FIRST AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND RELEASE

This First Amended Class Action and PAGA Settlement Agreement and Release (the "Settlement Agreement," "Settlement" or "Agreement") is entered into between Plaintiffs Diane De La Cruz, Santos Andrade Nazario, and Simon Perez Flores (collectively "Plaintiffs"), individually and on behalf of all other similarly-situated persons, and Defendant James Nicholson Enterprises, Inc. ("Defendant"), subject to the approval of the Court. Plaintiffs and Defendant are collectively referred to as the "Parties."

DEFINITIONS

1. The following terms used in this Settlement Agreement shall have the meanings ascribed to them below:

a. "Actions" means *De La Cruz v. James Nicholson Enterprises, Inc.*, Superior Court of California, County of Santa Clara, Case Number 23-CV-421709 and *Flores v. James Nicholson Enterprises, Inc.*, Court of California, County of Santa Clara, Case Number 24-CV-428669.

b. "Aggrieved Employees" means all current and former hourly, non-exempt employees who worked for Defendant in California any time during the PAGA Period.

c. "Class" or "Class Members" means all current and former hourly, non-exempt employees who worked for Defendant in California any time during the Class Period.

d. "Class Counsel" means the Wilshire Law Firm and the Messrelian Law, Inc.

e. "Class Counsel's Costs" refers to the amount of reasonable litigation expenses Class Counsel incurred in connection with this Action, currently estimated at Fifteen Thousand Dollars and Zero Cents ($15,000.00), including their pre-filing investigation, their filing of the Actions and all related litigation activities, and all post-Settlement compliance procedures.

f. "Class List" means a list of Class Members that Defendant will compile from its records. The Class List shall include: each Class Member's full name; last known address; last known email address; last known telephone number; Social Security number; the total number of workweeks that each Class Member worked in the state of California during the Class Period; and the total number of pay periods that each Aggrieved Employee worked in the state of California during the PAGA Period.

g. "Class Period" means any time between January 1, 2021 and April 3, 2025.

h. "Court" means the Superior Court of California, County of Santa Clara.

i. "Defendant" means James Nicholson Enterprises, Inc.

j. "Defendant's Counsel" means Ventura Hersey & Muller, LLP.

k. "Effective Date" means the date of the later of (a) if there are no objections submitted, entry by the Court of a final approval order and judgment finally certifying the

Settlement Class and approving the Settlement, or (b) if there are objections to the Settlement, sixty (60) calendar days after the Court enters a final approval order and judgment approving the Settlement, or (c) if any appeal, writ, or other appellate proceeding opposing the Court's final approval order approving the Settlement has been filed, five (5) business days after any appeal, writ, or other appellate proceedings opposing the settlement have been finally and conclusively dismissed with no right to pursue further remedies or relief.

l. "Fee Award" means the award of attorneys' fees that the Court authorizes to be paid to Class Counsel for the services they rendered to Named Plaintiffs, the Settlement Class, the Aggrieved Employees, and the State of California in the Actions. Class Counsel will not seek more than one-third (1/3rd) of the Gross Settlement Amount as their Fee Award.

m. "Final" shall mean, with respect to a judgment or order, that the judgment or order is final and appealable and either (a) no appeal, motion, or petition to review or intervene has been taken with respect to the judgment or order as of the date on which all times to appeal, move, or petition to review or intervene therefrom have expired, or (b) if an appeal, motion or petition to intervene or other review proceeding of the judgment or order has been commenced, such appeal, motion or petition to intervene or other review is finally concluded and no longer is subject to review by any court, whether by appeal, petitions for rehearing or re-argument, petitions for rehearing *en banc*, petitions for writ of certiorari or otherwise, and such appeal or other review has been finally resolved in such manner that affirms the judgment or order in its entirety. Notwithstanding the foregoing, any proceeding, order, or appeal pertaining solely to the award of attorneys' fees, attorneys' costs, or any Service Award shall not by itself in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming "Effective."

n. "Final Approval" or "Final Approval Order" means the Court's Final Approval Order approving the Settlement and entering judgment.

o. "Final Approval Hearing" means the hearing to be held by the Court to consider the Final Approval of the Settlement.

