

SETTLEMENT AGREEMENT AND RELEASE

Plaintiff Eva Lopez (“Plaintiff”), individually and on behalf of all others similarly situated as well as the State of California, and as an “aggrieved employee” under the Labor Code Private Attorneys General Act of 2004, on the one hand, and defendant Quality Built, LLC (“Defendant”), on the other hand, hereby agree to the following binding settlement of the action designated *Eva Lopez v. Quality Built, LLC* (Superior Court of the State of California for the County of Kings Case no. 23CU0207) (the “Action”) pursuant to the terms and conditions set forth below. Once approved by the Court, the settlement shall be binding on the Parties, and on the Settlement Class that Plaintiff represents in this Action as well as the State of California, under the terms stated herein.

I. DEFINED TERMS

As used herein, the following terms are defined as:

A. “Action”

Eva Lopez v. Quality Built, LLC (Superior Court of the State of California for the County of Kings Case no. 23CU0207).

B. “Aggrieved Employees”

All current and former non-exempt employees of Defendant, who were employed by Defendant in California at any time during the PAGA Period.

C. “Agreement”

This document and all of the exhibits hereto. Each such exhibit is incorporated by reference as though fully set forth herein.

D. “Attorneys’ Fees and Costs”

The amount authorized by the Court to be paid to Class Counsel for the services they have rendered and expenses they have incurred in prosecuting the Action. Class Counsel shall request, and Defendant will not oppose, Attorneys’ Fees of up to thirty-five percent of the Gross Settlement Amount (estimated to be \$70,000) and actual Costs in an amount not to exceed \$15,000. The Attorneys’ Fees and Costs shall be paid from the Gross Settlement Amount. If the Court approves a lesser amount of Attorney’s Fees and/or Costs than set forth in this paragraph, the lower award amount will not impact the enforceability of this Agreement.

E. “Claims”

Any and all claims asserted in the Action, as amended, as well as any and all claims based on, arising from or related to the facts or claims asserted in the Action, as amended, or that could have been asserted in the Action based on the facts set forth in the Action.

F. “Class Counsel” and/or “Plaintiff’s Counsel”

Daniel F. Gaines and Alex P. Katofsky of Gaines and Gaines, APC.

G. “Class List”

A list of the names, last known mailing addresses, last known telephone numbers and social security numbers for the Settlement Class Members, as well as the number of Workweeks worked by Settlement Class Members during the Class Period. Defendant will diligently and in good faith compile the Class List from its records and provide it to the Settlement Administrator

within fifteen (15) calendar days after the Court issues its Preliminary Approval Order. The Class List shall be provided in a computer-readable format.

H. “Class Period”

The period from June 5, 2019 through February 27, 2024.

I. “Class Representative Enhancement Payment”

The amount to be paid to Plaintiff as consideration for the services she renders to the Settlement Class in this Action, and for the broader release that she is required to provide to Defendant as part of the settlement documented by this Agreement. For sake of clarity, if the Court in its discretion awards less than the amount requested in this Agreement for the Class Representative Enhancement Payment, the lower award amount will not reduce or impact the enforceability of this Agreement in any way (including, but not limited to, Plaintiff’s General Release). Further, if the Court awards less than the amount requested in this Agreement for the Class Representative Enhancement Payment, then the difference, if any, between those amounts shall be included in the Net Settlement Amount. The Class Representative Enhancement Payment shall not exceed \$12,000.

J. “Court”

The Superior Court for the State of California, for the County of Kings.

K. “Defendant”

Quality Built, LLC

L. “Defendant’s Counsel”

Karla Kraft, Esq. and Lisa Northrup, Esq., Stradling Yocca Carlson & Rauth, A Professional Corporation, 660 Newport Center Drive, Suite 1600, Newport Beach, California, 92660-6422.

M. “Effective Date”

The latest of the following: (a) if no Settlement Class Member makes an objection to the Agreement, twenty-one (21) calendar days after the date the Court grants final approval to the Agreement and makes its Final Award; (b) if a Settlement Class Member objects to the Agreement, the later of: (i) dismissal or withdrawal of the objection by the Settlement Class Member; (ii) the passage of the date for seeking appellate review of the Court’s final approval of the settlement without a timely request for review; (iii) the date a Settlement Class Member’s appeal from the Court’s final approval of the settlement has been voluntarily dismissed; or (iv) the date an appellate court has rendered a final non-appealable judgment on a Settlement Class Member’s appeal, with no possibility of subsequent appeal or other judicial review, affirming the Court’s final approval of the settlement without material modification. In no event shall the Effective Date occur before the judgment of the Court granting final approval of the settlement documented by this Agreement is final and no longer subject to appeal.

N. “Escalation Requirement”

Defendant estimates that the Settlement Class Members will have worked a total of approximately 5,472 Workweeks during the Class Period. Should the Class List, upon delivery to the Settlement Administrator, include more than a ten percent (10%) increase in the total

number of Workweeks worked by Settlement Class Members during the Class Period (e.g., more than 10% greater than 5,472 Workweeks worked by Settlement Class Members as of and including the final date of the Class Period, for a total of 6,019 or more Workweeks worked by Settlement Class Members as of and including the final date of the Class Period), then there shall be a pro rata adjustment to the Gross Settlement Amount in the amount of \$44.45 for each Workweek in excess of 6,019.

O. “Final Approval Hearing/Settlement Fairness Hearing”

The hearing at which the Court considers whether to finally approve the settlement documented by this Agreement and to enter the Final Award.

P. “Final Award”

The final award confirmed by the Court at the Final Approval Hearing. The Final Award shall include the judgment entered by the Court upon final approval of the settlement documented by this Agreement.

Q. “Gross Settlement Amount”

The total amount to be paid by Defendant pursuant to the Agreement. Subject to the potential Escalation Requirement, the Gross Settlement Amount shall equal \$200,000.00 (not including Defendant’s share of employer-side payroll taxes, which include FICA (Social Security and Medicare) and unemployment insurance (FUTA and SUTA/SUI) on the amount allocated as wages to be paid to Participating Settlement Class Members), which is a non-reversionary amount. The Gross Settlement Amount shall be delivered by Defendant, as required by this

Agreement. All payments associated with this Agreement shall be paid to the Settlement Administrator from the Gross Settlement Amount, including all payments to Participating Settlement Class Members, the Named Plaintiff, the Class Representative Enhancement Payment, Class Counsel (for Attorneys' Fees and Costs), the Labor and Workforce Development Agency ("LWDA") pursuant to Named Plaintiff's Labor Code Private Attorneys General Act of 2004 claim, including all amendments thereto, California Labor Code § 2698 et seq. ("PAGA"), all taxes (except Defendant's share of employer-side payroll taxes, which include FICA (Social Security and Medicare) and unemployment insurance (FUTA and SUTA/SUI) on the amount allocated as wages to be paid to Participating Settlement Class Members), and all payments to the Settlement Administrator. The Gross Settlement Amount does not include Defendant's share of "employer-side payroll taxes," which are defined as FICA (Social Security and Medicare) and unemployment insurance (FUTA and SUTA/SUI) taxes, on the portion of payments to Participating Settlement Class Members allocated as wages, which Defendant shall be responsible for paying separately.

R. "Individual Settlement Payment"

The amount due to each Participating Settlement Class Member from the Net Settlement Amount based on each Participating Settlement Class Member's share as per calculations herein, prior to any deductions for employee-side payroll and other applicable taxes.

S. "Named Plaintiff"

Plaintiff Eva Lopez

T. “Net Settlement Amount”

The Net Settlement Amount is the amount remaining from the Gross Settlement Amount (from which Individual Settlement Payments are to be made) after payment of all of the following:

1. Attorneys’ Fees and Costs, with Attorneys’ Fees not to exceed thirty-five percent of the Gross Settlement Amount (estimated to be \$70,000); and actual Costs incurred in an amount not to exceed \$15,000.
2. Settlement Administration Costs, not to exceed \$5,000. Ten (10) business days prior to the Final Approval Hearing, the Settlement Administrator shall provide to Defendant’s Counsel and Class Counsel a statement detailing the costs of administration of the settlement. A Form 1099 – NEC shall be issued to the Settlement Administrator.
3. The Class Representative Enhancement Payment to the Named Plaintiff Eva Lopez, not to exceed \$12,000.00. Named Plaintiff will also be entitled to receive an Individual Settlement Payment pursuant to this Agreement in addition to the Class Representative Enhancement Payment.
4. The PAGA Allocation of a total of \$10,000.00.

U. “Notice”

The Notice of Pendency of Class Action Settlement which describes the procedure and time period to opt out of or object to the settlement documented by this Agreement, and the date set for the Final Approval Hearing, and includes a request for exclusion form (substantially in the form attached hereto as Exhibit A).

V. “Notice Packet”

The documents that will be sent via regular mail to all Settlement Class Members, and which shall include the Notice.

W. “Notice Response Deadline”

The date no later than forty-five (45) calendar days after all Notice Packets are mailed to Settlement Class Members by the Settlement Administrator, and is synonymous with the Opt-Out/Objection Deadline, as defined below. Should the Court require a Notice Response Deadline of more than forty-five calendar days, then the Court required deadline shall apply.

X. “Opt-Out/Objection Deadline”

The date, no later than forty-five (45) calendar days after the date of the mailing of the Notice Packet, on or before which any written objection or request for exclusion from participating in the settlement documented by this Agreement must be signed and submitted in order to be effective. Should the Court require an Opt-Out/Objection Deadline of more than forty-five calendar days, then the Court required deadline shall apply.

Y. “PAGA Allocation”

The total sum of \$10,000.00 allocated from the Gross Settlement Amount to the settlement of the Released PAGA Claim asserted by Named Plaintiff in the Action, which constitutes penalties pursuant to the PAGA and which the Parties believe in good faith is a fair and reasonable amount. The PAGA Allocation will be distributed as follows: 25% to the Aggrieved Employees (\$2,500.00) (the “Net PAGA Distribution Amount”) as Individual PAGA Payments pursuant to the calculations and formulas set forth herein, and 75% to the California

Labor and Workforce Development Agency (\$7,500.00) as the Labor and Workforce Development Agency's share of the settlement of the PAGA penalties and Released PAGA claim.

Y. "PAGA Period"

The period from March 28, 2022 through February 27, 2024.

Z. "Participating Settlement Class Member"

A Settlement Class Member who does not submit a valid request for exclusion from participating in the settlement documented by this Agreement. Participating Settlement Class Members will release the Released Parties from the Released Claims as of the Effective Date. Settlement Class Members who submit a valid and timely request for exclusion from participating in the settlement documented by this Agreement shall no longer be a member of the Settlement Class, shall be barred from participating in the settlement documented by this Agreement, shall be barred from objecting to the settlement documented by this Agreement, and shall receive no benefit from the settlement documented by this Agreement.

AA. "Parties"

Defendant, the Named Plaintiff, the Participating Settlement Class Members, and the Aggrieved Employees.

BB. "Plaintiff's General Release"

The release set forth herein where the Named Plaintiff, in her individual capacity and on behalf of herself, her heirs, executors, representatives, administrators, agents, insurers, successors, and assigns, agrees to release the Released Parties from any and all claims,

obligations, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, whether in tort, contract or for violation of any state, federal or other statute, rule or regulation based on, arising out of, relating to or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted at any time up to and including the date she signs this agreement, including a waiver of Civil Code §1542.

As of the Effective Date, Plaintiff fully and finally releases and discharges the Released Parties from any and all claims, obligations, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to her employment, or the termination of her employment, with Released Parties, or any of them, and her compensation while an employee of Released Parties, or any of them. Plaintiff's General Release includes, but is not limited to, all claims arising from or related to the Action, or that could have been asserted in the Action based on the facts alleged in the Action. Plaintiff's General Release includes all claims for unpaid wages, including, but not limited to, failure to pay minimum wage, straight time compensation, overtime compensation, and interest; missed meal period and rest-period wages and premiums; paid sick leave violations; reimbursement for all necessary business expenses; confiscation of pay; payment for all hours worked, including off-the-clock work; wage statements; failure to keep accurate records; failure to timely pay wages at termination; penalties under the Private Attorneys' General Act, Labor Code section 2698, *et seq.*; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiff's General Release includes all claims arising under the California Labor Code (including, but not limited to, sections 201, 201.3, 202, 203, 204, 210, 216, 218.6, 221, 222, 225.5, 223, 224, 225, 225.5, 226, 226.7, 227.3, 450, 510, 511,

512, 558, 1174, 1174.5, 118.12, 1194, 1197, 1197.1, 1197.2, 1198, 2698 et seq., and 2802); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004 (“PAGA”); California Business and Professions Code section 17200 et seq.; the California Civil Code, to include but not limited to, sections 3336 and 3294; the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.; federal or state common law; and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq. Plaintiff’s General Release also includes all tort claims, all claims for lost wages and benefits, emotional distress, retaliation, discrimination, harassment, punitive damages, and attorneys’ fees and costs, including those arising under federal, state, or local laws for discrimination, harassment, and wrongful termination, as originally enacted and as amended, such as, by way of example only, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Unruh Civil Rights Act, the California Family Rights Act, the Family Medical Leave Act, the Equal Pay Act, the United States and California Constitutions, and the California Fair Employment and Housing Act; and the law of contact and tort. This release covers and releases any and all claims that may be validly released as a matter of law, from the beginning of time up to and including the date she signs the Agreement, but excludes any release of claims not permitted by law.

