

MAYALL HURLEY, P.C.
VLADMIR J. KOZINA (CA State Bar No. 284645)
vjkozina@mayallaw.com
WILLIAM J. GORHAM III (CA State Bar No. 151773)
wgorham@mayallaw.com
ROBERT J. WASSERMANN (CA State Bar No. 258538)
rwassermann@mayallaw.com
112 South Church Street
Lodi, California 95240
Telephone (209) 477-3833
Facsimile (209) 473-4818

Attorneys for Plaintiff Denise Jacobs

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF STANISLAUS

DENISE JACOBS, Individually and on
Behalf of Others Similarly Situated,

Plaintiff,

vs.

HYDRAULIC CONTROLS, INC..; and
DOES 1-100, inclusive,

Defendants.

Case No.: CV-23-003469

CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND
RELEASE

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND RELEASE

This Class Action and PAGA Settlement Agreement and Release (“Settlement Agreement” or “Agreement”), is made and entered into by, between, and among Plaintiff Denise Jacobs (“Plaintiff”) on behalf of herself, the Settlement Class, as defined below, the State of California, and the PAGA Settlement Members, as defined below, on the one hand, and Defendant Hydraulic Controls, Inc. (“Defendant”) on the other hand.

Plaintiff and Defendant (collectively, the “Parties”) enter into this Agreement to effectuate a full and final settlement and judgment resolving completely and to the fullest extent permitted by law the Released Class Claims and Released PAGA Claims, as defined below, and brought against Defendant in *Denise Jacobs v. Hydraulic Controls, Inc., et al.* (Case No. CV-23-003469) in the Superior Court of the State of California, County of Stanislaus. This Agreement is intended to fully and finally compromise, release, discharge, and settle the Released Class Claims and Released PAGA Claims, as defined and on the terms set forth below, and to the full extent reflected herein, subject to the approval of the Court.

I. RECITALS

WHEREAS, on June 21, 2023, Plaintiff filed a notice with the California Labor and Workforce Development Agency (“LWDA”), serving a copy of same on Defendant by certified mail, alleging various wage and hour violations by Defendant, specifically violations of Labor Code sections 201, 202, 204, 226(a)(1), 226(a)(5), 226(a)(9), and 510.

WHEREAS, on June 23, 2023, Plaintiff filed a putative class action in Stanislaus county alleging wage-and-hour violations and asserting individual claims for (1) failure to properly calculate and pay overtime, (2) failure to furnish accurate itemized wage statements, (3) failure to pay all wages upon separation of employment, and (4) unlawful business practices, in the matter *Jacobs v. Hydraulic Controls, Inc., et al.*, Stanislaus County Superior Court Case No. CV-23-003468 (the “Action”);

WHEREAS, on August 28, 2023, Plaintiff amended her complaint to add claims on behalf of herself and other aggrieved employees as a representative action under the Private Attorneys General Act, codified in California Labor Code §§ 2698 *et seq.*, (“PAGA”);

WHEREAS, having been informed of the existence of an arbitration agreement between Plaintiff and Defendant, on October 13, 2023, Plaintiff dismissed from the Action, without prejudice, her individual and class non-PAGA claims;

WHEREAS, on June 4, 2024, the Parties attended a mediation session with experienced professional mediator Hon. William C. Pate (Ret.) and, in preparation for mediation, engaged in written discovery and informal exchanges of information, documents, and data, which enabled a thorough evaluation of the claims, and the likely outcomes, risks, and expense of pursuing litigation;

WHEREAS, the Parties reached an agreement in principle to resolve the Action at the conclusion of the mediation and executed a Memorandum of Understanding outlining the material terms of that agreement;

WHEREAS, the Parties desire to fully, finally, and forever settle, compromise, and discharge all disputes and claims that exist between them arising from the factual allegations alleged in the pleadings, discovery, and that underlie the Action concerning any and all claims asserted therein, including:

Plaintiff's class and individual claims for: (1) failure to properly calculate and pay overtime in violation of Labor Code section 510; (2) failure to furnish accurate itemized wage statements in violation of Labor Code section 226(a); (3) failure to pay all wages at cessation of employment in violation of Labor Code sections 201 and 202; (4) unlawful business practices in violation of Business and Professions Code sections 17200, *et seq.*

Plaintiff's PAGA claims for: (1) failure to properly calculate and pay overtime in violation of Labor Code section 510; (2) failure to furnish accurate itemized wage statements in violation of Labor Code section 226(a); (3) failure to pay all wages at cessation of employment in violation of Labor Code sections 201 and 202; (4) failure to timely pay wages in violation of Labor Code section 204; and

Plaintiff's individual claims including but not limited to wrongful termination, disability discrimination, failure to accommodate, failure to engage in the interactive process, retaliation, and failure to prevent discrimination and retaliation.

To achieve a full and complete release of the claims against Defendant (and the "Released Parties" as defined in this Agreement), the Plaintiff and Participating Settlement Class Members, as

defined in this Agreement (which include any legal heirs and/or successors-in-interest of all Participating Settlement Class Members), through execution of the Agreement, acknowledge that this Settlement Agreement is intended to include in its effect the entirety of the Released Claims, as more fully described in Paragraphs 28, 29, and 63 of this Agreement.

II. DEFINITIONS

In addition to the terms defined elsewhere in this Settlement Agreement, capitalized terms used in this Settlement Agreement shall have the meanings set forth below:

1. “Action” means *Jacobs v. Hydraulic Controls, Inc., et al.* (Case No. 23-CV-003469).
2. “Attorneys’ Fees and Costs” means attorneys’ fees sought by Class Counsel for litigation and resolution of the Action, and all reasonable costs incurred by Class Counsel in the Action as outlined in this Agreement. Subject to review and approval by the Court, Class Counsel has indicated that they intend to seek attorneys’ fees of not more than one third (1/3) of the Gross Settlement Fund, or Fifty Thousand Dollars (\$50,000.00) plus reasonable costs and expenses in an amount not to exceed Seven Thousand Dollars (\$7,000.00), which shall be paid from the Gross Settlement Fund.
3. “Class Counsel” means and includes Vladimir J. Kozina, William J. Gorham, III, and Robert J. Wassermann of Mayall Hurley, P.C.
4. “Class Counsel Award” means any attorneys’ fees, expenses, or costs awarded to Class Counsel by the Court.
5. “Class List” means a confidential list of all Settlement Class Members and PAGA Settlement Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator within thirty (30) calendar days after entry of an order granting Preliminary Approval of this Settlement. The Class List will include, to the extent available from Defendant’s records, each Class Member’s full name; most recent mailing address, and telephone number contained in Defendants’ personnel records; Social Security number; dates of employment; the number of “weeks worked” or “workweeks” that each Class Member worked during the Class Period according to Defendant’s records; and any other information needed to calculate Individual Settlement Payments. The data provided to the Settlement Administrator will be treated as confidential and will not be disclosed to anyone, except as may be required to applicable tax authorities, pursuant to

Defendant's express written consent, by order of the Court, or to carry out the reasonable steps described in this Settlement to locate missing Settlement Class Members. The data provided to the Settlement Administrator by Defendant will not be shared with Class Counsel.