p. "Gross Settlement Amount" means the non-reversionary total amount that Defendant shall pay in connection with this Settlement, including any interest earned on such funds, in exchange for the release of the Settlement Class Members' and Aggrieved Employees' Released Claims. The Gross Settlement Amount is the gross sum of Two Hundred-Fifty Thousand Dollars ($250,000.00), plus amounts paid pursuant to the Escalator Clause in Section 22(b) below, if any. The Gross Settlement Amount includes: (a) all Settlement Awards to Settlement Class Members; (b) PAGA Payment; (c) Service Award; (d) Attorneys' Fees and Costs to Class Counsel, and (e) Settlement Administration Costs to the Settlement Administrator. Except for the Defendant's employer's portion of payroll taxes on Settlement Awards to Class Members ("Defendant's Payroll Taxes"), the Parties agree that Defendant will have no obligation to pay any amount in connection with this Settlement Agreement apart from the Gross Settlement Amount and Defendant's Payroll Taxes. There will be no reversion.

q. "Individual PAGA Payment" means an Aggrieved Employee's *pro rata* share of 25% of the PAGA Penalties calculated according to the number of pay periods worked by the Aggrieved Employee during the PAGA Period.

r. "Net PAGA Amount" means the Twenty-Five Percent (25%) of the amount of civil penalties under the PAGA, or Nine Hundred Dollars ($900).

s. "Net Settlement Amount" means the Gross Settlement Amount less: (i) Service Awards; (ii) Fee Award; (iii) Class Counsel's Costs; (iv) Settlement Administrator Costs; (v) the payment to Labor and Workforce Development Agency ("LWDA") for its share of PAGA penalties; (vi) and the Net PAGA Amount. The Parties acknowledge that all of these amounts are subject to the Court's approval.

t. "Notice Deadline" means the date sixty (60) days after the Settlement Notice is initially mailed to the Class. Class Members shall have until the Notice Deadline to object to, or opt-out of, the Settlement.

u. "PAGA Payment" means Three Thousand Six Hundred Dollars ($3,600.00) in civil penalties under the Private Attorneys' General Act ("PAGA").

v. "PAGA Period" means any time between September 22, 2022 through April 3, 2025.

w. "Plaintiffs" means Diane De La Cruz, Santos Andrade Nazario, and Simon Perez Flores.

x. "Preliminary Approval" or "Preliminary Approval Order" means the Court's Preliminary Approval Order preliminarily approving the terms and conditions of this Agreement.

y. "Qualified Settlement Fund" means a qualified settlement fund under Section 468B of the Internal Revenue Code established by the Settlement Administrator for the purpose of administering this Settlement.

z. "Releasees" or "Released Parties" means Defendant James Nicholson Enterprises, Inc. and all of its parent companies, subsidiaries, divisions, concepts, related or affiliated companies, and its or their respective shareholders (including, without limitation, James Nicholson), officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity that could be liable for any of the Released Claims.

aa. "Service Awards" means the payments to Plaintiffs for their efforts in bringing and prosecuting this matter. The Service Awards will not exceed the following amount: Five Thousand Dollars ($5,000.00) for each Plaintiff.

bb. "Settlement Administrator" means Phoenix Settlement Administrators, Inc., the third-party class action settlement administrator that will handle the administration of this Settlement, subject to approval by the Court.

cc. "Settlement Administrator Costs" refer to the costs the Settlement Administrator will incur to distribute the Settlement Notice and Settlement Awards, which are estimated to be Eight Thousand Dollars ($8,000.00).

dd. "Settlement Class Award" means the payment that each Settlement Class Member shall be entitled to receive pursuant to the terms of this Agreement.

ee. The "Settlement Class" or "Settlement Class Members" means all current and former hourly, non-exempt employees who worked for Defendant in California any time during the Class Period and excluding any opt-outs.

ff. "Settlement Notice" means the Notice of Class Action Settlement to the Settlement Class Members and Aggrieved Employee substantially in the form as Exhibit A attached hereto, or as approved by the Court.

RECITALS

2. On August 30, 2023, Diane De La Cruz filed an initial action entitled *Diane De La Cruz v. James Nicholson Enterprises, Inc.* against Defendant in the Superior Court of California, County of Santa Clara, Case No. 23-CV-421709, asserting claims as a class pursuant to California labor laws. On October 22, 2024, Ms. De La Cruz filed a First Amended Complaint ("FAC") which asserted PAGA claims. (The "*De La Cruz* Action"). On January 5, 2024, Plaintiff Simon Perez Flores filed his action entitled *Flores v. James Nicholson Enterprises, Inc.* against Defendant in the Superior Court of California, County of Santa Clara, Case No. 24-CV-428669, asserting Prviate Attorneys General Act claims (the "*Flores* Action").