CC. “Preliminary Approval Order”

The Order issued by the Court preliminarily approving the terms of the settlement set forth in this Agreement.

DD. “Released Class Claims”

The claims asserted in the Action for the Class Period on behalf of individuals employed in California in non-exempt positions, as amended, as well as any and all claims, obligations,

demands, rights, liabilities, complaints, charges, penalties, fines, wages, damages, liquidated damages, losses, restitutionary amounts, interest and/or causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, whether in tort, contract or for violation of any state, federal or other statute, rule or regulation, based on, arising from or related to the facts or claims asserted in the Action, as amended, or that could have been asserted in the Action based on the facts set forth in the Action and, including, but not limited to, (1) failure to pay overtime and double time wages in violation of Labor Code sections 510, 1194 *et seq.* and 1198; (2) failure to pay all hours worked and to timely pay all hours worked in violation of Labor Code sections 510, 1194 *et seq.*, 1194.2 and 1197, and/or any contract or agreement, including, but not limited to, failure to pay minimum wage in violation of Labor Code sections 1194 *et seq.*, 1194.2 and 1197; (3) failure to provide meal periods and related premium pay in violation of Labor Code sections 226.7, 512 and 516, and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (4) failure to provide rest periods and related premium pay in violation of Labor Code sections 226.7 and 516 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (5) failure to reimburse all business-related expenses pursuant to Labor Code section 2802; (6) failure to maintain and timely furnish accurate itemized wage statements in violation of Labor Code section 226 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9, as well as failure to maintain accurate time and payroll records in violation of Labor Code section 1174 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (6) failure to timely pay all wages due to terminating employees in violation of Labor Code sections 201-203, as well as for related waiting time penalties pursuant to Labor Code section 203; and (7) unfair business practices in violation of Business & Professions Code section 17200, *et seq.* related to the above claims.

EE. “Released PAGA Claims”

All claims, liabilities and/or causes of action for civil penalties recoverable under the Private Attorneys General Act, Labor Code section 2698 *et seq.*, for violations alleged in the Action and/or Named Plaintiff’s Notice to the California Labor and Workforce Development Agency dated March 28, 2023 (“LWDA Notice”), or that could have been alleged in the Action and/or Named Plaintiff’s LWDA Notice based on the facts alleged in the Action and/or Named Plaintiff’s LWDA Notice, or that are related or attributable to, based on, or arise from the facts and/or claims alleged in the Action and/or Named Plaintiff’s LWDA Notice, occurring during the PAGA Period that Named Plaintiff, the Aggrieved Employees, and/or the State of California may have under the California Labor Code, California Industrial Welfare Commission (“IWC”) Wage Orders, California state regulations, and/or any other provisions of California state law, whether known or unknown, suspected or unsuspected, including but not limited to those arising from, related to, or attributable to any allegations that Named Plaintiff and/or the Aggrieved Employees suffered California Labor Code, IWC Wage Order and/or other violations of California state law based on and/or for (1) failure to pay overtime and double time wages in violation of Labor Code sections 510, 1194 *et seq.* and 1198; (2) failure to pay all hours worked and to timely pay all hours worked in violation of Labor Code sections 510, 1194 *et seq.*, 1194.2 and 1197, and/or any contract or agreement, including, but not limited to, failure to pay minimum wage in violation of Labor Code sections 1194 *et seq.*, 1194.2 and 1197; (3) failure to provide meal periods and related premium pay in violation of Labor Code sections 226.7, 512 and 516, and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (4) failure to provide rest periods and related premium pay in violation of Labor Code sections 226.7 and 516 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (5) failure to maintain and timely furnish accurate itemized wage statements in violation of Labor Code section 226 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9, as well

as failure to maintain accurate time and payroll records in violation of Labor Code section 1174 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (6) failure to reimburse all business-related expenses pursuant to Labor Code section 2802; (7) failure to timely pay all wages due to terminating employees in violation of Labor Code sections 201-203, as well as for related waiting time penalties pursuant to Labor Code section 203; (8) violation of and penalties pursuant to California Labor Code section 558; and (9) any other violations or failures to comply with California Labor Code sections 1194 et seq., 200 et seq. and 500 et seq., and/or any applicable Wage Order of the California Industrial Welfare Commission. Without in any way limiting the foregoing, Named Plaintiff, the Aggrieved Employees and/or the State of California may hereafter discover facts or legal arguments in addition to or different from those they now know or currently believe to be true with respect to the claims, causes of action and legal theories of recovery in the Action which are the subject matter of the Released PAGA Claim. Regardless, the discovery of new facts or legal arguments shall in no way limit the scope or definition of the Released PAGA Claim.

For the sake of clarity and avoidance of doubt, Aggrieved Employees may not opt out of or requested to be excluded from the settlement of the Released PAGA Claim documented by this Agreement, and such release of the Released Parties, and each of them, by Aggrieved Employees, and each of them, shall be automatic as of the Effective Date. As such, an Aggrieved Employee who submits a valid request for exclusion from participating in the settlement of the Released Class Claims documented by this Agreement shall remain an Aggrieved Employee and release the Released Parties from the Released PAGA Claim as of the Effective Date (and shall still receive an Individual PAGA Payment from the Net PAGA Distribution Amount pursuant to the calculations and formulas set forth herein). Further, Aggrieved Employees (and all Settlement Class Members) shall be barred from objecting to the settlement of the Released PAGA Claim documented by this Agreement.

FF. “Released Parties”

Released Parties means defendant Quality Built, LLC, and each of its present, former, and future parent, subsidiary, related and/or affiliate entities, and each of their predecessors, successors, and assigns, and each and all of their respective past and present members, shareholders, partners, directors, officers, employees, attorneys, insurers, servants, owners, investors, joint employers, founders, managers, managing agents, lenders, representatives and agents, and as to any individual their marital community, community property, trustees, executors, heirs, guardians and registered representatives. Without in any way limiting the foregoing, “Released Parties” expressly includes any individual or entity which could be jointly and/or severally liable with defendant Quality Built, LLC as to any of the Released Claims.

GG. “Settlement Administrator”

Phoenix Settlement Administrators

HH. “Settlement Administration Costs”

All costs incurred in administering the Settlement, in an amount not to exceed \$10,000.00.

II. “Settlement Class” and “Settlement Class Members”

All current and former non-exempt employees of Defendant, who were employed by Defendant in California at any time during the Class Period.

FF. “Workweek”

A week during the Class Period, commencing on Sunday at 12:01 a.m. and ending on

the following Saturday at 12:00 midnight, in which a Settlement Class Member worked one or more days for Defendant. Defendant estimates that the Settlement Class Members will have worked a total of approximately 5,472 Workweeks from the start of the Class Period (June 5, 2019) through and including February 27, 2024.

II. RECITALS

A. Procedural History. Plaintiff filed a complaint on June 5, 2023, in Kings County Superior Court against Quality Built followed by the operative First Amended Complaint (the “FAC”) on September 25, 2023. The FAC alleges claims for: (1) failure to pay minimum and overtime wages; (2) failure to provide rest periods; (3) failure to provide meal periods; (4) failure to reimburse all business-related expenses; (5) failure to provide itemized wage statements; (6) failure to timely pay wages upon separation of employment; (7) unfair competition under Business and Professions Code Section 17200, et seq.; and (8) a PAGA claim based on overlapping predicate violations and an alleged failure to provide sick leave and wage statements not reflecting accrued sick leave (collectively, the “Wage/Hour Claims”). The Parties acknowledge and agree that all of the foregoing causes of action were considered by the Parties in connection with reaching the settlement documented by this Agreement.

B. Mediation. On February 21, 2024, Defendant and the Named Plaintiff participated in a mediation with the Hon. Dickran M. Tevrizian (Ret.), a retired Judge who most recently served at the U.S. District Court for the Central District of California and who also served as a Judge for the Los Angeles Municipal Court as well as the Los Angeles County Superior Court. Judge Tevrizian is an experienced employment law and class action mediator. During the mediation, Named Plaintiff and Defendant discussed and mediated the claims asserted in the Action and the LWDA Notice, as set forth above, engaged in extensive, arms-length negotiations, and were able to reach an agreement on the terms of a settlement in accordance with the terms set forth in this Agreement. This settlement is the result of an

informed and detailed analysis of the risks facing both Defendant and Named Plaintiff in continuing to litigate the Action, including, but not limited to, careful consideration of the legal and factual obstacles to Named Plaintiff's prospects of obtaining class certification and on the merits, and Defendant's defenses, as well as Defendant's potential exposure and the additional costs of litigating the Action.

C. Conditional Class Certification. The Parties stipulate and agree to the certification of the Settlement Class for purpose of this Agreement only. In the event the settlement documented by this Agreement does not become final for whatever reason, the fact that the Parties were willing to stipulate to class certification as part of the settlement shall have no bearing on, and will not be admissible in connection with, the issue of whether any class should be certified in any subsequent proceeding. The Parties and their counsel further agree that they will not offer or make reference to this provisional stipulation to class certification for purposes of settlement in any subsequent proceeding in this action (except for purposes of having this settlement approved by the Court) or any other action.

D. No Admissions. The Parties understand, acknowledge, and intend that this Agreement and the terms set forth herein represent a compromise of disputed claims, and neither the existence of this Agreement or the conduct of any of the Parties hereto shall constitute or be construed as an admission of any liability or any wrongdoing whatsoever on the part of any of the Parties. Defendant disputes all claims alleged in the Action and does not by this Agreement admit any liability or wrongdoing whatsoever.

E. Settlement in the Interests of the Settlement Class. Defendant has provided Plaintiff with all information requested by Plaintiff in connection with the mediation. Specifically, Defendant provided Plaintiff with information regarding the putative Settlement Class Members, including information regarding the total class size, rates of pay and dates of employment of such individuals, as well as daily time punch records and payroll information. Defendant also produced its wage and hour policy and procedure related documents,

including its employee handbook, as well as Named Plaintiff's personnel file. Based on Plaintiff's counsel's own independent investigation and evaluation, Plaintiff's Counsel is of the opinion that the settlement with Defendant for the consideration and on the terms set forth in this Agreement is fair, reasonable, and adequate, and is in the best interest of the Settlement Class Members in light of all known facts and circumstances, including the multiple risks facing Named Plaintiff in continuing to litigate the Action, including, but not limited to, the legal and factual obstacles to Named Plaintiff's prospects of obtaining class certification and on the merits, and Defendant's defenses, as well as the additional costs of litigating the Action and significant delay.

F. Defendant's Reasons for Settlement. Defendant and Defendant's Counsel concur that this Agreement is fair, adequate and in the best interest of the Settlement Class and each Settlement Class Member.

G. No Admission of Liability. Defendant disputes all claims alleged in the Action and does not by this Agreement admit any liability or wrongdoing whatsoever.

H. Full Investigation. The Named Plaintiff and Class Counsel fully investigated the factual and legal bases for the causes of action asserted in the Action, as explained above.

NOW, THEREFORE, in consideration of these Recitals, which are incorporated into the Agreement, and the mutual covenants, promises and warranties set forth herein, the Parties agree, subject to the Court's approval, as follows:

III. TERMS OF THE SETTLEMENT

A. Gross Settlement Amount. In consideration for this Agreement and the release of claims of the Settlement Class and each Settlement Class Member thereof, and of the Aggrieved Employees, Defendant shall pay to the Settlement Administrator the Gross Settlement Amount within fourteen (14) calendar days after the Effective Date. All payments Defendant is required to make pursuant to this Agreement shall be made from the Gross Settlement Amount (not including Defendant's share of employer-side payroll taxes, which include FICA (Social

Security and Medicare) and unemployment insurance (FUTA and SUTA/SUI) on the amount allocated as wages to be paid to Participating Settlement Class Members). The Gross Settlement Amount includes all applicable federal, state and local income and employment taxes (except Defendant's share of employer-side payroll taxes, which include FICA (Social Security and Medicare) and unemployment insurance (FUTA and SUTA/SUI) on the amount allocated as wages to be paid to Participating Settlement Class Members), including but not limited to Employment Training Tax, State Disability Insurance, and state and federal personal income taxes (collectively, the "Taxes"). The Parties agree that there shall be no interest due or payable on the Gross Settlement Amount.