6. "Class Period" means the period from June 21, 2022, through the earlier of (1) entry of an order granting preliminary approval of the settlement or (2) August 3, 2024.

7. "Class Representative Enhancement Payment" means the amounts to be paid to Plaintiff, subject to final approval by the Court, in recognition of her effort and work in prosecuting the Action on behalf of Settlement Class Members. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff has stated that she will request Court approval of a Class Representative Enhancement Payment of Ten Thousand Dollars (\$10,000.00).

8. "Court" means the Superior Court of California for the County of Stanislaus.

9. "Defendant" means Hydraulic Controls, Inc.

10. "Effective Date" means the later of: (i) if no timely objections are filed, or if filed, are withdrawn prior to final approval, the date upon which the Court enters an order granting Final Approval of the Settlement Agreement; or (ii) if timely objections are filed and not withdrawn, then either (a) the 60th calendar day after a signed order granting final approval of this settlement has been filed provided no notice of appeal has been filed; or (b) the seventh calendar day after any appeal opposing the settlement has been finally dismissed with no material change to the terms of this settlement and there is no right to pursue further remedies or relief, whichever is later.

11. "Final Approval" means the entry of an order that Plaintiff and Defendant will jointly seek from the Court, and the entry of which shall reflect the Court's Judgment finally approving the Settlement Agreement.

12. "Final Approval Hearing" means the hearing that is to take place after the entry of the Preliminary Approval Order and after the date the Settlement Administrator sends Notice Packets to Settlement Class Members for purposes of: (i) entering Final Approval; (ii) determining whether the Settlement Agreement shall be approved as fair, reasonable, and adequate; and (iii) ruling upon an

application by Class Counsel for Attorneys' Fees and Costs and Plaintiff's Class Representative Enhancement Payment.

13. "Funding Date" means thirty (30) calendar days after the Effective Date.

14. "Gross Settlement Fund" means the non-reversionary amount of One Hundred Fifty Thousand Dollars (\$150,000.00), to be paid by Defendant in full satisfaction of all Released Claims, which includes all Individual Settlement Payments to Participating Settlement Class Members, Participating Settlement Class Members' shares of applicable payroll tax payments (including FICA, FUTA, and SDI contributions), the Class Representative Enhancement Payment to Plaintiff, the PAGA Settlement Amount for release of all PAGA claims, Attorneys' Fees and Costs, and Settlement Administration Costs. In addition to the amount provided as part of the Gross Settlement Fund, Defendant agrees to pay the employer's share of applicable payroll tax payments ("Employer's Payroll Tax Payments"). Other than the Employer's Payroll Tax Payments, in no event will Defendant be liable in the Action for more than the Gross Settlement Fund set forth in this Paragraph, except as to the settlement of Plaintiff's individual claims.

15. "Individual Settlement Payment" means each Participating Settlement Class Member's respective share of the Net Settlement Amount.

16. "Individual PAGA Payment" means each PAGA Settlement Member's respective share of the 25% of the PAGA Settlement Amount allocated to PAGA Settlement Members.

17. "Plaintiff" means Denise Jacobs.

18. "Net Settlement Amount" means the portion of the Gross Settlement Fund remaining after deducting the Class Representative Enhancement Payment, the Class Counsel Award, Settlement Administration Costs, the PAGA Settlement Amount, Individual PAGA Payments, and any other amounts to be deducted from the Gross Settlement Fund. The entirety of the Net Settlement Amount will be distributed to Participating Settlement Class Members pro rata, on a per "weeks worked" or "workweek" basis. There will be no reversion of the Net Settlement Amount to Defendant.

19. "Notice of Objection" means a Settlement Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (i) the objector's full name, address, and signature; (ii) the case name and case number; (iii) a written

statement that the Settlement Class Member is objecting to the Settlement Agreement; ; and (iv) a statement whether the objector intends to appear at the Final Approval Hearing. The Settlement Class Member may include the basis for the objection. Unless the Court orders otherwise, any Settlement Class Member who does not submit a timely written objection to the Settlement, who fails to appear at the Final Approval Hearing to lodge his or her objection, or who fails to otherwise comply with the requirements of this Paragraph, will be foreclosed from objecting to the Settlement and seeking any adjudication or review of the Settlement, by appeal or otherwise.

20. “Notice Packet” or “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit A**.

21. “PAGA Period” means the period from June 21, 2022, through the earlier of (1) entry of an order granting preliminary approval of the settlement or (2) August 3, 2024.

22. “PAGA Settlement Amount” means the amount that the Parties agree to allocate to the PAGA Settlement Members and the California Labor and Workforce Development Agency (“LWDA”) in connection with resolution of the PAGA claims in the Action. The Parties agree that Ten Thousand Dollars (\$10,000.00) of the Gross Settlement Fund will be allocated to the resolution of PAGA Settlement Members’ claims arising under PAGA. As required by PAGA, Seventy-Five Percent (75%), or Seven Thousand, Five Hundred Dollars (\$7,500.00), of the PAGA Settlement Amount will be paid to the LWDA (“LWDA Payment”), and Twenty-Five Percent (25%), or Two Thousand, Five Hundred Dollars (\$2,500.00), of the PAGA Settlement Amount will be distributed to PAGA Settlement Members on a pro rata basis based on their respective number of “weeks worked” or “workweeks” during the PAGA Period.

23. “PAGA Settlement Members” means and includes: (1) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received a safety and/or ESOP incentive bonus during the PAGA Period, and (2) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received any other bonus(es) during the PAGA Period, and (3) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received any additional

compensation beyond the base hourly pay that should have been included in their regular rate of pay during the PAGA Period.

24. “Participating Settlement Class Members” means all Settlement Class Members who do not submit timely and valid Requests for Exclusion.

25. “Parties” means Named Plaintiff and Defendants, collectively.

26. “Preliminary Approval” means the Court order granting preliminary approval of this Settlement Agreement.

27. “Qualified Settlement Fund” means a fund, account, or trust satisfying the requirements of 26 C.F.R. § 1.468B-1, established by the Settlement Administrator for the purpose of distributing the Gross Settlement Fund according to the terms of this Settlement Agreement.