3. The Parties agree that they will stipulate to the filing of a Second Amended Complaint which adds Santos Andrade Nazario and Simon Perez Flores as a plaintiff in the *De La Cruz Action* and asserts all of the claims asserted by Mr. Perez Flores in the *Flores Action*. Upon the approval of the Settlement, the parties to the *Flores* Action shall jointly request that it be dismissed *with prejudice.*

4. Through the Actions, Plaintiffs allege that Defendant violated the wage and hour laws of California by failing to pay Class Members and Aggrieved Employees earned wages, failing to provide legally compliant meal and rest periods, and failing to reimburse business expenses. On this basis, Plaintiffs brought claims against Defendant for unpaid minimum wages and overtime wages, failure to provide meal and rest periods, failure to reimburse business expenses, inaccurate wage statements, failure to pay final wages, unfair competition, and civil penalties under the PAGA.

5. On March 13, 2025 and April 3, 2025, the Parties participated in mediation sessions which were held before employment mediator Michael Mandel. Following mediation, on April 10, 2025, the Parties reached a settlement pursuant to a mediator's proposal.

6. Class Counsel has made a thorough and independent investigation of the facts and law relating to the allegations in the Action. In agreeing to this Settlement Agreement, Plaintiffs have considered: (a) the facts developed during pre-mediation, informal discovery and the Parties' mediation process and the law applicable thereto; (b) the attendant risks of continued litigation and the uncertainty of the outcome of the claims alleged against Defendant; and (c) the desirability of consummating this Settlement according to the terms of this Settlement Agreement. Plaintiffs have concluded that the terms of this Settlement are fair, reasonable and adequate, and that it is in the best interests of Plaintiffs, the Settlement Class (as defined above) and the Aggrieved Employees to settle their claims against Defendant pursuant to the terms set forth herein.

7. Defendant denies the allegations in the Actions and denies any and all liability, including any liability for alleged failure to pay overtime compensation or any alleged wage payment, or similar violation. This Settlement Agreement shall not be construed as an admission by Defendant or any of the Releasees (as defined above) of any fault, liability or wrongdoing, which Defendant expressly denies.

8. The Parties recognize that notice to the Settlement Class of the material terms of this Settlement, as well as Court approval of this Settlement, are required to effectuate the

Settlement, and that the Settlement will not become operative until the Court grants final approval of it, Settlement becomes Final and the Settlement Effective Date occurs.

9. The Parties stipulate and agree that, for settlement purposes only, the requisites for establishing class certification pursuant to CAL. CIV. CODE PROC. § 382 are met. Should this Settlement not become Final, such stipulation to certification shall become null and void and shall have no bearing on, and shall not be admissible in connection with, the issue of whether class certification would be appropriate in a non-settlement context.

10. In consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, IT IS HEREBY AGREED, by and between the undersigned, subject to the final approval of the Court and the other conditions set forth herein, that in exchange for Defendant's payment of the Gross Settlement Amount, Plaintiffs', the Settlement Class', and the Aggrieved Employees' claims as described herein against Defendant shall be settled, compromised, and dismissed, on the merits and with prejudice, and that Plaintiffs', the Settlement Class', and the Aggrieved Employees' Released Claims shall be finally and fully compromised, settled, and dismissed as to the Defendant and Releasees, in the manner and upon the terms and conditions set forth below.

RELEASES

11. In exchange for the consideration set forth in this Settlement Agreement, Plaintiffs and Settlement Class Members agree to release all claims as set forth herein as applicable.

12. **Settlement Class Members' Released Claims.** Upon Final Approval of the Settlement Agreement and payment of amounts set forth herein, and except as to such rights or claims as may be created by this Settlement Agreement, Plaintiffs and all Settlement Class Members shall and hereby do release and discharge all Releasees, finally, forever and with prejudice, from the claims during the Class Period as follows:

