spam, an advertisement, or a solicitation from a lawyer. You are not being sued. Your legal rights could be affected whether you act or not.

A proposed settlement (the “Settlement”) has been reached in a class and Private Attorneys General Act of 2004 (“PAGA”) action lawsuit entitled *Alexa Basner, et al. v. Desert Ventures EWC1, LLC et al.* Case No. CIVSB2307814 (San Bernardino County Superior Court) (the “Lawsuit”). The purpose of this Notice of Class Action Settlement (“Notice”) is to briefly describe the Lawsuit, and to inform you of your rights and options in connection with the Lawsuit and the Settlement.

The Superior Court of the State of California for the County of San Bernardino (the “Court”) has preliminarily approved this class and PAGA lawsuit settlement with Defendants Desert Ventures EWC1, LLC, Desert Ventures EWC2, LLC, Desert Ventures EWC3, LLC and Desert Ventures EWC4, LLC (“Desert Ventures”), which will affect all non-exempt, hourly employees who worked for Desert Ventures in California at any time from February 14, 2019, through May 11, 2024 (“Class Members”) and all non-exempt, hourly employees who worked for Desert Ventures in California at any time from January 26, 2022, through May 11, 2024 (“Aggrieved Employees”). for alleged wage and hour violations (the “Lawsuit”).

If the Court grants final approval of the Settlement, there may be money available to you.

Desert Ventures’ records reflect you worked **[[Individual Workweeks]]** workweeks during the Class Period of February 14, 2019, through May 11, 2024. Based on this information, your Individual Class Payment is estimated to be \$**[[Individual Class Payment]]** (less any applicable state and federal withholdings). The actual amount you may receive will likely be different and will depend on multiple factors, such as how many other individuals decide to opt out.

Desert Ventures’ records reflect you worked **[[Individual PayPeriods]]** pay periods during the PAGA Period of January 26, 2022, through May 11, 2024. Based on this information, your Individual PAGA Payment is estimated to be \$**[[Individual PAGA Payment]]**. The actual amount you may receive will likely be different and will depend on multiple factors, such as how many other individuals decide to opt out.

<u>YOUR OPTIONS</u>	
DO NOTHING	Stay in this Lawsuit. Receive a payment. Give up certain rights. By doing nothing, you become a Participating Class Member and will be entitled to a settlement award as detailed below. But, you will not be able to bring your own lawsuit against Desert Ventures for violations that relate to the claims brought in this Lawsuit.
OPT OUT	Get out of this Lawsuit. Receive no payment from the class settlement. Keep your rights. If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will not receive any payment from the settlement award. But, you keep your right to sue Desert Ventures separately for the legal claims raised in this Lawsuit. However, even if you exclude yourself, you will still be an Aggrieved Employee subject to the PAGA settlement YOU CAN PARTICIPATE IN THE << >> FINAL APPROVAL HEARING If you opt out, you may not object to the Settlement, you will not receive an Individual Class Payment, and you shall not be bound by the release provisions in the settlement.
OBJECT	Stay in this Lawsuit. Object. Receive a payment. Give up certain rights. All Class Members who do not ask to be excluded ("Participating Class Members") can object to any aspect of the proposed settlement, and you will remain a member of the Class. If the Court approves the settlement, you will be entitled to collect a settlement award and be bound by the terms of the settlement including the release provisions in the same way as Class Members who do not object. .
YOU CAN PARTICIPATE IN THE FINAL APPROVAL HEARING	The Court's Final Approval Hearing is scheduled to take place on <<____>>. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing
YOU CAN CHALLENGE THE CALCULATION OF YOUR WORKWEEKS/PAY PERIODS	The amount of your Individual Class Payment and PAGA Payment (if any) depends on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay

WRITTEN CHALLENGES MUST BE SUBMITTED BY << _____ >>	Periods you worked according to Desert Ventures’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by << _____ >>.
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Regardless of the option you choose, Desert Ventures will not be retaliate against you.

Your options are explained in this notice. To object to the settlement or to ask to be excluded, you must act before _____.

The Court’s final approval hearing is scheduled to take place on **[[Final Approval Hearing Date]]** at **[[Final Approval Hearing Time]]** in Dept. 26 of the San Bernardino Superior Court, located at 247 West Third Street, San Bernardino, CA 92415-0210. You do not have to attend but you do have the right to appear..