28. “Released Class Claims” means all claims, actions, demands, causes of action, suits, debts, obligations, demands, rights, liabilities, or legal or equitable theories of relief (collectively “claims”) that have been alleged in the Action and PAGA notice(s), and those claims that are based on the facts and legal theories asserted in the operative pleadings of the Action and PAGA notice(s), and those claims which relate to the primary rights asserted in the operative pleadings and PAGA notice(s), and those claims that could have been brought based on the facts alleged in the Action including without limitation claims for: (1) failure to pay overtime in violation of Labor Code section 510; (2) failure to calculate the correct regular rate of pay for overtime; (3) failure to furnish accurate itemized wage statements in violation of Labor Code section 226(a), (3) failure to pay all wages at cessation of employment in violation of Labor Code sections 201 and 202; and (4) unlawful business practices under Unfair Competition Law including Business and Professions Code sections 17200 *et seq.* The period of the Released Class Claims shall extend to the limits of the Class Period. The res judicata effect of the Judgment will be the same as that of the Release.

29. “Released PAGA Claims” means any and all claims for civil penalties that were brought under the Private Attorneys General Act (Labor Code Sections 2698, *et seq.*) contained in Plaintiff’s pleadings in the Action and PAGA notice(s). In addition, “Released PAGA Claims” means and includes all claims for civil penalties that would be considered administratively exhausted under applicable law by the PAGA Notice sent by Plaintiff and/or her attorneys to the LWDA, and those

claims for civil penalties that could have been brought based on the facts alleged in the operative Complaint including without limitation PAGA claims for (1) failure to pay overtime in violation of Labor Code section 510; (2) failure to furnish accurate itemized wage statements in violation of Labor Code section 226(a); (3) failure to calculate regular rate of pay; (4) failure to pay all wages at cessation of employment in violation of Labor Code sections 201 and 202; and (5) failure to timely pay wages in violation of Labor Code section 204. The period of the Released PAGA Claims shall extend to the limits of the PAGA Period. The res judicata effect of the Judgment will be the same as that of the Release.

30. “Released Claims” means the Released Class Claims and the Released PAGA Claims.

31. “Released Parties” means Defendant and each of its past, present, and/or future, direct, and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, sureties, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint ventures.

32. “Request for Exclusion” means a letter timely submitted by a Settlement Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must: (i) set forth the name and address of the Settlement Class Member requesting exclusion; (ii) include the case name and case number (iii) be signed by the Settlement Class Member; (iv) be returned to the Settlement Administrator; (v) clearly state that the Settlement Class Member does not wish to be included in the Settlement; and (vi) be faxed or postmarked on or before the Response Deadline.

33. “Response Deadline” means the deadline by which Settlement Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, Notices of Objection, or disputes as to workweeks. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Notice Packet by the Settlement Administrator, unless the forty-fifth (45th) day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

34. “Settlement Administration Costs” means the reasonable fees and expenses payable from the Gross Settlement Fund to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking forms for this Settlement, calculating

estimated amounts per Settlement Class Member, tax reporting, distributing the LWDA Payment, Gross Settlement Fund, and Class Counsel Award, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, as requested by the Parties. The Parties have agreed to allocate up to \$5,950.00 to Settlement Administration Costs. The Settlement Administration Costs will be paid from the Gross Settlement Fund. In the event the allocated Settlement Administration Costs exceed the actual costs incurred by the Settlement Administrator, the difference shall be a part of the Net Settlement Amount and distributed to the Participating Settlement Class Members.

35. “Settlement Administrator” means ILYM Group, Inc. which the Parties have agreed to, subject to approval by the Court for the purposes of administering this Settlement. The Parties each 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.

36. “Settlement Class Member(s)” or “Settlement Class” means and includes: (1) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received a safety and/or ESOP incentive bonus during the Class Period, and (2) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received any other bonus(es) during the Class Period, and (3) all individuals who have worked, or who continue to work, for Defendant in California as a non-exempt employee who received any additional compensation beyond the base hourly pay that should have been included in their regular rate of pay during the Class Period.

III. TERMS OF AGREEMENT

Plaintiff, on behalf of herself and the Settlement Class, and Defendant agree as follows:

37. Second Amended Complaint. Prior to filing a Motion for Preliminary Approval, the Plaintiff will file (and Defendant will stipulate to leave to amend), a Second Amended Complaint to add allegations with regard to class allegations with the putative class period of June 21, 2022, to either (1) the date a signed order preliminarily approving the settlement is filed, or (2) August 3, 2024, whichever is earlier. Plaintiff will also include her alleged individual Labor Code violations and individual PAGA claims. Counsel for Defendant will accept service of the amended complaint.

38. Preliminary Approval Motion. The Parties agree to present the Settlement to the Court for Preliminary Approval, and consent to continued jurisdiction in said Court if Preliminary Approval is granted. Plaintiff further agrees to make a good-faith effort to file a Motion for Preliminary Approval, including all executed and necessary exhibits, within sixty (60) calendar days of executing this Settlement Agreement.

39. Funding of the Gross Settlement Fund and Employer's Payroll Tax Payments. By the Funding Date, Defendants will make a one-time deposit of the Gross Settlement Fund of One Hundred Fifty Thousand Dollars (\$150,000.00) plus the Employer's Payroll Tax Payments into a Qualified Settlement Fund to be established by the Settlement Administrator in exchange for the promises set forth in this Settlement Agreement, including the Releases by the Participating Settlement Class Members, PAGA Settlement Members, and Plaintiff for the Released Claims. The Individual Settlement Payments are not being made for any other purpose and will not be construed as compensation for purposes of determining eligibility for any health and welfare benefits or unemployment compensation. After the Effective Date, the Gross Settlement Fund will be used to pay: (i) Individual Settlement Payments; (ii) the PAGA Settlement Amount; (iii) Individual PAGA Payments; (iv) the Class Representative Enhancement Payment; (v) the Class Counsel Award; (vi) attorneys' fees and costs; and (vii) Settlement Administration Costs.

40. Non-Reversionary Settlement. Participating Settlement Class Members are entitled to one hundred percent (100%) of the Net Settlement Amount, to be distributed as outlined in Paragraph 18. Defendants maintain no reversionary right to any portion of the Net Settlement Amount, including any increase in the Net Settlement Amount resulting from a reduction in the Class Representative Enhancement Payment, Class Counsel Award, the PAGA Settlement Amount, and/or the Settlement Administration Costs. If there are any timely submitted opt outs or a reduction in the Class Representative Enhancement Payments, Class Counsel Award, the PAGA Settlement Amount, and/or the Settlement Administration Costs, the Settlement Administrator shall proportionately increase the Individual Settlement Payments for each Participating Settlement Class Member so that the amount actually distributed to Participating Settlement Class Members equals one hundred percent (100%) of

the corresponding Net Settlement Amount. If the amount of the Employer's Payroll Tax Payment is overestimated, however, funds equivalent to the overestimated amount shall revert to Defendants.