> The Settlement Class Members release the Releasees from the following rights or claims: all claims arising between January 1, 2021 and April 3, 2025, inclusive, under state, federal, or local law, arising out of the facts pleaded in the operative Second Amended Complaint filed in the *De La Cruz* Action (including, but not limited to: claims for violation of Labor Code sections 201-204, 226, 226.7, 510-512, 1174, 1174.1, 1182.11, 1182.12, 1194, 1197, 1197.1, 1198 and 2699 *et seq*. and Business and Professions Code § 17200 *et seq*. and claims based on alleged violations of these Labor Code provisions) and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that were or could have been pleaded based on the facts asserted in the Action, including: (1) failure to pay for all hours worked; (2) failure to pay minimum wages; (3) failure to pay overtime wages; (4) failure to authorize and permit and/or make available meal and rest periods; (5) failure to provide timely and accurate itemized wage statements; (6) waiting time penalties; and (7) unlawful business practices. The enumeration of these specific statutes and theories shall neither enlarge nor narrow the scope of *res judicata* based on the claims that were asserted in the Action or could have been asserted in the Action based on the facts and theories alleged in any complaint on file in the Action.

13. **Releases of PAGA Claims.** The release period for PAGA claims runs from September 22, 2022, through the date of Preliminary Approval.

> For the State of California, and, to the extent permitted by law, the Aggrieved Employees, the PAGA release includes all claims asserted in the PAGA Notices and as alleged in the First Amended Complaint filed in the *De La Cruz* Action and as alleged in the Complaint for the *Flores* Action, for PAGA civil penalties pursuant to Labor Code sections 2699, *et seq.* in connection with alleged violations of Labor Code sections 201-203, 204, 226, 226.7, 510, 1182.12, 1174, 1194, 1197, 1198, and 2802 (the PAGA Released Claims").

14. **Plaintiffs' Released Claims.** In addition to the releases made in Sections 12-13 above, in the event a service award is awarded to Plaintiffs, each Plaintiff, in consideration of the service award shall, and hereby does, release and discharge the Releasees, finally, forever, and with prejudice, from unknown claims covered by California Civil Code section 1542 that could be or are asserted based upon any theory or facts whatsoever, arising at any time up to and including the date of the execution of this Settlement Agreement, for any type of relief, including, without limitation, claims for minimum, straight time, or overtime wages, premium pay, business expenses, other damages, penalties (including, but not limited to, waiting time penalties), liquidated damages, punitive damages, interest, attorneys' fees, litigation and other costs, expenses, restitution, and equitable and declaratory relief, and, upon Final Approval, each Plaintiff shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits she may otherwise have had relating to the Plaintiff's Released Claims pursuant to Section 1542 of the California Civil Code, 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.

CERTIFICATION, NOTICE, AND SETTLEMENT IMPLEMENTATION

15. The Parties agree to the following procedures for obtaining Preliminary Approval of the Settlement, certifying the Class, and notifying the Class of this Settlement:

a. **Request for Class Certification and Preliminary Approval Order.** Plaintiffs shall file an Unopposed Motion for Preliminary Approval of Settlement Agreement, requesting that the Court certify the Class pursuant to CAL. CIV. CODE PROC. § 382 for the sole purpose of settlement; preliminarily approve the Settlement Agreement and its terms; approve the proposed form of the Settlement Notice and find that the proposed method of disseminating the Settlement Notice meets the requirements of due process and is the best notice practicable under the circumstances; set a date for Plaintiffs' motion for Final Approval of the Settlement, and approval of the requested Service Award, Fee Award, Class Counsel's Costs, and Settlement Administrator's Costs; and set a date for the Final Approval Hearing.

b. **Notice.** The Settlement Administrator shall be responsible for preparing, printing, mailing, and emailing the Settlement Notice to all Class Members.

In addition to other information contained on the Settlement Notice, the Settlement Notice shall state the estimated payment the class member is expected to receive assuming full participation of all Settlement Class Members, as well as the estimated Individual PAGA Payment, as applicable. The Settlement Administrator shall create a toll-free call center to field telephone inquiries from Class Members during the notice and settlement administration periods.

c. Within ten (10) business days after the Court's Preliminary Approval of the Settlement, Defendant shall provide to the Settlement Administrator and Class Counsel the Class List, an electronic database containing the names, last known addresses, last known telephone numbers (if any), last known email addresses (if any), social security numbers or tax ID numbers of each Class Member and Aggrieved Employee, along with: (1) the total number of workweeks that each Class Member worked for Defendant in California from Janyar 1, 2021 through April 3, 2025; (2) the total number of pay periods that each Aggrieved Employee worked for Defendant in California from September 22, 2022 thorugh April 3, 2025.