Any questions? Read on or contact Class Counsel or the Settlement Administrator listed below.

BASIC INFORMATION

1. WHY DID I GET THIS NOTICE

Desert Ventures’ records show that you worked for Desert Ventures as a non-exempt, hourly employee in California at some point between February 14, 2019, through May 11, 2024 (the “Class Period”) or January 26, 2022, through May 11, 2024 (the “PAGA Period”).

The Court has determined only that there is sufficient evidence to suggest that the proposed Settlement may be fair, adequate, and reasonable. Any final determination of those issues will be made at the final hearing. You have legal rights and options that you may exercise as part of this Settlement. Judge David Cohn of the Superior Court of the State of California, County of San Bernardino, is overseeing this lawsuit.

2. WHAT IS THE ACTION ABOUT?

In this Lawsuit, Alexa Basner (“Class Representative”) is former employee of Desert Ventures. The Class Representative alleged Desert Ventures violated California labor and employment laws as follows: (1) minimum wage violations, (2) failure to pay all overtime wages, (3) meal period violations, (4) rest period violations, (5) paid sick leave violations, (6) untimely payment of wages, (7) wage statement violations, (8) waiting time penalties, (9) unfair competition, and (10) civil penalties under the private attorneys general act (labor code §§ 2698 et seq.) (“PAGA”). Plaintiffs are represented by [Ferraro Vega Employment Lawyers](#) (“Class Counsel.”)

Throughout the litigation, Desert Ventures has denied—and continues to deny—the factual and legal allegations in the Lawsuit. Desert Ventures denies any wrongdoing and asserts that its conduct at all times complied with the law. However, Desert Ventures has voluntarily agreed to

the terms of a negotiated settlement in order to avoid the burden and expense of continued litigation.

3. WHAT IS A CLASS ACTION AND WHO IS INVOLVED?

In a class action lawsuit such as this, a person called the “Class Representative” sues on behalf of other people who may have similar claims. The people together are referred to as a “Class” or “Class Members.” The person who is the Class Representative is also called the plaintiff. The company being sued is called the defendant. In class action litigation, a Court resolves the issues for everyone in the Class in one lawsuit, except for those people who choose to exclude themselves from the Class.

This class action also includes a “Private Attorneys General Act” (“PAGA”) claim, where the Plaintiffs are attempting to recover civil penalties on behalf of the State of California. In a PAGA action, the State receives 75% of any recovered civil penalties, and the employees receive 25%. This Settlement will resolve all claims by the State for civil penalties arising from the claims made by Plaintiff in the Lawsuit during the period of January 26, 2022, through May 11, 2024 (“PAGA Period”).

4. WHY IS THIS LAWSUIT A CLASS ACTION?

For settlement purposes, Plaintiffs and Desert Ventures agreed that this case can proceed as a class action and have agreed to ask the Court to approve the class action Settlement. The Court has not ruled on the merits of the claims in the Lawsuit.

5. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Desert Ventures or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Desert Ventures hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Desert Ventures have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Desert Ventures does not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Desert Ventures has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

6. WHAT ARE PROPOSED SETTLEMENT TERMS?

At the Final Approval Hearing, the Class Representative, through Class Counsel, will ask the Court to approve a Gross Settlement Amount of \$136,631 and authorize the following deductions: Service Payment (\$10,000), Attorneys' Fees in the amount of 33.33% of the Gross Settlement, Litigation Costs (not to exceed \$25,000), the LWDA's 75% portion of the PAGA Payment, and the Administration Expenses to be paid to the third-party settlement administrator. Participating Class Members have the right to object to any of these deductions. The Court will consider all objections. Desert Ventures has agreed to deposit the Gross Settlement Amount into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorneys' fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA").

After making the above deductions in amounts approved by the Court, the remaining funds will be referred to as the "Net Settlement Amount." The Net Settlement Amount will be distributed to Class Members who do not opt-out according to the number of weeks they worked for Defendant in California during the Class Period. The Administrator will calculate and distribute making Individual Class Payments to Participating Class Members based on their Class Workweeks. 10% of each Individual Class Payment shall constitute taxable wages ("Wage Portion") and 90% shall constitute interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Desert Ventures will separately pay employer payroll taxes it owes on the Wage Portion. The Administrator will report the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

You will be treated as a Participating Class Member, participating fully in the settlement, unless you submit a signed Request for Exclusion by the **[[Response Deadline]]** "Response Deadline".