The Gross Settlement Amount of \$200,000.00 is non-reversionary.

B. Net Settlement Amount. The Net Settlement Amount shall be used to make Individual Settlement Payments.

Defendant shall not oppose any request submitted by Plaintiff's Counsel or Named Plaintiff for payment or reimbursement of the maximum amounts set forth in this Agreement for Class Counsel's Attorney's Fees and Costs, Settlement Administration Costs, the Class Representative Enhancement Payment and/or the payment of the PAGA Allocation, as set forth in the definition of "Net Settlement Amount" in Section I of this Agreement. If the Court in its discretion awards less than the maximum amounts of such payments as set forth in this Agreement, including, but not limited to, for Attorneys' Fees and Costs and/or the Class Representative Enhancement Payment, the lower award amount(s) will not reduce or impact the enforceability of this Agreement in any way and the unawarded portions shall be included in the Net Settlement Amount; provided, however, that if the Court awards less than the amount the Parties have agreed to allocate as penalties payable pursuant to the PAGA claims asserted in the Action as provided in Section III(N) of this Agreement, this Agreement will be voidable at the option of Defendant, as provided in Section IV(E) of this Agreement.

Defendant estimates that the Settlement Class Members will have worked a total of approximately 5,472 Workweeks during the Class Period. Should the Class List, upon delivery to the Settlement Administrator, include more than a ten percent (10%) increase in the total number of Workweeks worked by Settlement Class Members during the Class Period (e.g., more than 10% greater than 5,472 Workweeks worked by Settlement Class Members as of and including the final date of the Class Period, for a total of 6,019 or more Workweeks worked by Settlement Class Members as of and including the final date of the Class Period), then there shall be a pro rata adjustment to the Gross Settlement Amount in the amount of \$44.45 for each Workweek in excess of 6,019.

C. Non-Reversionary Settlement. The Gross Settlement Amount is non-reversionary. To the extent that a check for an Individual Settlement Payment is (1) undeliverable or (2) uncashed 180 days after issuance, the Individual Settlement Payment check shall be sent to the California Unclaimed Property Fund for the benefit of the Participating Settlement Class Member to whom the Individual Settlement Payment check is addressed, pursuant to section III(g) herein, *infra*.

D. Class List. Defendant will diligently and in good faith compile the Class List from its records and provide it to the Settlement Administrator within fifteen (15) calendar days after the Court issues its Preliminary Approval Order.

E. Allocation of the Net Settlement Amount to Settlement Class Members.

The Net Settlement Amount shall be divided among all Participating Settlement Class Members and distributed to Participating Settlement Class Members based on their number of Workweeks worked during the Class Period. Specifically, the Individual Settlement Payment that each Participating Settlement Class Member is entitled to receive under this Agreement will be determined by dividing the Net Settlement Amount by the total number of Workweeks worked by Settlement Class Members during the Class Period to produce the “standard workweek rate.” Each Participating Settlement Class Member shall then receive an Individual

Settlement Payment equal to the number of Workweeks that the Participating Settlement Class Member worked during the Class Period multiplied by the standard workweek rate. By way of example, and not limitation, if the Net Settlement Amount were \$250,000.00, and the total number of Workweeks worked by Settlement Class Members during the Class Period were 20,000, the standard workweek rate would be \$12.50 ($\$250,000 \div 20,000$). If a Participating Settlement Class Member worked 100 Workweeks during the Class Period, the Participating Settlement Class Member would receive an Individual Settlement Payment in the gross amount of \$1,250.00 (100 Workweeks X \$12.50 per Workweek). Each Participating Settlement Class Member shall be paid the standard workweek rate, subject to any applicable taxes and tax withholdings, for each Workweek they worked during the Class Period as reflected in the records of Defendant.

It is the intent of the Parties that the Net Settlement Amount shall be sufficient to pay all Individual Settlement Payments to Participating Settlement Class Members in accordance with the formula set forth above. In the event that the aggregate amount to be paid to Participating Settlement Class Members exceeds the Net Settlement Amount for any reason, each Participating Settlement Class Member's Individual Settlement Payment shall be reduced on a pro rata basis pursuant to the formula discussed immediately above so that the total amount to be paid to Participating Settlement Class Members does not exceed the Net Settlement Amount. In the event that the aggregate amount to be paid to Participating Settlement Class Members is less than 100% of the Net Settlement Amount, then the remaining residual balance shall be distributed to the Participating Settlement Class Members on a pro-rata basis pursuant to the formula discussed immediately above.

F. Allocation of Settlement Payments between Wages and Non-Wages.

The Parties have agreed that all Individual Settlement Payments to Participating Settlement Class Members will be allocated thirty-three point four percent (33.4%) to penalties, thirty-three point three percent (33.3%) to wages, and thirty-three point three percent (33.3%)

to interest. Forms W-2 and Forms 1099-MISC and 1099-INT will be issued to each Participating Settlement Class Member with respect to such payments appropriately reported on each of those forms. Specifically, Form W-2 will be issued for wages, Form 1099-MISC will be issued for penalty payments, and Form 1099-INT will be issued for interest. The Settlement Administrator shall be responsible for calculating, withholding, and reporting all required state and federal taxes and remitting such amounts to the appropriate taxing authorities. However, each Participating Settlement Class Member may have unique tax considerations, and the Settlement Administrator may not be required to withhold any taxes on certain portions of the settlement payments, such as amounts paid as interest and reported on a Form 1099-INT. As such, each Participating Settlement Class Member shall be responsible for remitting to state and/or federal tax authorities all applicable taxes that may be owed on the Individual Settlement Payment they receive. Each Participating Settlement Class Member expressly agrees to indemnify, defend, and hold harmless the Defendant and Released Parties, and each of them, against any claims, payments, fees, penalties, or other consequences that may result from the Participating Settlement Class Member's failure to pay the proper amount of taxes owed on the settlement payment received.

G. Time and Manner of Disbursements from Gross Settlement Amount. As set forth above, Defendant shall furnish the Gross Settlement Amount to the Settlement Administrator within fourteen (14) calendar days after the Effective Date. The Settlement Administrator shall make any payment approved by the Court for Class Counsel's Attorneys' Fees and Costs, any payment approved by the Court for the Class Representative Enhancement Payment, the PAGA Allocation, and all Individual Settlement Payments to Participating Settlement Class Members, within thirty (30) calendar days of the Effective Date.

Any checks issued to Participating Settlement Class Members shall remain valid and negotiable for one hundred and eighty (180) days from the date of their issuance. Within 60 days after Individual Settlement Payment checks are mailed, the third-party Settlement Administrator

shall mail postcards to all Participating Settlement Class Members who have not yet cashed their Individual Settlement Payment checks. The postcards shall inform such individuals of the upcoming void date for Individual Settlement Payment checks and offer to replace any checks that have been lost or were not received (any checks that are replaced for any reason will not restart or otherwise extend in any way the 180-day period for which checks remain valid and negotiable). If a Participating Settlement Class Member's Individual Settlement Payment check is undeliverable, or if a Participating Settlement Class Member does not cash their Individual Settlement Payment check within 180 days from the initial date of issuance, the Individual Settlement Payment check shall be sent to the California Unclaimed Property Fund for the benefit of the Participating Settlement Class Member to whom the Individual Settlement Payment check is addressed. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, because the entire Net Settlement Amount will be paid out to Participating Settlement Class Members, whether or not they all cash their Individual Settlement Payment checks. Therefore, unless the Court requires otherwise, Defendants will not be required to pay any interest on funds distributed to the Settlement Administrator.

Within fourteen (14) calendar days after the expiration of the one hundred and eighty (180) day period that checks remain negotiable, the Settlement Administrator shall provide Class Counsel and Defendant's Counsel with a declaration, to be filed with the Court if the Court so requires, detailing the distribution of the Gross Settlement Amount and stating exactly the total amount of Participating Class Members' uncashed Individual Settlement Payment checks.

H. No Further Consideration Required. Defendant shall have no obligation to pay or provide any further consideration to any Settlement Class Member by reason of this Agreement or the foregoing payments, including but not limited to contributions to any 401(k) or other retirement or employee benefit plan, vacation or sick pay, or any tax contributions or payments. Any and all amounts owed pursuant to or in relation to this

Agreement shall be included in the Gross Settlement Amount, including all Taxes, except for Defendant's share of employer-side payroll taxes, which include FICA (Social Security and Medicare) and unemployment insurance (FUTA and SUTA/SUI) on the amount allocated as wages to be paid to Participating Settlement Class Members.

I. Release by Participating Settlement Class Members. As of the Effective Date, regardless of whether they actually receive notice of the settlement documented by this Agreement, and regardless of whether they receive any payment pursuant to this Agreement, Plaintiff and all Participating Settlement Class Members, and each of them, on behalf of themselves and their heirs, executors, representatives, administrators, agents, insurers, successors and assigns, agree to forever release and discharge the Released Parties from the Released Class Claims from the beginning of time up to and including the final date of the Class Period. Plaintiff and Participating Settlement Class Members may hereafter discover facts or legal arguments in addition to or different from those they now know or currently believe to be true with respect to the claims, causes of action and legal theories of recovery in this case which are the subject matter of the Released Class Claims. Regardless, the discovery of new facts or legal arguments shall in no way limit the scope or definition of the Released Class Claims, and by virtue of this Agreement, Plaintiff and the Participating Settlement Class Members shall be deemed to have, and by operation of the final judgment approved by the Court, shall have fully, finally, and forever settled and released all of the Released Parties from all of the Released Class Claims as defined in this Agreement as of the Effective Date.

J. Plaintiff's General Release. As of the Effective Date, in exchange for the consideration set forth in this Agreement, Plaintiff, on behalf of herself and her heirs, executors, representatives, administrators, agents, insurers, successors and assigns, agrees to release the Released Parties from any and all claims, obligations, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, whether in tort, contract or for violation

of any state or federal statute, rule or regulation based on, arising out of, relating to or in connection with any act or omission by or on the part of any of the Released Parties committed or omitted at any time up to and including the Effective Date, including a waiver of Civil Code §1542.

As of the Effective Date, Plaintiff fully and finally releases and discharges the Released Parties from any and all claims, obligations, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, asserted or that might have been asserted, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, including but not limited to claims arising from or related to her employment, or the termination of her employment, with Released Parties, or any of them, and her compensation while an employee of Released Parties, or any of them. Plaintiff's General Release includes, but is not limited to, all claims arising from or related to the Action, or that could have been asserted in the Action based on the facts alleged in the Action. Plaintiff's General Release includes all claims for unpaid wages, including, but not limited to, failure to pay minimum wage, straight time compensation, overtime compensation, and interest; missed meal period and rest-period wages and premiums; paid sick leave violations; reimbursement for all necessary business expenses; confiscation of pay; payment for all hours worked, including off-the-clock work; wage statements; failure to keep accurate records; failure to timely pay wages at termination; penalties under the Private Attorneys' General Act, Labor Code section 2698, *et seq.*; unfair business practices; penalties, including, but not limited to, recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; and attorneys' fees and costs. Plaintiff's General Release includes all claims arising under the California Labor Code (including, but not limited to, sections 201, 201.3, 202, 203, 204, 210, 216, 218.6, 221, 222, 225.5, 223, 224, 225, 225.5, 226, 226.7, 227.3, 450, 510, 511, 512, 558, 1174, 1174.5, 118.12, 1194, 1197, 1197.1, 1197.2, 1198, 2698 *et seq.*, and 2802); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys

General Act of 2004 (“PAGA”); California Business and Professions Code section 17200 et seq.; the California Civil Code, to include but not limited to, sections 3336 and 3294; the California common law of contract; the Fair Labor Standards Act, 29 U.S.C. § 201 et seq.; federal or state common law; and the Employee Retirement Income Security Act, 29 U.S.C. § 1001, et seq. Plaintiff’s General Release also includes all tort claims, all claims for lost wages and benefits, emotional distress, retaliation, discrimination, harassment, punitive damages, and attorneys’ fees and costs, including those arising under federal, state, or local laws for discrimination, harassment, and wrongful termination, as originally enacted and as amended, such as, by way of example only, 42 U.S.C. section 1981, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Unruh Civil Rights Act, the California Family Rights Act, the Family Medical Leave Act, the Equal Pay Act, the United States and California Constitutions, and the California Fair Employment and Housing Act; and the law of contract and tort. This release covers and releases any and all claims that may be validly released as a matter of law, from the beginning of time up to and including the date of her signature of this Agreement, but excludes any release of claims not permitted by law.