d. In order to provide the best notice practicable, prior to mailing the Settlement Notice, the Settlement Administrator will take reasonable efforts to identify current addresses via public and proprietary systems.

e. Within ten (10) business days after receiving the contact information for the Class Members and Aggrieved Employees, the Settlement Administrator shall mail and email (if email addresses are available) the agreed-upon and Court-approved Settlement Notice to Class Members and Aggrieved Employees. The Settlement Administrator shall provide notice to Class Counsel and Defendant's Counsel that the Settlement Notice has been mailed.

f. Any Settlement Notice returned to the Settlement Administrator with a forwarding address shall be re-mailed within three (3) business days following receipt of the returned mail. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and shall re-mail the Notice of Settlement. In no circumstance shall such re-mailing extend the Notice Deadline.

g. Within ten (10) business days after the Notice Deadline, the Settlement Administrator shall provide Defendant's Counsel and Class Counsel, respectively, a report showing: (i) the names of Class Members and Aggrieved Employees; (ii) the Settlement Awards owed to each Class Member and Aggrieved Employee; (iii) the final number of Class Members who have submitted objections or valid letters requesting exclusion from the Settlement; and (iv) the number of undeliverable Notices of Settlement. Upon completion of administration of the Settlement, the Settlement Administrator shall provide written certification of such completion to counsel for all Parties and the Court. This written certification shall include the total number of Settlement Class Members and Aggrieved Employees, the average recovery per Class Member who does not request exclusion, the median recovery per Class Member who does not request exclusion, the largest and smallest amounts paid to Class Members who do not request exclusion, and the number and value of checks not cashed.

h. Defendant will not take any adverse action against any current or former employee on the grounds that he/she is eligible to participate and/or does participate in the Settlement. Defendant will not discourage participation in this Settlement Agreement or encourage objections or opt-outs.

i. Within ten (10) business days after the conclusion of the 180-day check cashing period below, the Settlement Administrator shall provide Defendant's Counsel and Class Counsel, respectively, a report regarding the total amount of any funds that remain from checks that are returned as undeliverable or are not negotiated.

16. **Disputes Regarding Workweeks**. To the extent that any Class Member disputes the number of workweeks that the Class Member worked, as shown in his or her Settlement Notice, such Class Members may produce evidence to the Settlement Administrator establishing the dates they contend to have worked for Defendant. The deadline for Class Members to submit disputes pursuant to this paragraph is the Notice Deadline (disputes must be postmarked by the Notice Deadline). Unless the Class Member presents convincing evidence proving he or she worked more workweeks than shown by Defendant's records, his/her Settlement Award will be determined based on Defendant's records. The Settlement Administrator shall notify counsel for the Parties of any disputes it receives. Defendant shall review its records and provide further information to the Settlement Administrator, as necessary. The Settlement Administrator shall provide a recommendation to counsel for the Parties. Counsel for the Parties shall then meet and confer in an effort to resolve the dispute. If the dispute cannot be resolved by the Parties, it shall be presented to the Court for a resolution. The Settlement Administrator will notify the disputing Class Member of the decision.

17. **Objections.** The Settlement Notice shall provide that Class Members who wish to object to the Settlement must, on or before the Notice Deadline, serve upon Class Counsel and Defendant's Counsel a written statement objecting to the Settlement. The Settlement Notice shall also provide the Court's mailing address for sending objections and notices to appear: Superior Court of California, County of Santa Clara, 191 N. 1st Street, San Jose, California 95113. Such objection shall not be valid unless it includes the information specified in the Settlement Notice. The statement must be signed personally by the objector, and must include the objector's name, address, telephone number, email address (if applicable), the factual and legal grounds for the objection, and whether the objector intends to appear at the Final Approval Hearing. The Settlement Notice shall advise Class Members that objections shall only be considered if the Class Member has not opted out of the Settlement. Class Member shall be entitled to be heard at the Final Approval Hearing (whether individually or through counsel). The postmark date of mailing to Class Counsel and Defendant's Counsel shall be the exclusive means for determining that an objection is timely mailed to counsel. If postmark dates differ, the later of the two postmark dates will control. Absent good cause found by the court, persons who fail to make timely written objections in the manner specified above shall be deemed to have waived any objections and oppositions to the Settlement's fairness, reasonableness and adequacy, and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. None of the Parties, their counsel, nor any person on their behalf, shall seek to solicit or otherwise encourage

anyone to object to the settlement, or appeal from any order of the Court that is consistent with the terms of this Settlement.