41. Escalator Clause. Defendant represents that there are 114 Settlement Class Members falling within the Class Period. In the event the number of Class Members included in the Class Period is more than 129 (i.e., greater than 13% more than 114), the Gross Settlement Fund shall be increased by ½% (.005 in decimals) for each class member in excess of 114. For example, if there were 114 Class Members represented to exist during the Class Period, but there are actually 134 Class Members in the Class Period, Defendant would have to increase the Gross Settlement Fund by 10%.

42. Attorneys' Fees and Costs. Class Counsel shall apply to the Court for attorneys' fees of not more than one-third (1/3) of the Gross Settlement Fund, or Fifty Thousand Dollars (\$50,000.00) plus reasonable costs and expenses in an amount not to exceed Seven Thousand Dollars (\$7,000.00) subject to proof by Class Counsel. The Settlement Administrator (and not Defendant) shall issue an IRS Form 1099 to Class Counsel reflecting the Class Counsel Award.

43. Class Representative Enhancement Payment. In exchange for general releases of all known and unknown claims that she may have against Defendant and Released Parties based on her employment with Defendant (including a waiver of claims under Civil Code section 1542), and in recognition of her service to the class, Plaintiff shall apply for a Class Representative Enhancement Payment of Ten Thousand Dollars (\$10,000.00). The Class Representative Enhancement Payment will be paid from the Gross Settlement Fund and will be in addition to Plaintiff's Individual Settlement Payment paid pursuant to the Settlement Agreement. The Settlement Administrator (and not Defendants) shall issue an IRS Form 1099 to Plaintiff reflecting her Class Representative Enhancement Payment. Plaintiff agrees to assume responsibility for remitting to the Internal Revenue Service, the California Franchise Tax Board, and any other relevant taxing authority the amounts to be deduced by law, if any, from the Class Representative Enhancement Payment. In addition, Plaintiff shall hold Defendants and the Released Parties harmless and indemnify and defend Defendants and the Released Parties for all taxes, interest, penalties, and costs incurred by Defendants or the Released Parties in connection with any claims relating to their non-withholding of taxes from the Class Representative Enhancement Payment.

44. Individual Settlement Agreement. Plaintiff has also separately agreed to settle all other individual claims including but not limited to claims for wrongful termination, disability discrimination, failure to accommodate, failure to engage in the interactive process, retaliation, and failure to prevent discrimination and retaliation. The specific terms of this settlement were negotiated separately and apart from this Settlement Agreement, will be paid from separate funds, and are memorialized in the Parties' Individual Settlement Agreement. The Class will be apprised of the Individual Settlement Agreement. If this Class and PAGA Settlement agreement is not approved by the Court, Defendant can withdraw from the Individual Settlement Agreement and it will have not binding effect.

45. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs it incurs for purposes of administering the Settlement and distributing payments from the Gross Settlement Fund. These costs, which will be paid from the Gross Settlement Fund, will include, inter alia, calculating, paying, and reporting the required tax payments on the Individual Settlement Payments; the issuing and collection of 1099 and W-2 IRS Forms; distributing Notice Packets; processing Requests for Exclusion, Notices of Objection, and workweek disputes; performing skip trace on Notice Packets returned as undeliverable; calculating and distributing from the Gross Settlement Fund all Individual Settlement Payments, the PAGA Settlement Amount, Class Representative Enhancement Payments, and the Class Counsel Award; and providing necessary reports and declarations, among other tasks that the parties may agree upon or as set forth in this Agreement.

46. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount of Ten Thousand Dollars (\$10,000.00) from the Gross Settlement Fund will be designated for satisfaction of Plaintiff's and PAGA Settlement Members' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or Seven Thousand, Five Hundred Dollars (\$7,500.00), of the PAGA Settlement Amount will be paid to the LWDA, and Twenty-Five Percent (25%), or Two Thousand, Five Hundred Dollars (\$2,500.00), will be distributed on a pro rata basis to the PAGA Settlement Members based on the number of "weeks worked" or "workweeks" during the PAGA Period. This amount will not revert to Defendants.

47. Net Settlement Amount. The entire Net Settlement Amount will be distributed to Participating Settlement Class Members as provided in Paragraphs 18 and 39. No portion of the Net Settlement Amount will revert to or be retained by Defendants.

48. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned on a pro rata basis from the Net Settlement Amount to Settlement Class Members who do not opt out depending on the number of “weeks worked” or “workweeks” (defined as any workweek during the Class Period) in which a Settlement Class Member performed at least one day of work for Defendant. Settlement Class Members do not need to submit a claim to participate and receive their Individual Settlement Payment.

49. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the 25% portion of the PAGA Settlement Amount allocated to PAGA Settlement Members on a pro rata basis depending on the number of “weeks worked” or “workweeks” in which a PAGA Settlement Member performed at least one day of work for Defendant during the PAGA Period. PAGA Settlement Members do not need to submit a claim to participate in the PAGA portion of the Settlement and also may not opt out of the resolution of the PAGA claim.

50. No Credit Toward Benefit Plans. The Individual Settlement Payments made to Participating Settlement Class Members and Individual PAGA Payments made to PAGA Settlement Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Settlement Class Members may be eligible, including, but not limited to, profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties’ intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Settlement Class Members may be entitled under any benefit plans. For the avoidance of doubt, no Settlement Class Member shall be entitled to any additional right, contribution, or amount under any benefit plan as a result of this Settlement or payments made hereunder.

51. Administration Process. The Parties agree to cooperate in the administration of the settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement.

52. Notice to Labor and Workforce Development Agency. Upon the filing of the Motion for Preliminary Approval, Class Counsel will notify the LWDA of this Settlement Agreement. Within ten (10) calendar days of the entry of the Court's order granting Preliminary Approval and of the Court's entry of Judgment, Class Counsel will provide the LWDA with copies of that order and Judgment, respectively, consistent with Paragraph 29 of this Agreement and California Labor Code sections 2699(I)(1)–(3).

53. Preparation of the Class List. Within fifteen (15) calendar days of the entry of the Court's order granting Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator. Within fifteen (15) calendar days after the Response Deadline, the Settlement Administrator will provide to counsel for Defendant the list of Participating Settlement Class Members, which, unless the Court orders otherwise, shall exclude individuals who filed a timely Request for Exclusion.