Plaintiff hereby expressly waives and relinquishes any and all claims, rights or benefits that she may have under California Civil Code § 1542, which provides as follows:

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.

Plaintiff may hereafter discover claims or facts in addition to, or different from, those which she knows or believes to exist, but Plaintiff expressly agrees to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected,

which exist or may exist at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Released Parties, or any of them. The Parties further acknowledge, understand and agree that this Agreement would not have been entered into were it not for this representation and commitment. Without in any way limiting the foregoing, Plaintiff's General Release extends from the beginning of time up to and including the date of her signature on this Agreement.

K. Participating Settlement Class Members' Civil Code Section 1542

Waiver. Participating Settlement Class Members understand that this Agreement extends to all claims of every nature and kind, known or unknown, suspected or unsuspected, arising from, related to or attributable to the Released Class Claims only. Participating Settlement Class Members hereby expressly waive and relinquish any and all claims, rights or benefits that they may have under California Civil Code § 1542 as to the Released Class Claims only, which provides as follows:

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.

Participating Settlement Class Members may hereafter discover claims or facts in addition to, or different from, those which they know or believe to exist, but Participating Settlement Class Members expressly agree to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist, arising from, related to or attributable to the Released Class Claims. Participating Settlement Class Members further acknowledge, understand and agree that this Agreement would not have been entered into were it not for this representation and commitment.

L. Release of Released PAGA Claim by Aggrieved Employees and State of

California. As of the Effective Date, regardless of whether they actually receive notice of the settlement documented by this Agreement, and regardless of whether they receive any payment pursuant to this Agreement, the State of California, Named Plaintiff and all Aggrieved Employees, and each of them, on behalf of themselves and their heirs, executors, representatives, administrators, agents, insurers, successors and assigns, agree to forever release and discharge the Released Parties from the Released PAGA Claim from the beginning of the PAGA Period up to and including the final date of the PAGA Period. The State of California, Named Plaintiff and/or Aggrieved Employees may hereafter discover facts or legal arguments in addition to or different from those they now know or currently believe to be true with respect to the claims and legal theories of recovery in this case which are the subject matter of the Released PAGA Claim. Regardless, the discovery of new facts or legal arguments shall in no way limit the scope or definition of the Released PAGA Claim, and by virtue of this Agreement, the State of California, Named Plaintiff and the Aggrieved Employees shall be deemed to have, and by operation of the final judgment approved by the Court, shall have fully, finally, and forever settled and released all of the Released Parties from the Released PAGA Claim as defined in this Agreement as of the Effective Date.

For the sake of clarity and avoidance of doubt, and without in any way limiting the foregoing, Aggrieved Employees may not opt out of or requested to be excluded from the settlement of the Released PAGA Claim documented by this Agreement, and such release of the Released Parties, and each of them, by Aggrieved Employees, and each of them, shall be automatic as of the Effective Date. As such, an Aggrieved Employee who submits a valid request for exclusion from participating in the settlement of the Released Class Claims documented by this Agreement shall remain an Aggrieved Employee and release the Released Parties from the Released PAGA Claim as of the Effective Date (and shall still receive an Individual PAGA Payment from the Net PAGA Distribution Amount pursuant to the calculations and formulas set

forth herein). Further, Aggrieved Employees (and all Settlement Class Members) shall be barred from objecting to the settlement of the Released PAGA Claim documented by this Agreement.

Further, without in any way limiting the foregoing, and for the avoidance of doubt, Named Plaintiff, the Aggrieved Employees and the State of California also release the Released Parties from any and all claims for attorneys' fees and/or costs incurred in connection with the Action or otherwise, including, but not limited to, in connection with prosecuting the Released PAGA Claim, other than those Attorneys' Fees and Costs set forth in this Agreement that are to be paid from the Gross Settlement Amount to the extent they are approved by the Court.

M. Continuing Jurisdiction. The Parties agree that once the Court grants final approval to the Agreement and makes its Final Award, the settlement documented by this Agreement shall be enforceable by the Court pursuant to Code of Civil Procedure § 664.6 and as otherwise allowed by law, and the Court shall retain exclusive and continuing jurisdiction of this action over all Parties, Aggrieved Employees and Settlement Class Members to interpret and enforce the terms, conditions, and obligations of this Agreement.

N. Circular 230 Disclaimer

EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS 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 SHALL 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 AGREEMENT, (B) HAS NOT ENTERED INTO THIS 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 AGREEMENT.

O. LWDA/PAGA Payment, Individual PAGA Payments, Tax Treatment of Individual PAGA Payments. The Parties agree to allocate from the Gross Settlement Amount, subject to Court approval, the PAGA Allocation of \$10,000.00 to the PAGA claims asserted in the Action and in consideration of Named Plaintiff, Aggrieved Employees and the State of California releasing the Released Parties from the Released PAGA Claim as set forth herein. A payment in the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) will be paid directly to the LWDA from the Gross Settlement Amount. The remaining Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) (the "Net PAGA Distribution Amount") shall be distributed to the Aggrieved Employees from the Gross Settlement Amount as Individual PAGA Payments according to the formula described immediately below in this Section of the Agreement.

The Net PAGA Distribution Amount shall be divided among all Aggrieved Employees and distributed to Aggrieved Employees based on their number of Workweeks worked during the PAGA Period. Specifically, the Individual PAGA Payment that each Aggrieved Employee is

entitled to receive under this Agreement will be determined by dividing the Net PAGA Distribution Amount by the total number of Workweeks worked by Aggrieved Employees during the PAGA Period to produce the “standard PAGA workweek rate.” Each Aggrieved Employee shall then receive an Individual PAGA Payment equal to the number of Workweeks that the Aggrieved Employee worked during the PAGA Period multiplied by the standard PAGA workweek rate. By way of example, and not limitation, if the Net PAGA Distribution Amount is \$3,750.00, and the total number of Workweeks worked by Aggrieved Employees during the PAGA Period is 5,000, the standard PAGA workweek rate would be \$0.75 ($\$3,750 \div 5,000$). If an Aggrieved Employee worked 25 Workweeks during the PAGA Period, the Aggrieved Employee would receive an Individual PAGA Payment in the gross amount of \$18.75 (25 Workweeks X \$0.75 per Workweek). Each Aggrieved Employee shall be paid the standard PAGA workweek rate, subject to any applicable taxes and tax withholdings (if any), for each Workweek they worked during the PAGA Period as reflected in the records of Defendant.

It is the intent of the Parties that the Net PAGA Distribution Amount shall be sufficient to pay all Individual PAGA Payments to Aggrieved Employees in accordance with the formula set forth above. In the event that the aggregate amount to be paid to Aggrieved Employees in the form of Individual PAGA Payments exceeds the Net PAGA Distribution Amount for any reason, each Aggrieved Employee’s Individual PAGA Payment shall be reduced on a pro rata basis pursuant to the formula discussed immediately above so that the total amount to be paid to Aggrieved Employees in the form of Individual PAGA Payments does not exceed the Net PAGA Distribution Amount. In the event that the aggregate amount to be paid to Aggrieved Employees in the form of Individual PAGA Payments is less than 100% of the Net PAGA Distribution Amount, then the remaining residual balance shall be distributed to the Aggrieved Employees on a pro-rata basis pursuant to the formula discussed immediately above.

The Parties have agreed that all Individual PAGA Payments to Aggrieved Employees will be allocated one hundred percent (100%) to penalties. Form 1099-MISC will be issued to

each Aggrieved Employee with respect to each Aggrieved Employee's Individual PAGA Payment. The Settlement Administrator shall be responsible for calculating, withholding, and reporting all required state and federal taxes (if any) and remitting such amounts to the appropriate taxing authorities in connection with each Aggrieved Employee's receipt of an Individual PAGA Payment. However, each Aggrieved Employee may have unique tax considerations, and the Settlement Administrator may not be required to withhold any taxes on each Aggrieved Employee's Individual PAGA Payment. As such, each Aggrieved Employee shall be responsible for remitting to state and/or federal tax authorities all applicable taxes that may be owed on the Individual PAGA Payment they receive. Each Aggrieved Employee expressly agrees to indemnify, defend, and hold harmless the Defendant and Released Parties, and each of them, against any claims, payments, fees, penalties, or other consequences that may result from the Aggrieved Employee's failure to pay the proper amount of taxes owed on the Individual PAGA Payment received.

IV. SETTLEMENT ADMINISTRATION

A. Appointment of Administrator and Duties. The Parties agree to the appointment of Phoenix Settlement Administration (the "Settlement Administrator") to perform the duties of a Settlement Administrator for the purpose of mailing the Notice Packets, which shall include verifying the Workweeks of Settlement Class Members and amounts due to them as set forth in this Agreement.

The Settlement Administrator is responsible for printing and mailing the Notice Packets, receiving and reporting the opt-out and objections submitted by Settlement Class Members; the distributions pursuant to this Agreement and final order(s) of the Court of Individual Settlement Payments, W-2 forms, and 1099 forms to Participating Settlement Class Members and Aggrieved Employees receiving a settlement payment; issuing the PAGA payment to the LWDA; calculating, withholding and remitting all required state and federal taxes; calculating Defendant's employer-side payroll taxes (FICA (Social Security

and Medicare), and unemployment insurance (FUTA and SUTA/SUI)) on the amount allocated as wages to be paid to Participating Settlement Class Members; reporting and filing all tax-related information and the sums withheld with state and federal agencies; and informing the Parties and the Court of its fulfillment of the duties imposed by this Agreement. Upon completion of its review, the Settlement Administrator shall provide the Parties with a report stating the amount of all payments made to each Participating Settlement Class Member and Aggrieved Employees. The Settlement Administrator shall establish a settlement payment center address, telephone number, and facsimile number to receive Settlement Class Members' inquiries about the Notice Packet, requests to be excluded from the settlement documented by this Agreement, objections, and inquiries regarding Individual Settlement Payments. The Settlement Administrator shall also be responsible for any other tasks that the Parties mutually agree or the Court orders the Settlement Administrator to perform.

The Parties represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

B. Notices to Class Members and Aggrieved Employees. Notice of the Agreement shall be provided to all Settlement Class Members (including all Aggrieved Employees) using the following procedures: Within ten (10) calendar days of the receipt of the Class List, the Settlement Administrator shall mail, by first-class mail, to each Settlement Class Member at his or her last known postal address a Notice Packet, in both English and Spanish. Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct for any known or identifiable address changes. If a new address is obtained by way of a returned Notice Packet, then the Settlement Administrator shall promptly forward the original Notice Packet to the updated address via first-class regular U.S. Mail. The Notice Packet upon which the Parties' agree is attached

hereto as Exhibit A.

For any Settlement Class Members for whom the mailing is returned as undeliverable, the Settlement Administrator shall seek to locate the Settlement Class Member(s) through reasonable and customary efforts used in the administration of such settlements. This will require the Settlement Administrator to perform a standard skip trace effort to attempt to obtain a current mailing address for that Settlement Class Member and to re-mail any returned mail to a current postal address. The Settlement Administrator is not required to conduct more than one skip trace report for a Settlement Class Member, and need only do so for mail returned as undeliverable. Consistent with the California Code of Civil Procedure, it will be conclusively established that if an envelope has not been returned within forty-five (45) days of the mailing, that the Settlement Class Member received the Notice Packet. In the event that the procedures in this section are followed and the intended recipient of the Notice Packet still does not receive the Notice Packet, the Settlement Class Member shall be bound by all terms of the Agreement and any Final Award entered and approved by the Court.

The Settlement Administrator also will supply Defendant's Counsel with an updated address list for the Settlement Class Members, reflecting any corrections or updates made by the Settlement Administrator in the course of administering Notice to Settlement Class Members.

C. Objection, Dispute and Exclusion Process.

1. Any Settlement Class Member, except Named Plaintiff, who wishes to object to the settlement documented by this Agreement and/or dispute any of the data used to calculate their Individual Settlement Payment shall be allowed to indicate and explain such disagreement. Any such dispute or objection must be in writing and must be mailed or faxed to the Settlement Administrator no later than the Opt-Out/Objection Deadline. The date of the postmark on the return envelope or date of facsimile transmission, as applicable, shall be the exclusive means used to determine whether a

Settlement Class Member's objection or dispute as to the calculation or application of the formula for determining their Individual Settlement Payment is "timely."