18. **Requests for Exclusion.** The Settlement Notice shall provide that Class Members, other than Plaintiffs, who wish to exclude themselves from the Settlement ("opt out") must mail to the Settlement Administrator a written statement indicating that they do not wish to participate or be bound by the Settlement. The written request for exclusion must contain the Class Member's full name, address, telephone number, email address (if applicable), and last four digits of their social security number, and must be signed individually by the Class Member. No opt-out request may be made on behalf of a group. Such written statement must be postmarked by the Notice Deadline. None of the Parties, their counsel, nor any person on their behalf, shall seek to solicit or otherwise encourage anyone to exclude themselves from the settlement.

19. **Cure Period.** In the event any request for exclusion is timely submitted but does not contain sufficient information to be valid, the Settlement Administrator shall provide the Class Member, within seven (7) calendar days, a letter requesting the information that was not provided and giving the Class Member fourteen (14) days from the mailing of such cure letter to respond. Any invalid submission that is not timely cured will be considered a nullity.

20. **Final Approval Hearing.** Class Counsel will be responsible for drafting the Unopposed Motion for Final Approval of Settlement Agreement, and approval of the requested Service Awards, Fee Award, Class Counsel's Costs, and Settlement Administrator's Costs to be heard at the Final Approval Hearing. Plaintiffs shall request that the Court schedule the Final Approval Hearing no earlier than thirty (30) days after the Notice Deadline to determine final approval of the settlement and to enter a Final Approval Order:

a. certifying this Action and Class as a class action CAL. CIV. CODE PROC. § 382 for purposes of settlement only;

b. finding dissemination of the Settlement Notice was accomplished as directed and met the requirements of due process;

c. approving the Settlement as final and its terms as a fair, reasonable, and adequate;

d. approving the PAGA Payment;

e. approving the payment of the Service Awards to Plaintiffs;

f. approving Class Counsel's application for an award of attorneys' fees and reimbursement of out-of-pocket litigation costs and expenses;

g. directing that the Settlement funds be distributed in accordance with the terms of this Settlement Agreement;

h. directing that the Action be dismissed finally, fully, forever and with prejudice and in full and final discharge of any and all Settlement Class Members' Released Claims; and

i. retaining continuing jurisdiction over this Action for purposes only of overseeing all settlement administration matters.

21. **Post Judgment Report**. At the conclusion of the 180-day check cashing period for the set forth below in Section 32, and following receipt of the Settlement Administrator's report showing the total funds that were actually paid to Settlement Class Members, Class Counsel shall submit a post-judgment report to the Court regarding any funds that remain from checks that are returned as undeliverable or are not negotiated.

SETTLEMENT FUNDS AND AWARD CALCULATION

22. **Gross Settlement Amount**. Defendant shall pay Two Hundred-Fifty Thousand ($250,000.00), plus any amounts paid pursuant to the Escalator Clause in Section 22.b below as the Gross Settlement Amount.

a. **Funding of Settlement**. Within fourteen (14) days following the occurrence of the Effective Date of the Settlement as defined above, or April 10, 2026, whichever is later, Defendant shall remit payment of the Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 28., b., of the Agreement) to the Settlement Administrator. Defendant shall also pay the corresponding amount of Defendant's Payroll Taxes. Only the Settlement Administrator shall have access to the Qualified Settlement Fund. Defendant shall not have access to the Gross Settlement Amount, or to any earned interest, once those funds are deposited into the interest-bearing Qualified Settlement Fund. The Gross Settlement Amount is fully non-reversionary.

b. **Escalator Clause**. Defendant estimates that there were approximately 25,000 workweeks for the period of January 1, 2021 through April 3, 2025. Plaintiffs are entering into this Settlement Agreement based on such representations. In the event it is determined that the actual number of workweeks exceeds 25,000 during the Class Period, Defendant will have the option of either: (a) increasing the Gross Settlement Amount proportionally; or (b) end the Class Period on the date on which the number of workweeks reached 25,000.

c. **Disbursement by Settlement Administrator**. Within seven (7) calendar days after payment of the full Gross Settlement Amount and employer taxes by Defendant, the Settlement Administrator shall distribute payments from the QSA for: (1) the Service Awards to Plaintiffs as approved by the Court; (2) the Attorneys' Fees and Cost Award to be paid to Class Counsel, as approved by the Court; (3) the Settlement Administrator Costs, as approved the Court; (4) the LWDA Payment, as approved by the Court; and (5) Individual PAGA Payments as approved by the Court. The balance remaining shall constitute the Net Settlement Amount from which Individual Settlement Payments shall be made to Settlement Class Members, less applicable taxes and withholdings. The Settlement Administrator shall be the only entity authorized to make withdrawals or payments from the Qualified Settlement Fund.