54. Notice by First-Class U.S. Mail. Within fifteen (15) calendar days after receiving the Class List from Defendant, the Settlement Administrator will send a Notice Packet to all Settlement Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

55. Confirmation of Contact Information in the Class Lists and Resending Notices Where Initial Notice is Returned as Non-Deliverable. Prior to the initial distribution of Notice Packets, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct any known or identifiable address changes for those Settlement Class Members who do not have a mailing address included in the Class List. Notice Packets sent via regular First-Class U.S. Mail and returned to the Settlement Administrator as non-deliverable on or before the Response Deadline, will be sent promptly via regular First-Class U.S. Mail within five (5) business days of receipt to any forwarding address affixed thereto and the Settlement Administrator will indicate the date of such remailing on the Notice Packet. If no forwarding address is provided, the Settlement

1 Administrator will promptly attempt to determine the correct address using a skip-trace or other search
2 using the name, address, and/or Social Security number of the Settlement Class Member involved, and
3 will then perform a single re-mailing within five (5) business days of receipt of the returned Notice
4 Packet. Settlement Class Members will have until the later of ten (10) calendar days from the date of
5 the re-mailing of the Notice Packet or the Response Deadline, to submit a Notice of Objection, Request
6 for Exclusion, or workweeks dispute.

7 56. Notice Packets. All Settlement Class Members will be sent a Notice Packet. Each
8 Notice Packet will provide: (i) information regarding the nature of the Action; (ii) a summary of the
9 Settlement Agreement's principal terms; (iii) the Settlement Class definition; (iv) the number of
10 workweeks each respective Settlement Class Member worked for Defendants during the Class Period;
11 (v) each Settlement Class Member's estimated Individual Settlement Payment; (vi) each PAGA
12 Settlement Member's estimated Individual PAGA Payment; (vii) the dates comprising the Class Period
13 and the PAGA Period; (viii) instructions on how to submit Requests for Exclusion, Notices of
14 Objection, and workweeks disputes; (ix) the deadlines by which the Settlement Class Member must
15 postmark or fax Requests for Exclusion, Notices of Objection, and workweeks disputes; (x) the claims
16 to be released; and (xi) the Settlement Administrator's contact information, including the website
17 address where the electronic versions of the materials in the Notice Packet will be available. Settlement
18 Class Members and PAGA Settlement Members will be specifically informed that neither Defendants
19 nor Class Counsel make any representations regarding the tax implications of any amounts paid under
20 this Settlement Agreement and that if Settlement Class Members or PAGA Settlement Members have
21 any questions regarding those implications, they can and should consult a tax expert. The Parties'
22 proposed Notice Packet is attached hereto as **Exhibit A**.

23 57. Disputed Information in Notice Packets. Settlement Class Members will have an
24 opportunity to dispute the work week information provided in their Notice Packets. To the extent
25 Settlement Class Members dispute their employment dates or the number of workweeks on record,
26 Settlement Class Members may produce evidence to the Settlement Administrator by the Response
27 Deadline showing that such information is inaccurate. The Settlement Administrator will decide the
28 dispute. Defendant's records will be presumed correct, but the Settlement Administrator will evaluate

1 the evidence submitted by the Settlement Class Member and will make the final decision as to the
2 merits of the dispute. All disputes will be decided by the Settlement Administrator within fifteen (15)
3 business days of the Response Deadline. If the Settlement Class Member claims additional workweeks
4 were worked during the Class Period or PAGA Period, then Defendant can dispute the amount and the
5 Court will resolve the issue based on records presented.

6 58. Request for Exclusion Procedures. Any Settlement Class Member wishing to opt out
7 of the Settlement Agreement must sign and fax or mail a written Request for Exclusion to the
8 Settlement Administrator by the Response Deadline. In the case of Requests for Exclusion that are
9 mailed to the Settlement Administrator, the postmark date will be the exclusive means to determine
10 whether a Request for Exclusion has been timely submitted. Consistent with California law, PAGA
11 Settlement Members may not opt out of the PAGA Settlement. Any Settlement Class Member who
12 timely submits a Request for Exclusion from the Settlement Class will still receive an Individual PAGA
13 Payment representing their portion of the PAGA Settlement Amount. All signatories to this agreement
14 and their counsel must not encourage opt-outs. The Parties specifically agree not to solicit opt-outs,
15 directly or indirectly, through any means. Objective statements to Settlement Class Members who call
16 Class Counsel with inquiries regarding the Settlement Agreement, or the exercise of Class Counsel's
17 ethical obligations, shall not be deemed a violation of the prohibitions contained herein.

18 59. Defective Submissions. If a Settlement Class Member's Request for Exclusion is
19 defective as to the requirements listed herein, that Settlement Class Member will be given an
20 opportunity to cure the defect(s). The Settlement Administrator will send the Settlement Class Member
21 a cure letter within three (3) business days of receiving the defective submission to advise the
22 Settlement Class Member that his or her submission is defective and that the defect must be cured to
23 render the Request for Exclusion valid. The Settlement Administrator will send the cure letter by the
24 last method by which the Settlement Administrator sent the Notice Packet to the Settlement Class
25 Member. The Settlement Class Member will have until the later of (i) the Response Deadline or (ii)
26 seven (7) calendar days from the date of the cure letter to postmark or fax a revised Request for
27 Exclusion. If the revised Request for Exclusion is not postmarked or received by fax within that period,
28 it will be deemed untimely.

60. Cancellation of Settlement Agreement. Within fourteen (14) calendar days of the Response Deadline, as defined in the Court's Order granting Preliminary Approval of the Settlement, Defendants will have the option, in their sole discretion, to void the Settlement Agreement in its entirety if ten percent (10%) or more of all individuals eligible to become members of the Settlement Class submit timely and valid Requests for Exclusion or are otherwise deemed by the Court not to be bound by the Settlement. If Defendants exercise this option, they shall be responsible for all reasonable Settlement Administration Costs incurred to the date of cancellation.