Any written objection to the settlement documented by this Agreement must be in writing and must state each specific objection with legal and factual support for each objection, and must state the Settlement Class Member's full name, address, last four digits of their Social Security Number and the dates of their employment by Defendant. Any timely objections received prior to the filing of Plaintiff's motion for final approval of the settlement documented by this Agreement will be filed by Plaintiff along with such motion and Plaintiff's motion may include any responses by Plaintiff and Defendant to such objections. Any timely objections received on or after the filing of the motion for final approval will be filed with the Court by Plaintiff, along with Plaintiff's and Defendant's response(s) thereto, at least ten calendar days prior to the Final Approval Hearing. Settlement Class Members who fail to make an objection in the manner specified above may still appear at the final approval hearing to make an objection.

To the extent that there is a dispute as to the data used to calculate a Settlement Class Member's Individual Settlement Payment, the Settlement Administrator shall resolve the disagreement with the Settlement Class Member using the employee records provided by Defendant and the Settlement Class Member. Any such written dispute by a Settlement Class Member must specifically explain the Settlement Class Member's disagreement, and must include the Settlement Class Member's full name, address, telephone number, last four digits of their Social Security Number and dates of employment by Defendant, and shall be signed and dated by the Settlement Class Member. In the event of a dispute or discrepancy between a Settlement Class Member's records and the information reflected in Defendant's records, the records of Defendant will control. The Settlement Administrator's decisions as to dates of employment and claim amounts will be subject to challenge before the Court.

2. Settlement Class Members, except Named Plaintiff, may opt out of the settlement documented by this Agreement by mailing or faxing a completed written request for exclusion from participating in the settlement documented by this Agreement (using the form included in the Notice Packet) to the Settlement Administrator no later than the Opt-Out/Objection Deadline indicating they have received the Notice, decided not to participate in the Settlement documented by this Agreement, and desire to be excluded from the Settlement documented by this Agreement, as set forth in the Notice. The request for exclusion from participating in the settlement documented by this Agreement must be postmarked or, if sent by fax, received, no later than the Opt-Out/Objection Deadline, and must also set forth the particular Settlement Class Member's name, address, telephone number and last four digits of their Social Security Number, and also be signed and dated by the Settlement Class Member. Any Settlement Class Member, except Named Plaintiff, who submits a valid and timely request for exclusion from participating in the settlement documented by this Agreement shall no longer be a member of the Settlement Class, shall be barred from participating in the settlement documented by this Agreement, shall be barred from objecting to the settlement documented by this Agreement, shall be barred from receiving an Individual Settlement Payment, and shall receive no benefit from the settlement documented by this Agreement. However, Settlement Class Members shall be permitted to rescind their request for exclusion from participating in the settlement documented by this Agreement in writing by submitting a written rescission statement to the Settlement Administrator no later than one (1) business day before the Final Approval Hearing by either fax or U.S. Mail, orally at the Final Approval Hearing, or as otherwise ordered by the Court, as set forth in the Notice. If the rescission statement is in writing, it must include the particular Settlement Class Member's name, address, telephone number and last four digits of their Social

Security Number and be signed and dated by the Settlement Class Member. Any Settlement Class Member who does not timely and validly submit a request for exclusion from participating in the settlement documented by this Agreement will automatically become a Participating Settlement Class Member and be bound by all terms and conditions of this Agreement, including its release of claims, if the Agreement is approved by the Court, and be bound by the Final Award, regardless of whether they have objected to this Agreement, regardless of whether they actually receive notice of the settlement documented by this Agreement, and/or regardless of whether they receive any payment pursuant to this Agreement.

3. Named Plaintiff agrees to sign this Agreement and, by signing this Agreement: (1) agrees to be bound by the terms of this Agreement, (2) agrees not to request to be excluded from the Settlement Class or to opt-out of the settlement documented by this Agreement, and (3) represents that she has no objection to any of the terms of this Agreement. Non-compliance by Named Plaintiff with this paragraph shall be void and of no force or effect. Any such request for exclusion, to opt-out, or objection by Named Plaintiff shall therefore be void and of no force or effect.

4. Named Plaintiff and Defendant agree that neither they nor their counsel shall solicit or otherwise encourage, directly or indirectly, Settlement Class Members to request exclusion from the Settlement Class, object to this Agreement, dispute this Agreement, challenge this Agreement, or appeal the Final Award. This shall not impair or limit Class Counsel's ability to explain the opt out, objection or dispute procedures and implications to Class Members if Class Members contact Class Counsel to inquire about these items.

5. A Settlement Class Member who properly and timely submits a request for exclusion from participating in the settlement documented by this Agreement will not become a Participating Settlement Class Member, will not be bound by this Agreement, and is

not entitled to any Individual Settlement Payment.

6. The Settlement Administrator shall provide weekly reports to Named Plaintiff and Defendant documenting opt-outs, objections, challenges, mailing and re-mailing of Notice Packets to Settlement Class Members, and efforts to locate Settlement Class Members whose Notice Packets are returned as undeliverable. The Settlement Administrator shall provide copies of all requests for exclusion from participating in the settlement documented by this Agreement, as well as all objections to the settlement documented by this Agreement, to Plaintiff's Counsel and Defendant's Counsel within five calendar days after receipt.

D. Taxes. It shall be the responsibility of the Settlement Administrator to timely and properly calculate, withhold, and pay from Individual Settlement Payments all taxes payable by each Settlement Class Member and all Taxes. The Settlement Administrator shall prepare and deliver the necessary tax documentation for signature by all necessary Parties and, thereafter, cause the appropriate deposits of withholding and payroll taxes, including Taxes, and filing of any and all necessary informational and other tax documents, including but not limited to reports of wage portions of payments to Settlement Class Members. It also shall be the responsibility of the Settlement Administrator to pursue tax refunds on any uncashed checks and to remit any such refunds in accordance with this Agreement. Defendant does not intend anything contained herein to constitute legal advice regarding the taxability of any amount paid hereunder, and Plaintiff and the Settlement Class Members agree that they are not relying upon Defendant, the Released Parties, or any of them, for tax advice. The tax issues for each Settlement Class Member may be unique, and each Settlement Class Member is advised to obtain tax advice from his or her own tax advisor with respect to any payment made pursuant to this Agreement.

E. Final Approval Hearing or Voiding of Agreement.

After the Court issues its Preliminary Approval Order, notice has been transmitted to the Settlement Class Members, and Settlement Class Members have had an opportunity for objecting to and/or opting-out of the settlement documented by this Agreement, a Final Approval Hearing shall be held on a date set by the Court. At the Final Approval Hearing the Court will be asked to give final approval to the settlement documented by this Agreement and to enter the Final Award, and to rule on Class Counsel's request for Attorney's Fees and Costs, Named Plaintiff's request for a Class Representative Enhancement Payment, the settlement of the PAGA claims asserted in the Action and to approve the requested fee of the Settlement Administrator. Plaintiff's Counsel shall file a motion for final approval on or before the deadline specified by the Court, to include, among other things, proof of the mailing and distribution of the Notice Packets to Settlement Class Members. Prior to the Final Approval Hearing, Plaintiff's Counsel will prepare and, after review and approval by Defendant's Counsel, submit to the Court a proposed final approval order and judgment: (i) approving the settlement documented by this Agreement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions; (ii) approving Plaintiff's Counsel's application for Attorneys' Fees and Costs, including the Settlement Administration Costs; (iii) approving the Class Representative Enhancement Payment to Named Plaintiff; and (iv) permanently barring and enjoining all Participating Settlement Class Members from prosecuting against the Released Parties any Released Claims, upon satisfaction of all payments and obligations in this Agreement. After the Court grants final approval of the settlement documented by this Agreement the Parties shall obtain entry of a judgment. Upon the completion of all distributions in accordance with the terms of the judgment, Plaintiff's Counsel shall prepare, file and serve on Defendant's Counsel an Acknowledgement of Satisfaction of the judgment in full.

If the Court disapproves or refuses to enforce sections III(A), III(C), III(E), III(F), III(G), III(H), III(I), III(J), III(K), and/or III(N) of this Agreement, this Agreement shall be voidable at

the option of Defendant, in which case if Defendant exercises its option to void this Agreement it shall be of no further force and effect, and shall not be used or admissible in any subsequent proceeding for any purpose or with respect to any issue whatsoever, substantive or procedural. Additionally, Defendant, in its sole discretion, may rescind this Agreement if more than 5% of Settlement Class Members opt out of the Settlement Class by submitting a valid and timely request for exclusion from participating in the settlement documented by this Agreement. Defendant may exercise its option to void or rescind this Agreement pursuant to this section by giving notice, in writing, to Plaintiff's Counsel and the Court before the later of fourteen (14) calendar days of the Court's order disapproving or refusing to enforce any portion of the aforementioned sections (III(A), III(C), III(E), III(F), III(G), III(H), III(I), III(J), III(K), and/or III(N)) or twenty-one (21) calendar days following the last day in which a Settlement Class Member may timely request to opt out of the settlement documented by this Agreement. In such case, the Parties and any funds to be awarded under this Agreement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as if this Agreement had not been executed, except that any fees and/or costs already incurred by the Settlement Administrator shall be split equally between Plaintiff and Defendant.

However, in the event the Court disapproves or refuses to enforce sections III(A), III(C), III(E), III(F), III(G), III(H), III(I), III(J), III(K), and/or III(N) of this Agreement, prior to exercising its option to void the Agreement, Defendant shall be required to negotiate with Plaintiff in good faith in an effort to resolve the issue by amending this Agreement or otherwise.

F. Notice of Judgment. The Settlement Administrator shall mail, by U.S. Mail, notice of the Court's final judgment in this matter for review by Settlement Class Members along with each Settlement Class Member's settlement check. The Settlement Administrator shall additionally post on its website notice of the Court's final judgment in this matter. The mailing

and posting of the Court's final judgment in this matter shall constitute notice of judgment to Settlement Class Members, as required by California Rule of Court, Rule 3.771(b).

V. MISCELLANEOUS PROVISIONS

A. Settlement Documents. It shall be the responsibility of Plaintiff's Counsel, at Named Plaintiff's and Plaintiff's counsel's expense, to prepare and seek preliminary and final approval of the settlement documented by this Agreement by the Court. The motion for preliminary approval and motion for final approval shall be subject to approval by Defendant's Counsel. Defendant's Counsel shall have a minimum of five (5) court days to review the motion for preliminary approval and all supporting documents in a finalized form substantially ready for filing with the Court, and a minimum of five (5) court days to review the motion for final approval and all supporting documents in a finalized form substantially ready for filing with the Court, before Plaintiff's Counsel files either such motion with the Court. The motions for preliminary approval and final approval shall be subject to the approval of Defendant's Counsel with regard to factual representations, statements regarding Defendant and/or Defendant's positions and/or arguments related to the subject matter of and claims in the Action, and any confidential or private information of Defendant and/or the Settlement Class Members and Aggrieved Employees. Defendant's Counsel explicitly agrees to waive statutory notice of the preliminary and final approval motions, and agrees to accept service electronically of the preliminary and final approval papers on the day papers are filed with the Court. The motion for final approval shall, among other things, request that the Court enter judgment approving the class settlement presented by this Agreement. Pursuant to Labor Code section 2698, *et seq.*, Plaintiff's Counsel shall also cause this Agreement to be filed with the LWDA before or at the same time this Agreement is submitted to the Court, and shall take any and all other actions necessary to cause the PAGA claim asserted in the Action to be extinguished to the fullest extent permitted by law. The Parties, Plaintiff's Counsel, Defendant's Counsel and the Settlement Class Members agree not to, and expressly

waive any right they may have to, appeal a judgment entered in conformance with this Agreement.

B. Integration. Subject to final approval by the Court, this Agreement constitutes the final and complete agreement of the Parties with respect to the subject matter hereof and all Released Class and PAGA Claims, and supersedes all prior or contemporaneous negotiations, promises, covenants, agreements or representations concerning any matters directly, indirectly or collaterally related to the subject matter of this Agreement. The Parties have expressly and intentionally included in this Agreement all collateral or additional agreements which may, in any manner, touch or relate to any of the subject matter of this Agreement and, therefore, all promises, covenants and agreements, collateral or otherwise, are included herein. The Parties acknowledge that, except as specifically stated in this Agreement, no party has relied on any statement, promise, representation or warranty whatsoever, which is not expressly contained herein in entering into this Agreement.

The Parties intend this Agreement to constitute an integration of all their agreements, and each party understands that in the event of any subsequent litigation, controversy or dispute concerning any of its terms, conditions or provisions, no party hereto shall be permitted to offer or introduce any oral or extrinsic evidence concerning any other alleged collateral or oral agreement between the Parties not included herein.