25% of the PAGA Payment (\$2,500.00) ("Individual PAGA Payment") will be paid to Aggrieved Employees based on the number of pay periods they worked for Defendant as a non-exempt, hourly employee in California during the PAGA Period. If you are an Aggrieved Employee, you will receive a pro rata share of the PAGA Payment regardless of whether you opt-out of the class settlement.

The Individual PAGA Payments are counted as 100% penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms. Although Plaintiffs and Desert Ventures have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

If a settlement check remains uncashed after 180 days from the date it is issued, the check will become void and the amount of the uncashed check will be sent to the California State Controller's Unclaimed Property Fund, to be held in your name.

The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Desert Ventures have agreed that, in either case, the Settlement will be void: Desert Ventures will not pay any money and Class Members will not release any claims against Desert Ventures.

The Court has appointed a neutral company, Phoenix Settlement Administrators (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement.

WHO IS IN THE CLASS?

7. Am I part of the Class? Am I an Aggrieved Employee?

The “Class” includes: All non-exempt, hourly employees who are or were employed by Desert Ventures in California at any time from February 14, 2019, through May 11, 2024 (the “Class Period”).

The “Aggrieved Employees” includes: All non-exempt, hourly employees who are or were employed by WGS Group, Inc. in California at any time from January 26, 2022, through May 11, 2024 (the “PAGA Period”).

8. I’m still not sure if I am included.

If you still are not sure whether you are included in the Class, you can get free help by contacting Phoenix Settlement Administrators, the “Settlement Administrator”, at the designated phone number for this matter at [REDACTED] or by calling or writing the lawyers representing the Class in this case (“Class Counsel”), at the phone number or address listed in Sections 15 and 18.

9. What is my approximate Individual Settlement Payment?

The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

The Administrator will calculate Individual PAGA Payments by (a) dividing the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

According to payroll records maintained by Desert Ventures the total number of weeks you worked in California for Desert Ventures as a non-exempt, hourly employee during the Class Period is [REDACTED]. The total number of pay periods you worked in California for Desert Ventures as a non-exempt, hourly employee during the PAGA Period is [REDACTED].

Based on information provided above, anticipated court-approved deductions, and preliminary calculations Qualified Workweeks, it is estimated your share of the settlement will be \$ [REDACTED], less applicable taxes and withholdings. This amount includes your share of the PAGA Payment, which is estimated to be \$ [REDACTED].

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 18, below, of any changes to your mailing address for timely payment.

Disputing Your Payment Amount

If you believe your total weeks worked during the Class Period and/or PAGA Period shown above is not correct, you may contact the Settlement Administrator by signing and sending a letter indicating what you believe is correct no later than [REDACTED]. You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Desert Ventures' calculation of Workweeks and/or Pay Periods based on Desert Ventures' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Desert Ventures' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision. Send your letter or email to the following address:

Administrator:

Phoenix Settlement Administrators

P.O. Box 7208

Orange, CA, 92863

(800) 523-5773

<https://www.phoenixclassaction.com/contact-us/class-member-inquiries>

10. What rights am I releasing if I participate in the Settlement

Upon the date Defendant transfers the Gross Settlement Amount, Plaintiffs and Participating Class Members who do not opt out of the Settlement, release the Defendant and Defendant's owners, officers, directors, managers, board members, shareholders, owners, members, employees, agents, representatives, subsidiaries, parents, affiliates, predecessors, successors, joint venturers, attorneys, insurers, and reinsurers (the "Released Parties") from all causes of action and factual or legal theories that were alleged, or reasonably could have been alleged, based on facts stated in the Operative Complaint which occurred during periods of employment in a non-exempt position in California during the Class Period, for violations of the California Labor Code including *inter alia* sections 201, 202, 203, 204, 226, 226.7, 510, 512, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802 and Industrial Welfare Commission Wage Orders including *inter alia*, Wage Orders 4-2001, 5-2001, and 10-2001 including all of the following claims for relief: (a) failure to pay all overtime wages due; (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay

in lieu thereof; (d) failure to pay all minimum wages due; (e) failure to pay all wages timely during employment; (f) failure to pay all wages timely at the time of termination; (g) failure to provide complete, accurate or properly formatted wage statements; (h) failure to keep complete and accurate payroll records; (i) failure to reimburse business expenses; (j) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action, or legal theories of relief pleaded in the Operative Complaint; (k) any other claims or penalties under the wage and hour laws pleaded in the Action; and (l) all damages, penalties, interest, and other amounts recoverable under said claims, causes of action or legal theories of relief . Except as expressly set forth in this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or California class claims based on facts occurring outside the Class Period (the "Released Class Claims") Upon the date of funding the Gross Settlement Amount, the State of California and Aggrieved Employees release the Released Parties from all causes of action or factual or legal theories for civil penalties under the California Labor Code Private Attorneys General Act of 2004 against any of the Release Parties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, which occurred during periods of employment in a non-exempt position in California during the PAGA Period, for violations of the California Labor Code, including *inter alia* sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders including *inter alia*, Wage Orders 4-2001, 5-2001, and 10-2001, including all of the following: (a) failure to pay all and overtime wages due; (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to pay all minimum wages due; (e) failure to pay all wages timely during employment; (f) failure to pay all wages timely at the time of termination; (g) failure to provide complete, accurate or properly formatted wage statements; (h) failure to keep complete and accurate payroll records; and (i) failure to reimburse business expenses The Released PAGA Claims do not include other PAGA claims, underlying wage and hour claims, claims for wrongful termination, discrimination, unemployment insurance, disability and worker's compensation, and claims outside of the PAGA Period, regardless of whether Aggrieved Employees opt out of the Class Settlement (the "Released PAGA Claims").

11. HOW WILL I GET PAID?

The Administrator will send, by U.S. mail, a single check to every Participating Class Member following the Effective Date of this Settlement. Your check will be sent to the same address as this notice. If you change your address, notify the Administrator as soon as possible.

12. WHY WOULD I ASK TO BE EXCLUDED?

You have the right to exclude yourself from the Class (and the class settlement). If you exclude yourself from the Class—sometimes called "opting-out" of the Class – you will not receive any

money or benefits from the class settlement. However, if you opt out, you may then be able to sue or continue to sue Desert Ventures for your own claims if permitted by law. If you exclude yourself, you will not be legally bound by the Court's ruling in this Lawsuit except for the release by Aggrieved Employees. Whether or not you submit a Request for Exclusion, if you are an Aggrieved Employee, you will still be entitled to your portion of the Individual PAGA Payment.

13. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

If you are a Class Member and would like to exclude yourself from the Class (“opt-out”), you, or your authorized representative, need to submit a written statement requesting exclusion from the Class to the Settlement Administrator at the address in Section 18 below. The statement must contain your name, address, telephone number, and your signature or the signature of your legally authorized representative and must be postmarked on or before [REDACTED]. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any class member who fails to submit a valid and timely request for exclusion will be bound by all terms of the settlement and any final disposition entered in this Class Action if the Settlement is approved by the Court. For your convenience, complete the attached Request for Exclusion form and mail or email it to the Administrator before the Response Deadline.

14. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members who have not opted out have the right to object to the Settlement by submitting a written objection to the Administrator before the Response Deadline. To object, please provide a written statement to the Administrator advising what you object to, why you object, and any facts that support your objection. Please sign the objection and identify the Action and include your name, current address, telephone number, and your approximate dates of employment.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection.

THE LAWYERS REPRESENTING YOU

15. DO I HAVE A LAWYER IN THIS CASE?

Class Counsel

Nicholas J. Ferraro (State Bar No. 306528)
Lauren N. Vega (State Bar No. 306525)
Ferraro Vega Employment Lawyers, Inc.
3333 Camino del Rio South, Suite 300
San Diego, California 92108
(619) 693-7727 telephone

classactions@ferrarovega.com
ferrarovega.com

The Court has preliminarily decided that Ferraro Vega Employment Lawyers, Inc. is qualified to represent you and all Class Members. The law firms' attorneys are experienced in handling similar cases against other employers. More information about this law firm, their practice, and their lawyers' experience is available at <https://ferrarovega.com>.