61. Releases.

a. Release of Class Claims by Participating Settlement Class Members. The Parties agree that upon the Effective Date and Defendant's full funding of the Gross Settlement Fund, it is their intent that the terms set forth in this Settlement Agreement will release any further attempt by lawsuit, administrative claim or action, arbitration, demand, claims for civil penalties, or other action of any kind by each and all of the Participating Settlement Class Members, who shall release their right to pursue any and all claims against the Released Parties for the Released Class Claims, as fully described in Paragraph 28, arising during the Class Period.

b. Release of PAGA Claims by PAGA Settlement Members. The Parties agree that upon the Effective Date and Defendant's full funding of the Gross Settlement Fund, it is their intent that the terms set forth in this Settlement Agreement will release any further attempt by lawsuit, administrative claim or action, demand, claims for civil penalties, or other action of any kind by each and all of the PAGA Settlement Members, who shall release their right to pursue any and all claims against the Released Parties for the Released PAGA Claims, as fully described in Paragraph 29, arising during the PAGA Period.

c. Release of Claims by Plaintiff. Upon the Effective Date and Defendant's full funding of the Gross Settlement Fund, in addition to the claims being released by all Participating Settlement Class Members and PAGA Settlement Members, Plaintiff will release and forever discharge the Released Parties, to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and not asserted, which Plaintiff has or may have against the Released Parties based in any way on, or otherwise related to or arising from, her employment with Defendants as of the date

of execution of this Settlement Agreement. The releases include, but are not limited to, all disputes relating to or arising out of any state, local, or federal statute, ordinance, regulation, order, or common law, including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000(e) *et seq.*; the Civil Rights Act of 1866, as amended, 42 U.S.C. §§ 1981 *et seq.*; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Fair Labor Standards Act of 1938, as amended, 29 U.S.C. §§ 201 *et seq.* and Code of Federal Regulations; the Orders of the California Industrial Welfare Commission regulating wages, hours and working conditions; the California Fair Employment & Housing Act, as amended, Cal. Govt. Code §§ 12900 *et seq.*; the California Family Rights Act of 1991, as amended; Cal. Govt. Code § 12945.2; the California Unruh Civil Rights Act, as amended, Cal. Civ. Code §§ 51 *et seq.*; the California Labor Code (including any claim for civil penalties under the California Labor Code Private Attorneys General Act); the California Government Code; Article 1 of the California Constitution; the Rehabilitation Act of 1973, as amended, 29 U.S.C. §§ 701 *et seq.*; the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12100, *et seq.*; the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601, *et seq.* and any state law equivalent; the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 *et seq.*; the National Labor Relations Act, as amended, 29 U.S.C. §§ 151 *et seq.*; California Business and Professions Code §§ 17200 *et seq.*; other statutory and common law claims; statutory or common law rights to attorneys' fees and costs, penalties/fines, and/or punitive damages; any action based on contract, quasi-contract, quantum meruit, implied contract, tort, wrongful or constructive discharge, breach of the covenant of good faith and fair dealing, defamation, libel, slander, immigration issues, infliction of emotional distress, negligence, assault, battery, conspiracy, harassment, retaliation, discrimination on any basis prohibited by statute or public policy, conversion, any interference with business opportunity or with contract or based upon any other theory; and/or similar causes of action. Specifically excluded from this release are Plaintiff's individual claims for wrongful termination, disability discrimination, failure to accommodate, failure to engage in the interactive process, retaliation, and failure to prevent discrimination and retaliation, which are the subject of the Parties' Individual Settlement Agreement.

d. Plaintiff's General Release. Upon the Effective Date, to the extent allowed by California law, Plaintiff waives all rights and benefits afforded by section 1542 of the California Civil Code as to any Released Claims. Section 1542 provides:

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.

62. Settlement Terms Bind All Class Members Who Do Not Opt Out. Any Settlement Class Member who does not affirmatively opt out of the Settlement Agreement by submitting a timely and valid Request for Exclusion (*i.e.*, all Participating Settlement Class Members) will be bound by all of its terms, including those pertaining to the Released Class Claims and Released PAGA Claims (collectively, the "Released Claims"), as well as any Judgment that may be entered by the Court if it grants final approval of the Settlement. The Settlement Agreement shall constitute, and may be pleaded as, a complete and total defense to any Released Claims currently pending or raised in the future. Notwithstanding the foregoing, this Settlement Agreement, if approved, precludes further PAGA claims irrespective of whether a Request for Exclusion is submitted. As a result, all PAGA Settlement Members—regardless of whether they submit a Request for Exclusion—shall receive a check for their share of the PAGA Settlement Amount when settlement payments are delivered, and they will be bound by a release of the PAGA claims as outlined in Paragraph 60(b).

63. Notice of Objection Procedures. To object to the Settlement Agreement, a Settlement Class Member must mail or fax a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline. The Notice of Objection must be signed by the Settlement Class Member and contain all information required by this Settlement Agreement. The postmark or fax-stamp date will be deemed the exclusive means for determining that the Notice of Objection is timely. The Settlement Administrator will notify any person from whom it receives a Notice of Objection that is not timely and/or valid if, in fact, such Notice of Objection is not timely and/or valid. Any disputes regarding the timeliness, validity, or effectiveness of a Notice of Objection shall be decided by the Settlement Administrator consistent with the terms of this Agreement, and with the Parties' input, if appropriate. Settlement Class Members who fail to object in the manner specified above will be

deemed to have waived all objections to the Settlement and will be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement Agreement, unless they appear at the Final Approval Hearing and state their objection at that time. Settlement Class Members who submit timely Notices of Objection may appear at the Final Approval Hearing to have their objections heard by the Court. If the Court permits, Settlement Class Members who have not submitted a written Notice of Objection in compliance with the Settlement Agreement may still appear at the Final Approval Hearing and present their objections. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to submit written objections to the Settlement Agreement or appeal from the Final Approval Order and Judgment. Class Counsel will not represent any Settlement Class Members with respect to any such objections to this Settlement.

64. Certification Reports Regarding Individual Settlement Payment Calculations. The Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report that identifies the number of Settlement Class Members who have submitted valid Requests for Exclusion, or objected to the Settlement, and whether any Settlement Class Member has submitted a challenge to any information contained in his or her Notice Packet as provided in Paragraph 57. Additionally, the Settlement Administrator will provide counsel for both Parties with any updated reports regarding the administration of the Settlement Agreement as needed or requested, as consistent with the terms of the Settlement Agreement.

65. Distribution Timing of Individual Settlement Payments. The Settlement Administrator will distribute the funds in the Gross Settlement Fund within the period set forth with respect to each category of payment.

a. Class Counsel Award and Class Representative Enhancement Payments: Within twenty-one (21) calendar days of the Funding Date, the Settlement Administrator will issue payments for the Class Counsel Award and Class Representative Enhancement Payment in the amounts awarded by the Court.

b. Individual Settlement Payment and PAGA Settlement Amount: Within twenty-one (21) calendar days of the Funding Date, the Settlement Administrator will issue the LWDA Payment to the LWDA, the Individual Settlement Payments to the Participating Settlement Class

Members, and the Individual PAGA Payments to the PAGA Settlement Members. The Settlement Administrator will also issue a payment to itself for Court-approved services performed in connection with the Settlement in the amount approved by the Court.

c. Payroll Tax Payments and Penalties: The Settlement Administrator will also transmit Defendants' share of applicable Employer's Payroll Tax Payments and penalties to the appropriate government authorities.