C. Interpretation. In the event that any language in this Agreement is held to be uncertain, any such language shall not be interpreted against any party based on authorship of such language. Each of the Parties and their counsel have reviewed and revised this Agreement, and the normal rule of construction to the effect of any ambiguities in an agreement are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Each of the Parties represents and warrants that the attorney approving this Agreement as to form on his, her, or its behalf is the attorney employed to represent him, her, or it with respect to this Agreement, and all matters covered by and related to it; and he, she, or it

has been fully advised by those attorneys with respect to his, her, or its rights and obligations as to this Agreement. The Parties declare that they know and understand the contents of this Agreement, and they have executed it voluntarily.

D. Attorneys' Fees. If any court action is taken by a party to enforce or interpret this Agreement, the prevailing Party shall be entitled to recover attorneys' fees and costs, including attorneys' fees and costs on appeal.

E. Authority. The Parties, and each of them, represent and warrant that they have taken all actions and obtained all authorizations, consents and approvals that are conditions precedent to their authority to execute this Agreement.

F. No Assignment. The Parties each represent and warrant that they have not assigned, transferred or encumbered any liability or claim released by this Agreement. Each Party shall defend and indemnify the other Parties from and against any breach of the representation in this section.

G. Cooperation. The Parties shall fully cooperate with each other to accomplish the terms of this Agreement and to obtain entry of judgment in the Action and final adjudication of all claims asserted therein to the fullest extent permitted by law, including execution of such documents and taking of other action as may be reasonably necessary to implement the terms of this Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by order of the Court to effectuate this Agreement and the terms set forth herein. As soon as practicable after execution of this Agreement, Plaintiff's Counsel shall take all necessary steps to secure the Court's preliminary and final approval of this Agreement.

H. Counterparts/Faxed or PDF Signatures. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and may be sent by email. Signatures sent by fax, email or as an electronic image are agreed to be binding as if they were originals.

I. No Unintended Waivers. No waiver by any party of any provision hereof shall be deemed to be a waiver of any other provision hereof or of any subsequent breach of the same or any other provision hereof.

J. Severability. If any provision of this Agreement is found to be illegal or unenforceable, then to the maximum extent permitted by law, any such provision shall be deemed stricken and the remaining provisions thereof shall remain in full force and effect unless the effect of the striking of any such provision(s) adversely and materially affects the overall purpose of the Agreement, to wit: a full and final resolution of the dispute between the Parties to the Agreement and the Action. In the event of a breach, this Agreement may be specifically enforced.

K. Modifications to this Agreement. Other than as specified above, this Agreement cannot be amended or modified except by a writing executed by all of the Parties or their counsel which expresses, by its terms, an intention to modify this Agreement, and which is approved by the Court.

L. Successors. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties and their respective administrators, trustees, heirs, executors, personal representatives, successors and assigns.

M. Choice of Law. This Agreement shall be governed by the substantive law of the State of California applicable to contracts entered into and to be fully performed within the State of California.

N. Survival. This Agreement and the mutual releases granted herein will survive the entry of judgment and/or dismissal with prejudice of the Action referenced herein.

O. Settlement Is Fair, Adequate, and Reasonable. The Parties believe the settlement documented by this Agreement is a fair, adequate, and reasonable settlement of the Action, and have arrived at the settlement documented by this Agreement in arm's length negotiations, taking into account all relevant factors, present and potential. The settlement

documented by this Agreement was reached after extensive negotiations, including an arms'-length negotiation at mediation before respected mediator the Hon. Dickran M. Tevrizian (Ret.) on February 21, 2024, as discussed herein above. The Parties hereby agree that this Agreement is admissible or subject to disclosure and waive any confidentiality protections for this Agreement under California Evidence Code Section 1123.

P. Interim Stay of Proceedings. The Parties agree to the Court staying and holding all proceedings in the Action, except such proceedings necessary to implement and complete the settlement documented by this Agreement, in abeyance pending the Final Approval Hearing to be conducted by the Court.

Q. Exhibits and Headings. The terms of this Agreement include the terms as set forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.

R. No Retaliation. Defendant shall not take any adverse action against any Settlement Class Member because of the Action or because of the existence of, and/or their participation in, the Agreement, or because they choose to benefit from the Agreement or to object to the Agreement. Defendant shall not take action to discourage Settlement Class Members from participating in the settlement documented by this Agreement.

[signatures on the following page]

THE ABOVE TERMS AND CONDITIONS ARE HEREBY AGREED TO BY THE
UNDERSIGNED PARTIES.

EVA LOPEZ, on behalf of herself, the Settlement
Class, the State of California, and the Aggrieved
Employees and as the Named Plaintiff

Date: 05 / 20 / 2024

By: 

QUALITY BUILT, LLC

Date: _____

By: _____

Name: _____

Position: _____

THE ABOVE TERMS AND CONDITIONS ARE HEREBY AGREED TO BY THE
UNDERSIGNED PARTIES.

EVA LOPEZ, on behalf of herself, the Settlement
Class, the State of California, and the Aggrieved
Employees and as the Named Plaintiff

Date: _____

By: _____

QUALITY BUILT, LLC

Date: 5/31/2024

By: 

Name: John Leonard

Position: CFO

EXHIBIT A

Eva Lopez v. Quality Built, LLC
Kings County Superior Court, Case No. 23CU0207
NOTICE OF CLASS ACTION SETTLEMENT

I. WHY IT IS IMPORTANT TO READ THIS NOTICE

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. YOU MAY BE ENTITLED TO MONETARY COMPENSATION FROM THIS SETTLEMENT.

You are being sent this Notice of Class Action Settlement (“Notice”) because records indicate that you were employed by Quality Built, LLC (“Quality Built” or “Defendant”) as a non-exempt employee in the State of California at any time from June 5, 2019 through February 27, 2024 (“Class Members”). This Notice relates to a proposed settlement of putative class action litigation (“Settlement”) brought against Defendant by plaintiff Eva Lopez (“Plaintiff”) in the California State Court for the County of Kings, titled *Eva Lopez, on behalf of herself and all “aggrieved employees” pursuant to Labor Code §2698 et seq., v. Quality Built, LLC., a Delaware limited liability company, and DOES 1 through 10, inclusive*, Case No. 23CU0207 (the “Action”). Where appropriate, Plaintiff and Defendant will hereafter be collectively referred to as the “Parties.”

If you are a Class Member, this Notice contains important information about your right to a settlement payment or to be excluded from the Settlement according to the procedures described below.

Pursuant to the Order Granting Preliminary Approval of Class Action Settlement, which the California State Court for the County of Kings, with the Honorable Valerie Chrissakis presiding (hereafter, the “Court”), entered on [preliminary approval date order], you are hereby notified as follows:

A proposed Settlement has been reached between the Parties in the Action. The proposed Settlement is on behalf of all current and former non-exempt employees employed by Defendant in the State of California at any time from June 5, 2019 through February 27, 2024.

The Court, with the Honorable Valerie Chrissakis presiding, will hold a hearing at the Kings County Superior Court, Department 8, located at 1640 Kings County Drive, Hanford, CA 93230 on [date and time], or such other, later date that the Court may authorize, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate (hereafter, the “Final Approval Hearing,” defined as the hearing at which the Court enters a judgment or other order approving the Settlement). The Court will also be asked to approve counsel for the Class Members’ (“Class Counsel”) request for attorneys’ fees, litigation expenses, administrative costs, and the class representative enhancement payment. The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at this hearing.

II. WHAT THIS LITIGATION IS ABOUT
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On or about June 5, 2023, Plaintiff filed her putative representative action Complaint in the Action against Defendant. On or about September 25, 2023, Plaintiff filed the operative putative class and representative action First Amended Complaint in the Action, alleging claims for: (1) failure to pay overtime and double time wages in violation of California Labor Code sections 510, 1194 et seq. and 1198; (2) failure to pay all hours worked and to timely pay all hours worked in violation of California Labor Code sections 510, 1194 et seq., 1194.2 and 1197, and/or any contract or agreement, including, but not limited to, failure to pay minimum wage in violation of California Labor Code sections 1194 et seq., 1194.2 and 1197; (3) failure to provide meal periods and related premium pay in violation of California Labor Code sections 226.7, 512 and 516, and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (4) failure to provide rest periods and related premium pay in violation of California Labor Code sections 226.7 and 516 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (5) failure to reimburse all business-related expenses pursuant to California Labor Code section 2802; (6) failure to maintain and timely furnish accurate itemized wage statements in violation of California Labor Code section 226 and the Industrial Welfare Commission

Questions? Contact the Settlement Administrator toll-free at 1-*-***-*** or [EMAIL].**

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Wage Orders, including, but not limited to, Wage Orders 4 and 9, as well as failure to maintain accurate time and payroll records in violation of California Labor Code section 1174 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (6) failure to timely pay all wages due to terminating employees in violation of California Labor Code sections 201-203, as well as for related waiting time penalties pursuant to California Labor Code section 203; (7) unfair business practices in violation of Business & Professions Code section 17200, et seq. related to the above claims; and (8) violation of and penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, et seq. (the “PAGA”), including pursuant to California Labor Code section 558. The Parties acknowledge and agree that all of the foregoing causes of action were asserted in the Action and considered by the Parties in connection with reaching the Settlement.

Defendant vigorously denies the allegations in the Action and contends that it has acted in compliance with the law at all times. There has been no finding of any wrongdoing or liability by Defendant. Defendant wishes to settle the Action to avoid costly, disruptive, and time-consuming litigation.

Plaintiff and Defendant have now reached a class-wide Settlement. Accordingly, the Parties have entered into a Settlement Agreement and Release to settle the Action, which the Court preliminarily approved on [Insert date of preliminary approval order].

The Parties and their respective counsel recognize the inherent risk and expense of continued proceedings necessary to continue litigation of the Action. The Parties and their counsel have also taken into account the extensive settlement negotiations that have been conducted, including participating in a mediation with the Hon. Dickran M. Tevrizian (Ret.), an experienced employment law and class action mediator and retired Judge. Based on the foregoing, the Parties believe the Settlement confers substantial benefits to all Class Members, is a fair, adequate, and reasonable settlement, and is in the best interest of all Class Members (including all “PAGA Members,” as defined below).

III. SUMMARY OF THE SETTLEMENT TERMS

The Parties have agreed to settle the Action in exchange for the total amount of Two Hundred Thousand Dollars (\$200,000.00) (“Gross Settlement Amount”).

The Gross Settlement Amount includes: (a) all Individual Settlement Payments (each Participating Class Member’s share of the Net Settlement Amount, as determined based on the calculations discussed below, minus applicable withholdings) to the Participating Class Members (as defined below); (b) all Individual PAGA Payments (each PAGA Member’s share of the Net PAGA Distribution Amount, as determined based on the calculations discussed below) to the PAGA Members (as defined below) in a total amount not to exceed Two Thousand Five Hundred Dollars (\$2,500.00); (c) the attorneys’ fees award to Class Counsel in a total amount not to exceed 35% of the Gross Settlement Amount and estimated to be Seventy Thousand Dollars (\$70,000.00), and the cost award to Class Counsel in a total amount not to exceed Fifteen Thousand Dollars (\$15,000.00); (d) payment of settlement administration costs in a total amount not to exceed Five Thousand Dollars (\$5,000.00); (e) the class representative enhancement payment to the named Plaintiff, Eva Lopez, in a total amount not to exceed Twelve Thousand Dollars (\$12,000.00); (f) all applicable taxes in connection with all payments associated with the Settlement, including, but not limited to, any and all applicable federal, state and/or local income, payroll and/or employment taxes (except the Gross Settlement Amount does not include Defendant’s share of employer-side payroll taxes, which are defined as FICA (Social Security and Medicare), and unemployment insurance (FUTA and SUTA/SUI) on the amount that is allocated as wages to be paid to Participating Class Members (as defined below)); and (g) payment to the California Labor and Workforce Development Agency (“LWDA”) in the total amount of Seven Thousand Five Hundred Dollars (\$7,500.00) as the LWDA’s share of the settlement of the Released PAGA Claim.

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The balance that remains after deductions for the class representative enhancement payment to the named Plaintiff, attorneys' fees and costs to Class Counsel, all applicable taxes (except employer-side payroll taxes, as discussed above), settlement administration fees and expenses, and the PAGA Allocation (as defined below) ("Net Settlement Amount") will be paid to Class Members, provided they do not opt out of the settlement of the Released Class Claims (a Class Member who does not opt out of the settlement of the Released Class Claims shall be referred to herein as a "Participating Class Member").

The Individual Settlement Payments to the Participating Class Members are subject to applicable employee tax withholdings. Phoenix Settlement Administrators (the "Settlement Administrator") will mail Individual Settlement Payments to each Participating Class Member.