16 HOW WILL THE LAWYERS BE PAID?

As part of the Settlement, Class Counsel has requested one-third of the Gross Settlement Amount (currently equal to \$45,539.11) in attorneys' fees, plus costs not to exceed \$25,000.00, to be paid from the Gross Settlement Amount to compensate Class Counsel for their work on this matter. You will not have to pay Class Counsel's fees and costs from your Individual Settlement Payment.

17. HOW WILL THE CLASS REPRESENTATIVE BE PAID?

As part of the Settlement, Class Counsel has requested a Service Payment of \$10,000 to be paid to the Class Representative for her efforts in this matter, while serving as Class Representative and taking on the burden and risks of litigation.

THE SETTLEMENT, APPROVAL, AND PAYMENT PROCESS

18. WHO IS HANDLING THE SETTLEMENT ADMINISTRATION PROCESS?

Administrator:

Phoenix Settlement Administrators

P.O. Box 7208

Orange, CA, 92863

(800) 523-5773

<https://www.phoenixclassaction.com/contact-us/class-member-inquiries>

19. CAN I ATTEND THE FINAL APPROVAL HEARING?

You may, but are not required to, attend the Final Approval Hearing on **[[Final Approval Hearing Date]]** at **[[Final Approval Hearing Time]]** in Dept. 26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, CA 92415-0210. At the hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to the LWDA, Class Counsel, the Class Representative(s), and the Administrator. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision. If the Court approves the settlement, then there may be appeals if anyone objects. It is always uncertain when these objections and appeals can be resolved, and resolving them can take time. It is possible the Court will reschedule the Final Approval Hearing. Please review the Court's online docket or contact the Administrator or Class Counsel to verify

the date and time of the Final Approval Hearing if you believe it may have been continued or otherwise changed.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 17 of this Notice has the Administrator's contact information. To check on the progress of the settlement, contact the Settlement Administrator or Class Counsel at the phone number or address listed in Sections 15 and 18.

20. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Desert Ventures and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment, or any other Settlement documents is to go to the Court's website, access the Register of Actions, and search for the case using the case number at the top of this notice.

Any questions regarding this Class Notice or the Lawsuit may be directed to the Settlement Administrator at the address and/or telephone number listed in section 18 of this Notice. Alternatively, you may contact your own attorney, at your own expense, to advise you, or you may contact Class Counsel at the address, telephone number or email address set forth below. If your address changes, or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

Class Counsel

Nicholas J. Ferraro (State Bar No. 306528)

Lauren N. Vega (State Bar No. 306525)

Ferraro Vega Employment Lawyers, Inc.

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San Diego, California 92108

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classactions@ferrarovega.com

ferrarovega.com

21. WHAT IF I LOSE MY SETTLEMENT CHECK OR FAIL TO CASH IT?

If you lose or misplace your settlement check, the Administrator will replace it if you request a replacement before the void date on the face of the original check. If your check is already void or you have otherwise failed to cash it, it will be provided to the State of California's Unclaimed Property Division in your name. For more information, please review how to process a claim for your funds with the State of California, https://www.sco.ca.gov/upd_form_claim.html

PLEASE DO NOT CALL OR WRITE TO THE COURT, OR TO ANY OF DEFENDANT'S MANAGERS, SUPERVISORS, OR DEFENDANT'S ATTORNEYS WITH QUESTIONS ABOUT THIS NOTICE.

Attachment B

Request for Exclusion Form

Request for Exclusion Form

Alexa Basnar et al. v. Desert Ventures EWCI, LLC et al.
Superior Court of the State of California for the County of San Bernardino
Case No. CIVSB2307814

By signing and returning this form, I confirm that I do **not** want to be included in the Settlement or receive a settlement check in the class action lawsuit referenced above.

I understand that by opting out, I am giving up my right to receive any payments in this Settlement. To “opt out,” this form must be postmarked no later than **[[Response Deadline]]** and mailed via U.S. Mail to the following address:

Phoenix Settlement Administrators
P.O. Box 7208
Orange, CA, 92863
(800) 523-5773

<https://www.phoenixclassaction.com/contact-us/class-member-inquiries/>

I confirm I have reviewed the Notice of Class Action Settlement. I have decided to be excluded from the class and **not** participate in the proposed settlement or receive an individual settlement check I am otherwise entitled to receive.

Dated: _____

(Signature)

(Last Four Digits of SSN)

(Type or print name and former name(s))

(Telephone Number)

(Address)