66. Un-cashed Settlement Checks. Individual Settlement Payments and/or Individual PAGA Payment checks remaining uncashed for more than one hundred eighty (180) calendar days after issuance will be void. Funds from the uncashed checks shall be distributed to Court Appointed Special Advocates of Stanislaus County, a non-profit child advocacy program that is an appropriate *cy pres* beneficiary pursuant to Code of Civil Procedure § 384.

67. Certification of Completion. Upon completion of the administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

68. Treatment of Individual Settlement Payments. For tax purposes, the Individual PAGA Payments from the PAGA Settlement Amount will be treated as 100% penalties and will be reported on IRS Form 1099. Individual Settlement Payments will be allocated as follows: (i) One-third (33 1/3%) to settlement of wage claims and (ii) Two-thirds (66 2/3%) to settlement of claims for interest and statutory penalties. The portion allocated to wages shall be reported on an IRS Form W-2 and the portion allocated to interest and penalties shall be reported on an IRS Form 1099 by the Settlement Administrator. Plaintiff and Participating Settlement Class Members shall be solely responsible for taxes associated with the 1099 and W-2 payments, with the exception of employer payroll taxes. Participating Settlement Class Members shall be responsible for remitting to state and/or federal taxing authorities any applicable other taxes due. Neither this Agreement, nor any of its attachments, should be interpreted to contain or constitute representations or advice regarding any U.S. federal or state tax issue.

69. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Settlement Class Members,

PAGA Settlement Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding Defendant's share of applicable employer payroll tax payments and penalties to the appropriate government authorities. All Settlement Class Members, including Plaintiff, Participating Settlement Class Members and PAGA Settlement Members, shall be solely and exclusively responsible for remitting to state and/or federal taxing authorities any applicable other taxes due and shall hold Defendant and the Released Parties harmless for any taxes, penalties, interest, liabilities, costs, and expenses caused by any such taxing authority relating in any way to the Settlement Class Members', including Plaintiff's, PAGA Settlement Members' and Participating Settlement Class Members', tax treatment of payments made to them pursuant to this Settlement or failure to timely or properly pay any taxes owed on their respective Individual Settlement Payment or Individual PAGA Payment.

70. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Named Plaintiff, Participating Settlement Class Members, and PAGA Settlement Members are not relying on any statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.

71. 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 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS 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 ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'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.

72. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein released and discharged.

73. Nullification of Settlement Agreement. In the event that: (i) the Court does not finally approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement (and any executed Memorandum of Understanding) will be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning.

74. Termination of Settlement Agreement. Plaintiff and Defendant will each have the right to unilaterally terminate this Settlement Agreement by providing written notice of their election to do so ("Termination Notice") to all other Parties hereto within ten (10) business days of any of the following occurrences; provided, however, that the Parties agree to cooperate in good faith to address any issues the Court raises in connection with issuing Preliminary and/or Final Approval of the Settlement:

- a. ten percent (10%) or more of the Settlement Class Members request exclusion from the Settlement Class;

- b. the Court rejects, materially modifies, materially amends or changes, or declines to issue a Preliminary Approval Order or a Final Approval Order with respect to the Settlement Agreement, but only if the Parties are not permitted to remedy any deficiencies the Court identifies;
- c. an appellate court reverses the Final Approval Order, and the Settlement Agreement is not reinstated without material change by the Court on remand; or
- d. any court incorporates terms into, or deletes or strikes terms from, or modifies, amends, or changes the Preliminary Approval Order, the Final Approval Order, or the Settlement Agreement in a way that Plaintiff or Defendant reasonably consider material, unless the modification or amendment is accepted in writing by all Parties, except that, as provided above, the Court's approval of Attorneys' Fees and Costs and Class Representative Enhancement Payment, or their amounts, is not a material condition of the Settlement Agreement.

75. Reversion Nunc Pro Tunc. If this Settlement Agreement is terminated pursuant to its terms, or the Effective Date for any reason does not occur: (a) all Orders certifying the Settlement Class for purposes of effectuating this Settlement, and all preliminary and/or final findings regarding the Settlement Class, shall be void *ab initio* and automatically vacated upon notice to the Court, and (b) the Action shall proceed as though the Settlement Class had never been certified pursuant to this Settlement Agreement and such findings had never been made.

76. Preliminary Approval Hearing. Plaintiff will obtain a hearing date before the Court to request the Preliminary Approval of the Settlement Agreement and the entry of an order: (i) conditionally certifying the Settlement Class for settlement purposes only; (ii) granting preliminary approval to the proposed Settlement Agreement; (iii) setting a deadline for Class Counsel to file an application for Attorneys' Fees and Costs and an application for a Class Representative Enhancement Payment for Plaintiff; and (iv) setting a date for a Final Approval Hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Settlement Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the proposed Notice Packet, which will

include the proposed Notice of Class Action Settlement, attached as **Exhibit A**. Class Counsel will be responsible for drafting all documents necessary to obtain preliminary approval.

77. Final Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to postmark Requests for Exclusion or Notices of Objection (and no earlier than one hundred (100) calendar days after the date on which Plaintiff files her Motion for Preliminary Approval) and with the Court's permission, a Final Approval Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (i) Individual Settlement Payments (including all applicable taxes); (ii) the PAGA Settlement Amount; (iii) the Class Representative Enhancement Payment; (iv) the Class Counsel Award; and (v) all Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also be responsible for drafting the Class Counsel Award and Class Representative Enhancement Payment application to be heard at the Final Approval Hearing, which may be filed concurrently with a motion requesting final approval.

78. Final Approval Order to Include Dismissal of Individual Claims with Prejudice. The Parties will include in their proposed Final Approval Order a dismissal of Plaintiff's Individual Claims with Prejudice.