Distribution and Calculation of Individual Settlement Payments. The Net Settlement Amount shall be divided among all Participating Class Members and distributed to Participating Class Members based on their number of Workweeks worked during the Class Period (the time period from June 5, 2019 through February 27, 2024 shall be referred to herein as the "Class Period"). A "Workweek" shall be defined as a week during the Class Period, commencing on Sunday at 12:01 a.m. and ending the following Saturday at 12:00 midnight, in which a Class Member worked one or more days for Defendant.

The maximum Individual Settlement Payment that each Participating Class Member is entitled to receive is determined by dividing the Net Settlement Amount by the total number of Workweeks worked by all Class Members during the Class Period to produce the "standard workweek rate." Each Participating Class Member shall then receive an Individual Settlement Payment equal to the number of Workweeks that the Participating Class Member worked during the Class Period multiplied by the standard workweek rate. By way of example, and not limitation, if the Net Settlement Amount is \$250,000.00, and the total number of Workweeks worked by all Class Members during the Class Period is 20,000, the standard workweek rate would be \$12.50 (\$250,000.00/20,000 Workweeks). If a Participating Class Member worked 100 Workweeks during the Class Period, the Participating Class Member would receive an Individual Settlement Payment in the gross amount of \$1,250.00 (100 Workweeks X \$12.50 per Workweek).

Each Participating Class Member shall be paid the designated amount, subject to any applicable taxes and withholdings, for each Workweek worked during the Class Period, as reflected in the records of Defendant.

Your Potential Estimated Individual Settlement Payment. According to Defendant's records, you have worked a total of [REDACTED] Workweeks for Defendant during the Class Period. Based on your number of Workweeks and applying the formula above, it is estimated that you may receive an Individual Settlement Payment of approximately \$ [REDACTED], less applicable taxes and withholdings, as a Participating Class Member.

It is the intent of the Parties that the Net Settlement Amount shall be sufficient to pay all Individual Settlement Payments to Participating Class Members in accordance with the formula set forth above. In the event that the aggregate amount to be paid to Participating Class Members exceeds the Net Settlement Amount for any reason, each Participating Class Member's Individual Settlement Payment shall be reduced on a pro rata basis pursuant to the formula discussed immediately above so that the total amount to be paid to Participating Class Members does not exceed the Net Settlement Amount. In the event that the aggregate amount to be paid to Participating Class Members is less than 100% of the Net Settlement Amount, then the remaining residual balance shall be distributed to the Participating Class Members on a pro-rata basis pursuant to the formula discussed immediately above.

IRS Forms W-2, 1099-MISC and 1099-INT will be distributed to Participating Class Members and the appropriate taxing authorities reflecting the Individual Settlement Payments that Participating Class Members receive under the Settlement. Participating Class Members should consult their tax advisors concerning the tax consequences of the

Questions? Contact the Settlement Administrator toll-free at 1-*-***-**** or [EMAIL].**

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payments they receive under the Settlement, and Participating Class Members are responsible for remitting to all relevant taxing authorities all applicable taxes that may be owed on the payments they receive under the Settlement. For purposes of this Settlement, each Individual Settlement Payment will be allocated thirty-three point three percent (33.3%) to wages, thirty-three point four percent (33.4%) to penalties, and thirty three point three percent (33.3%) to interest. The wage portion of each Individual Settlement Payment will be subject to applicable withholdings.

Checks made payable to Participating Class Members shall remain negotiable for one hundred eighty (180) days from the date of issuance. To the extent that a check is (1) undeliverable, or (2) uncashed 180 days after the date of issuance, the check shall be sent to the California state Controller Unclaimed Property Fund as unclaimed property, for the benefit of the Participating Class Member to whom the Individual Settlement Payment check is addressed.

Any Participating Class Member who disagrees with the data used to calculate their Individual Settlement Payment as reflected on the Notice shall be allowed to indicate and explain such disagreement in writing, and any such written dispute must specifically explain the Participating Class Members' disagreement. Such written dispute shall include the Participating Class Member's full name, address, telephone number, last four digits of their Social Security Number and dates of employment by Defendant, shall be signed and dated by the Participating Class Member, and must be mailed or faxed to the Settlement Administrator no later than forty-five (45) days after the date the Notice is first mailed (the "Dispute Deadline Date"), using the following facsimile number or address:

Phoenix Settlement Administrators
[INSERT ADDRESS AND FAX NUMBER]

The Settlement Administrator shall resolve the disagreement with the Participating Class Member using the employee records provided by Defendant and the Participating Class Member's records, giving due consideration to each. The date of the postmark on the return envelope if the written dispute is mailed, and the date of facsimile if the written dispute is faxed, shall be the exclusive means used to determine whether a Participating Class Member has "timely" disputed the calculation or application of the formula for determining settlement awards, their number of Workweeks worked for Defendant and/or their Individual Settlement Payment. Subject to review by the Court, the Settlement Administrator's decisions as to dates of employment and Individual Settlement Payment amounts will be final.

Distribution of PAGA Allocation. The Parties have allocated the total sum of \$10,000.00 from the Gross Settlement Amount to the settlement of the Released PAGA Claim (as defined below) asserted by named Plaintiff in the Action, which constitutes penalties pursuant to the PAGA and which the Parties believe in good faith is a fair and reasonable amount ("PAGA Allocation"). The PAGA Allocation will be distributed as follows: 25% to the PAGA Members (defined herein as all current and former non-exempt employees of Defendant, who were employed by Defendant in California at any time from March 28, 2022 through February 27, 2024) (\$2,500.00) (the "Net PAGA Distribution Amount") as Individual PAGA Payments pursuant to the calculations and formulas set forth herein, and 75% to the LWDA (\$7,500.00) as the LWDA's share of the settlement of the PAGA penalties and Released PAGA claim.

The Settlement Administrator will mail Individual PAGA Payments to each PAGA Member.

Distribution of Net PAGA Distribution Amount and Calculation of Individual PAGA Payments. The Net PAGA Distribution Amount shall be divided among all PAGA Members and distributed to PAGA Members based on their number of Workweeks worked during the PAGA Period (the time period from March 28, 2022 through February 27, 2024 shall be referred to herein as the "PAGA Period").

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The maximum Individual PAGA Payment that each PAGA Member is entitled to receive is determined by dividing the Net PAGA Distribution Amount by the total number of Workweeks worked by PAGA Members during the PAGA Period to produce the “standard PAGA workweek rate.” Each PAGA Member shall then receive an Individual PAGA Payment equal to the number of Workweeks that the PAGA Member worked during the PAGA Period multiplied by the standard PAGA workweek rate. By way of example, and not limitation, if the Net PAGA Distribution Amount is \$3,750.00, and the total number of Workweeks worked by PAGA Members during the PAGA Period is 5,000, the standard PAGA workweek rate would be \$0.75 ($\$3,750 \div 5,000$). If a PAGA Member worked 25 Workweeks during the PAGA Period, the PAGA Member would receive an Individual PAGA Payment in the gross amount of \$18.75 (25 Workweeks X \$0.75 per Workweek).

Each PAGA Member shall be paid the standard PAGA workweek rate, subject to any applicable taxes and tax withholdings (if any), for each Workweek they worked during the PAGA Period as reflected in the records of Defendant.

Your Potential Estimated Individual PAGA Payment. SELECT CORRECT PARAGRAPH FROM FOLLOWING TWO OPTIONS, AS APPLICABLE. THE WORD “OR” BETWEEN PARAGRAPHS SHOULD NOT BE INCLUDED IN THE FINAL NOTICE SENT TO THE PARTICULAR CLASS MEMBER. [OPTION 1: Because Defendant’s records indicate you were not employed by Defendant during the PAGA Period (the time period from March 28, 2022 through February 27, 2024), you are not a PAGA Member and are therefore not entitled to receive an Individual PAGA Payment.] OR [OPTION 2: According to Defendant’s records, you have worked a total of [REDACTED] Workweeks for Defendant during the PAGA Period. Based on your number of Workweeks and applying the formula above, it is estimated that you may receive an Individual PAGA Payment of approximately \$[REDACTED], less applicable taxes and withholdings (if any), as a PAGA Member.]

It is the intent of the Parties that the Net PAGA Distribution Amount shall be sufficient to pay all Individual PAGA Payments to PAGA Members in accordance with the formula set forth above. In the event that the aggregate amount to be paid to PAGA Members in the form of Individual PAGA Payments exceeds the Net PAGA Distribution Amount for any reason, each PAGA Member’s Individual PAGA Payment shall be reduced on a pro rata basis pursuant to the formula discussed immediately above so that the total amount to be paid to PAGA Members in the form of Individual PAGA Payments does not exceed the Net PAGA Distribution Amount. In the event that the aggregate amount to be paid to PAGA Members in the form of Individual PAGA Payments is less than 100% of the Net PAGA Distribution Amount, then the remaining residual balance shall be distributed to the PAGA Members on a pro-rata basis pursuant to the formula discussed immediately above.

All Individual PAGA Payments to PAGA Members will be allocated one hundred percent (100%) to penalties. Form 1099 will be issued to each PAGA Member with respect to each PAGA Member’s Individual PAGA Payment. PAGA Members should consult their tax advisors concerning the tax consequences of the Individual PAGA Payments they receive under the Settlement, and PAGA Members are responsible for remitting to all relevant taxing authorities all applicable taxes that may be owed on the Individual PAGA Payments they receive under the Settlement.

Checks made payable to PAGA Members shall remain negotiable for one hundred eighty (180) days from the date of issuance. To the extent that a check is (1) undeliverable, or (2) uncashed 180 days after the date of issuance, the check shall be sent to the California state Controller Unclaimed Property Fund as unclaimed property, for the benefit of the PAGA Member to whom the Individual PAGA Payment check is addressed.

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IV. YOUR OPTIONS UNDER THE SETTLEMENT
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Option 1—Do Nothing.

If the Court grants final approval of the Settlement, and you have not opted out of the settlement of the Released Class Claims (as defined below) on or before the Opt-Out/Objection Deadline (set forth below), you will be mailed a check for your Individual Settlement Payment, minus applicable withholdings, by the Settlement Administrator. You will be bound by the release of the Released Class Claims set forth in the Settlement (as defined below) and all other terms of the Settlement.

PAGA Members: If the Court grants final approval of the Settlement, and you are a PAGA Member, you will automatically be mailed a check for your Individual PAGA Payment by the Settlement Administrator. Please note, PAGA Members may not opt out of or request to be excluded from the settlement of the Released PAGA Claim, and such release of the Released Parties (as defined below), and each of them, by PAGA Members, and each of them, shall be automatic if the Court grants final approval of the Settlement. Similarly, PAGA Members (and all Class Members) may not object to the settlement of the Released PAGA Claim.

Option 2—Opt Out of the Settlement of the Released Class Claims. If you opt out of the Settlement of the Released Class Claims, you will NOT receive any Individual Settlement Payment.

If you do not wish to participate in the settlement of the Released Class Claims, you may exclude yourself from participating by submitting to the Settlement Administrator a written request for exclusion expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement of the Released Class Claims, and desire to be excluded from the settlement of the Released Class Claims. If you do not submit a request for exclusion on or before the Opt-Out/Objection Deadline (set forth below), then you will be bound by the release of the Released Class Claims set forth in the Settlement (as defined below) and all other settlement terms. The written request for exclusion ("opt-out statement") must state:

“I have received the Notice of Class Action Settlement of the litigation titled *Eva Lopez v. Quality Built, LLC*, Kings County Superior Court Case No. 23CU0207 (the “Action”). I wish to opt out of the settlement of the Released Class Claims. I understand that by requesting to be excluded from the settlement of the Released Class Claims, I will not be a Participating Class Member and will not receive any Individual Settlement Payment from the settlement approved by the Court in the Action.”

The written opt-out statement also must set forth your name, address, telephone number, and last four digits of your Social Security Number. You must sign, date, and either fax or mail the opt-out statement by First Class U.S. Mail to the Settlement Administrator using the following address or facsimile number:

Phoenix Settlement Administrators
[INSERT ADDRESS AND FAX NUMBER]

The written opt-out statement must be faxed or postmarked no later than [insert date that is forty five (45) calendar days from the date of this Notice] (the “Opt-Out/Objection Deadline”). If you submit an opt-out statement that is not faxed or postmarked by [insert same date], it will be rejected and you will be included in the settlement of the Released Class Claims as a Participating Class Member and bound by the release of the Released Class Claims and all other terms of the Settlement, and will receive the appropriate Individual Settlement Payment, regardless of whether you have objected to the settlement of the Released Class Claims as discussed in “Option 3” below. Similarly, should you receive and cash a check for your Individual Settlement Payment and elect to opt out of the

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settlement of the Released Class Claims, the opt out will be deemed void and you will be included in the settlement of the Released Class Claims as a Participating Class Member and bound by the release of the Released Class Claims and all other terms of the Settlement.