79. Judgment and Continued Jurisdiction. Upon Final Approval of the Settlement by the Court or after the Final Approval Hearing, Class Counsel will present a proposed form of Judgment to the Court for its approval that (i) approves the Settlement Agreement, adjudging the terms thereof to be fair, reasonable, adequate, and directing consummation of its terms and provisions; (ii) approving Class Counsel's application for an award of Attorneys' Fees and Costs; (iii) approving the Class Representative Enhancement Payment; (iv) approving the PAGA Settlement Amount; (v) approving the Settlement Administrator's fees from the Gross Settlement Amount; and (vi) barring all Participating Settlement Class Members and PAGA Settlement Members from prosecuting against the Released Parties, or any of them, any of the Released Claims. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement; (ii) Settlement administration matters; and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

1 80. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include
2 the terms set forth in any attached Exhibits, which are incorporated by reference as though fully set
3 forth herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

4 81. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
5 entirety of the Parties' settlement terms and, should this Settlement Agreement receive Final Approval,
6 its terms will supersede all prior written or oral agreements between the Parties other than the separately
7 executed Individual Settlement Agreement between Plaintiff and Defendant.

8 82. Amendment or Modification. No amendment, change, or modification to this
9 Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel.

10 83. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
11 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
12 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
13 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
14 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with
15 each other and use their best efforts to effect the implementation of the Settlement. If the Parties are
16 unable to reach agreement on the form or content of any document needed to implement the Settlement,
17 or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement,
18 the Parties may seek the assistance of the Court to resolve such disagreement.

19 84. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
20 and inure to the benefit of, the successors or assigns of the Parties.

21 85. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto
22 will be governed by and interpreted according to the laws of the State of California.

23 86. Execution and Counterparts. This Settlement Agreement is subject to the execution of
24 all Parties. The Settlement Agreement may be executed in one or more counterparts. All executed
25 counterparts and each of them, including facsimile and scanned copies of the signature page, will be
26 deemed to be one and the same instrument.

27 87. Acknowledgement that the Settlement Is Fair and Reasonable. The Parties believe this
28 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at

1 this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into
2 account all relevant factors, present and potential. The Parties further acknowledge that they are each
3 represented by competent counsel and that they have had an opportunity to consult with their counsel
4 regarding the fairness and reasonableness of this Settlement.

5 88. Invalidity of Any Provision. Before declaring any provision of this Settlement
6 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
7 possible consistent with applicable precedents so as to define all provisions of this Settlement
8 Agreement valid and enforceable.

9 89. Waiver of Certain Appeals. With the exception of a right to appeal the reduction of any
10 award of attorneys' fees, costs, and expenses as provided herein, Plaintiff and Defendant hereby waive
11 their right to appeal or seek other judicial review of any order that is materially consistent with the
12 terms of this Settlement Agreement.

13 90. Class Certification for Settlement Purposes Only. The Parties stipulate to class
14 certification of any claims not yet certified for purposes of implementing the Settlement only, and in
15 no way is that an admission by Defendant that class certification is proper. The Settlement will not be
16 admissible in any proceeding as evidence that (i) a class or collective should be certified as Plaintiff
17 has proposed for any claims, including but not limited to any currently non-certified claims; (ii) the
18 Action should proceed on a representative basis pursuant to PAGA; or (iii) Defendant is liable to
19 Plaintiff or any other individuals they claim to represent in the Action in connection with any claims
20 that were or could have been asserted in the Action.

21 91. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
22 that has arisen between them and to avoid the burden, expense, and risk of continued litigation. In
23 entering into this Settlement, Defendant does not admit, and specifically denies, that it violated any
24 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute
25 or any other applicable laws, regulations, or legal requirements; breached any contract; violated or
26 breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
27 conduct with respect to its employees. Neither this Settlement Agreement, nor any of its terms or
28 provisions, nor any of the negotiations connected with it, will be construed as an admission or

concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local, or other applicable law.

92. Media Restrictions. The Parties and their counsel agree that they will not issue any press releases or initiate any contact with the media about the fact, amount, or terms of the Settlement. Unless required by applicable law, neither Plaintiff nor Class Counsel shall publicize the terms of this Settlement Agreement in any medium or initiate or issue any press release or have any communications to the press or media concerning the Action, the Settlement of the Action, and/or this Settlement Agreement, except as posted by the Settlement Administrator as ordered by the Court. Class Counsel shall not include, and shall affirmatively remove, any reference to any of the foregoing subjects in any advertising, mass mailing, website, or other communication. If counsel for either Party receives an inquiry about the Settlement from the media, counsel may respond only after the motion for Preliminary Approval has been filed and only by confirming the terms of the Settlement. Notwithstanding the foregoing, nothing will prevent Class Counsel from communicating confidentially with Settlement Class Members as necessary to fulfill their obligations as Class Counsel. Additionally, this provision shall not preclude Class Counsel from referencing this Settlement (by case name and number only) as evidence of their experience in any motion for class certification, preliminary or final approval, or the like, in any other matter.

93. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right, or remedy.

94. Enforcement Actions. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be

entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

95. Disputes Regarding Settlement Agreement. In the event that there are any disputes arising out of or relating to the implementation of this Settlement Agreement, any such dispute may be submitted to Hon. William C. Pate (Ret.) or a mutually agreeable mediator for mediation, or to the court.

96. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

97. Representation by Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the advice of counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

98. All Terms Subject to Final Court Approval. All amounts and procedures described in this Settlement Agreement herein will be subject to final Court approval.

99. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

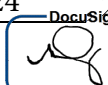
100. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, with retention of jurisdiction by the Court as provided herein, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms. The Parties agree this Settlement Agreement is enforceable pursuant to California Code of Civil Procedure section 664.6.

SIGNATURE PAGES FOLLOW

READ CAREFULLY BEFORE SIGNING.

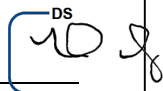
Denise

Dated: July 24, 2024


DD2D7CDEFC2B434...

By: _____

Denise Jacobs
Plaintiff and Class Representative



Dated: July 23, 2024

By: _____


Aaron Piper, President
Hydraulic Controls, Inc.
Defendant

APPROVED AS TO FORM

Dated: July _____, 2024

DONAHUE FITZGERALD, LLP

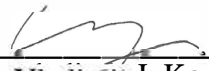
By: _____

Andrew R. Shalauta
Melanie Y. Kim
Attorneys for Defendants

Dated: July 25, 2024

MAYALL HURLEY, P.C.

By: _____

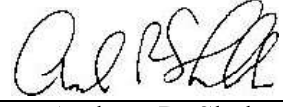

Vladimir J. Kozina
William J. Gorham, III
Robert J. Wassermann
Attorneys for Plaintiff

APPROVED AS TO FORM

Dated: July 23, 2024

DONAHUE FITZGERALD, LLP

By: _____



Andrew R. Shalauta
Melanie Y. Kim
Attorneys for Defendants

Dated: July _____, 2024

MAYALL HURLEY, P.C.

By: _____

Vladimir J. Kozina
William J. Gorham, III
Robert J. Wassermann
Attorneys for Plaintiff