Additionally, Class Members shall be permitted to rescind their opt-out statements of the Released Class Claims in writing by submitting a “rescission statement” to the Settlement Administrator by fax or First Class U.S. Mail not later than one (1) business day before the Court’s final approval of the Settlement, orally at the Final Approval Hearing, or as otherwise ordered by the Court. The written rescission statement must set forth your name, address, telephone number, and last four digits of your Social Security Number, and must state:

“I have received the Notice of Class Action Settlement of the litigation titled *Eva Lopez v. Quality Built, LLC*, Kings County Superior Court Case No. 23CU0207 (the “Action”). I previously submitted a statement indicating that I wanted to opt out of the settlement of the Released Class Claims in the Action. I would now like to rescind my prior statement requesting to opt out of the settlement of the Released Class Claims so that I may participate in the settlement of the Released Class Claims as a Participating Class Member. I understand that by rescinding my previous request to opt out of the settlement of the Released Class Claims I will be included in the settlement of the Released Class Claims as a Participating Class Member, bound by the release of the Released Class Claims and all other terms of the Settlement, and will receive the appropriate Individual Settlement Payment, regardless of whether I have objected to the settlement of the Released Class Claims.”

If you choose to fax or mail your rescission statement, you must sign, date, and either fax or mail the rescission statement by First Class U.S. Mail to the Settlement Administrator using the following address or facsimile number:

Phoenix Settlement Administrators
[INSERT ADDRESS AND FAX NUMBER]

Option 3—File an Objection With the Court and Remain a Participating Class Member as to the Released Class Claims.

If you wish to object to the settlement of the Released Class Claims, you may submit an objection with the Settlement Administrator stating why you object to the settlement of the Released Class Claims no later than [insert date that is forty five (45) calendar days from the date of mailing of this Notice] (the “Opt-Out/Objection Deadline”). Your objection must be in writing, must include your name, address, dates of employment with Defendant and last four digits of your Social Security number, and must provide any legal and/or factual support for each objection. An objecting Class Member must also make themselves available for reasonable discovery by Plaintiff’s and/or Defendant’s attorneys between the date the objection is submitted and the Final Approval Hearing. The objection must either be faxed or mailed by First Class U.S. Mail to the Settlement Administrator at the following facsimile number or address:

Phoenix Settlement Administrators
[INSERT ADDRESS AND FAX NUMBER]

Late objections will not be considered. Class Members who fail to make an objection in the manner set forth herein shall be deemed to have waived any objection to the Released Class Claims and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. Any objections received prior to the filing of

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Plaintiff's motion for final approval of the Settlement will be filed by Plaintiff along with such motion and Plaintiff's motion may include any responses to such objections. Any objections received on or after the filing of the motion for final approval will be filed with the Court by Plaintiff, along with the Parties' response(s) thereto, at the earliest practicable time prior to the Final Approval Hearing.

By filing an objection to the Released Class Claims, you are not excluding yourself from the settlement of the Released Class Claims. To exclude yourself from the settlement of the Released Class Claims, you must follow the directions described above in Option 2. Please note that you cannot both object to the settlement of the Released Class Claims and exclude yourself from the settlement of the Released Class Claims.

V. THE BINDING EFFECT OF THE SETTLEMENT
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The release of the Released Class Claims: Unless you validly and timely opt out of the settlement of the Released Class Claims, you will be bound by the settlement of the Released Class Claims as a Participating Class Member and deemed to have released the Released Parties (as defined below) from the Released Class Claims (as defined below) in the Action, as amended, as well as any and all claims, obligations, demands, rights, liabilities, complaints, charges, penalties, fines, wages, damages, liquidated damages, losses, restitutionary amounts, interest and/or causes of action of every nature and description whatsoever, known or unknown, suspected or unsuspected, whether in tort, contract or for violation of any state, federal or other statute, rule or regulation, based on, arising from or related to the facts or claims asserted in the Action, as amended, or that could have been asserted in the Action based on the facts set forth in the Action and, including, but not limited to, (1) failure to pay overtime and double time wages in violation of Labor Code sections 510, 1194 et seq. and 1198; (2) failure to pay all hours worked and to timely pay all hours worked in violation of Labor Code sections 510, 1194 et seq., 1194.2 and 1197, and/or any contract or agreement, including, but not limited to, failure to pay minimum wage in violation of Labor Code sections 1194 et seq., 1194.2 and 1197; (3) failure to provide meal periods and related premium pay in violation of Labor Code sections 226.7, 512 and 516, and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (4) failure to provide rest periods and related premium pay in violation of Labor Code sections 226.7 and 516 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (5) failure to reimburse all business-related expenses pursuant to Labor Code section 2802; (6) failure to maintain and timely furnish accurate itemized wage statements in violation of Labor Code section 226 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9, as well as failure to maintain accurate time and payroll records in violation of Labor Code section 1174 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (6) failure to timely pay all wages due to terminating employees in violation of Labor Code sections 201-203, as well as for related waiting time penalties pursuant to Labor Code section 203; and (7) unfair business practices in violation of Business & Professions Code section 17200, et seq. related to the above claims (the "Released Class Claims").

In legal terms, by not opting out of the settlement of the Released Class Claims and continuing to be a Participating Class Member you are agreeing to release and discharge the following: the Released Class Claims as to defendant Quality Built, LLC, and each of its present, former, and future parent, subsidiary, related and/or affiliate entities, and each of their predecessors, successors, and assigns, and each and all of their respective past and present members, shareholders, partners, directors, officers, employees, attorneys, insurers, servants, owners, investors, joint employers, founders, managers, managing agents, lenders, representatives and agents, and as to any individual their marital community, community property, trustees, executors, heirs, guardians and registered representatives (the "Released Parties"). Without in any way limiting the foregoing, "Released Parties" expressly includes any individual or entity which could be jointly and/or severally liable with defendant Quality Built, LLC as to any of the Released Claims.

While you may later discover facts or legal arguments in addition to or different from those you now know or currently believe to be true with respect to the claims, causes of action and legal theories of recovery in this case

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which are the subject matter of the Released Class Claims, the discovery of new facts or legal arguments shall in no way limit the scope or definition of the Released Class Claims, and you shall be deemed to have, and by operation of the final judgment approved by the Court, shall have fully, finally, and forever settled and released all of the Released Parties from all of the Released Class Claims as of the Effective Date (as defined in the Settlement Agreement and Release between the Parties).

In addition, each Participating Class Member forever agrees that they shall neither request nor accept compensation, back pay, liquidated damages, punitive damages, penalties of any nature, attorneys' fees or costs, interest, or any other relief from any other suit, class, representative or collective action, administrative claim or other claim of any sort or nature whatsoever from or against the Released Parties, for any period from June 5, 2019 through February 27, 2021, relating to the Released Class Claims. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties that is in any way related to the Released Class Claims.

The release of the Released PAGA Claim: Regardless of whether a PAGA Member validly and timely opts out of the settlement of the Released Class Claims, they will be bound by the settlement of the Released PAGA Claim (as defined below) and deemed to have released the Released Parties from the Released PAGA Claim in the Action, as amended, for the period of March 28, 2022 through February 27, 2024.

In legal terms, in connection with the Released PAGA Claim the PAGA Members are agreeing to release and discharge the following: all claims, liabilities and/or causes of action for civil penalties recoverable under the Private Attorneys General Act, Labor Code section 2698 *et seq.*, for violations alleged in the Action and/or Named Plaintiff's Notice to the California Labor and Workforce Development Agency dated March 28, 2023 ("LWDA Notice"), or that could have been alleged in the Action and/or Named Plaintiff's LWDA Notice based on the facts alleged in the Action and/or Named Plaintiff's LWDA Notice, or that are related or attributable to, based on, or arise from the facts and/or claims alleged in the Action and/or Named Plaintiff's LWDA Notice, occurring during the PAGA Period that Named Plaintiff, the Aggrieved Employees, and/or the State of California may have under the California Labor Code, California Industrial Welfare Commission ("IWC") Wage Orders, California state regulations, and/or any other provisions of California state law, whether known or unknown, suspected or unsuspected, including but not limited to those arising from, related to, or attributable to any allegations that Named Plaintiff and/or the Aggrieved Employees suffered California Labor Code, IWC Wage Order and/or other violations of California state law based on and/or for (1) failure to pay overtime and double time wages in violation of Labor Code sections 510, 1194 *et seq.* and 1198; (2) failure to pay all hours worked and to timely pay all hours worked in violation of Labor Code sections 510, 1194 *et seq.*, 1194.2 and 1197, and/or any contract or agreement, including, but not limited to, failure to pay minimum wage in violation of Labor Code sections 1194 *et seq.*, 1194.2 and 1197; (3) failure to provide meal periods and related premium pay in violation of Labor Code sections 226.7, 512 and 516, and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (4) failure to provide rest periods and related premium pay in violation of Labor Code sections 226.7 and 516 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (5) failure to maintain and timely furnish accurate itemized wage statements in violation of Labor Code section 226 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9, as well as failure to maintain accurate time and payroll records in violation of Labor Code section 1174 and the Industrial Welfare Commission Wage Orders, including, but not limited to, Wage Orders 4 and 9; (6) failure to reimburse all business-related expenses pursuant to Labor Code section 2802; (7) failure to timely pay all wages due to terminating employees in violation of Labor Code sections 201-203, as well as for related waiting time penalties pursuant to Labor Code section 203; (8) violation of and penalties pursuant to California Labor Code section 558; and (9) any other violations or failures to comply with California Labor Code sections 1194 *et seq.*, 200 *et seq.* and 500 *et seq.*, and/or any applicable Wage Order of the California Industrial Welfare Commission (the "Released PAGA Claim").

In addition, each PAGA Member forever agrees that they shall neither request nor accept compensation, back pay, liquidated damages, punitive damages, penalties of any nature, attorneys' fees or costs, interest, or any other relief

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from any other suit, class, representative or collective action, administrative claim or other claim of any sort or nature whatsoever from or against the Released Parties, for any period from March 28, 2022 through February 27, 2024, relating to the Released PAGA Claim. PAGA Members agree not to sue or otherwise make a claim against any of the Released Parties that is in any way related to the Released PAGA Claim.

If Settlement Does Not Receive Court Approval: If the Settlement is not finally approved by the Court, including the settlement of the Released Class Claims and/or the settlement of the Released PAGA Claim, or if any of the Settlement's conditions are not satisfied, the Settlement will be voided, no money will be paid, and the Action will revert to litigation. However, if that occurs, there is no assurance that: (a) any decision at trial would be in favor of any Class Members or PAGA Members; (b) a favorable trial decision, if any, would be as favorable to any Class Members or PAGA Members as the Settlement; or (c) any favorable trial decision would be upheld if an appeal was filed. The Court has expressed no opinion regarding the merits of any of the claims asserted in the Action.

VI. ADDITIONAL INFORMATION

This Notice of Class Action Settlement is only a summary of the Action and the Settlement. For a more detailed statement of the matters involved in the Action and the Settlement, you may refer to the pleadings, the Settlement Agreement and Release, and other papers filed in the Action, which may be inspected at the Kings County Superior Court, located at 1640 Kings County Drive, Hanford, CA 93230. Please note, you may need to make an appointment or other arrangements to inspect the files in person. If you would like to inspect any files in person you should check the Kings County Superior Court's website at <https://www.kings.courts.ca.gov/> to evaluate your options for doing so.

To the extent there are any conflicts between this Notice and the terms of the Settlement Agreement and Release, the terms of the Settlement Agreement and Release will govern.

Please do not call or contact the court for information about the Settlement. If you have any questions about the Settlement, you may contact the Settlement Administrator or Class Counsel at the following addresses or numbers:

Phoenix Settlement Administrators
[INSERT ADDRESS]
[INSERT PHONE NUMBER]
[INSERT FAX NUMBER]
[INSERT EMAIL ADDRESS]

GAINES & GAINES, APLC
Daneil F. Gaines (State Bar No. 251488)
Alex P. Katofsky (State Bar No. 202754) 4550 East Thousand Oaks
Boulevard, Suite 100
Westlake Village, CA 91362
Telephone: (866) 550-0855
Email: admin@gaineslawfirm.com

ENVELOPE:

Postage Will
Be Placed
Here Prior
To
Mailing

Lopez v. Quality Built, LLC
c/o Phoenix Settlement Administrators
[INSERT ADDRESS]

Phoenix Settlement Administrators:
«Phoenix Settlement Administrators»
«First Name» «Last Name»
«Address»
«City», «State» «Zip»

Title	Lopez v Quality Built Settlement Agreement wit Ex A
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