23. **Payments**. Subject to the Court's Final Approval Order, the following amounts shall be paid by the Settlement Administrator from the Gross Settlement Amount:

a. **Service Award to Plaintiffs.** Subject to the Court's approval, each Plaintiff shall receive up to Five Thousand Dollars ($5,000.00) in exchange for Plaintiffs' Released Claims and for their efforts in bringing and prosecuting this matter. The Settlement Administrator shall issue an IRS Form 1099 for this payment. If the Court approves Service Awards in an amount less than what Plaintiffs request, the reduction in the Service Awards shall not be a basis for nullification of this Settlement. Nor shall a reduction in the Service Awards in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming Effective.

b. **Fee Awards and Costs.**

i. Subject to the Court's approval, Class Counsel shall receive a Fee Award in an amount up to one-third (1/3rd) of the Gross Settlement Amount, currently Eighty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents ($83,333.33) which will compensate Class Counsel for all work performed in the Action as of the date of this Settlement Agreement as well as all of the work remaining to be performed, including but not limited to documenting the Settlement, securing Court approval of the Settlement, making sure that the Settlement is fairly administered and implemented, and obtaining final dismissal of the Action.

ii. Subject to the Court's approval, Class Counsel shall also receive reimbursement of their actual costs currently estimated at $15,000.00.

iii. An IRS Form 1099 shall be provided to Class Counsel for the payments made to Class Counsel. Class Counsel shall be solely and legally responsible to pay any and all applicable taxes on the payment made to them.

c. **Labor and Workforce Development Agency Payment.** Subject to Court approval, the Parties agree that the PAGA Payment in the amount of Three Thousand Six Hundred Dollars ($3,600.00) from the Gross Settlement Amount will be paid in settlement of all representative claims brought in the Action under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, et seq., "PAGA"). Pursuant to PAGA, Seventy-Five Percent (75%), or Two Thousand Seven Hundred Dollars ($2,700.00), of this sum will be paid to the Labor and Workforce Development Agency ("LWDA") and Twenty-Five Percent (25%), or Nine Hundred Dollars ($900), will be allocated to the Net PAGA Amount.

d. **Settlement Administration Costs.** Settlement Administration costs shall be paid from the Gross Settlement Amount. The Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to control and minimize the costs incurred in the administration of the Settlement.

e. **Settlement Awards to Settlement Class Members.** The balance remaining after payment of the above shall constitute the Net Settlement Amount from which Settlement Awards shall be paid to Settlement Class Members, less applicable taxes and withholdings.

24. **No Claim Based Upon Distributions or Payments in Accordance with this Settlement Agreement.** No person shall have any claim against Plaintiffs, Defendant, Class Counsel, or Defendant's Counsel based on distributions or payments made in accordance with this Settlement Agreement.

CALCULATION AND DISTRIBUTION OF SETTLEMENT AWARDS

25. **Settlement Award Eligibility.** All Settlement Class Members shall be paid a Settlement Award from the Net Settlement Amount.

26. Any Class Member who fails to submit a timely request to exclude themselves from the Settlement by following the procedure set forth in the Settlement Notice shall automatically be deemed a Settlement Class Member whose rights and claims with respect to the issues raised in the Action are determined by any order the Court enters granting final approval, and any judgment the Court ultimately enters in the Action. Any such Settlement Class Member's rights to pursue any Released Claims (as defined in this Settlement Agreement) will be extinguished.

27. **Settlement Award Calculations.** The Settlement Administrator shall be responsible for determining the amount of the Settlement Award to be paid to each Settlement Class Member and Aggrieved Employee based on the below formulas:

a. Settlement Class Members shall receive a *pro rata* portion of the Net Settlement Amount as follows:

i. When calculating the individual Settlement Awards to Settlement Class Members following Final Approval (for purposes of preparing Individual Settlement Payment checks), the Settlement Administrator will not include Class Members who validly request exclusion from the Settlement.

ii. For each week during which the Participating Individual worked for Defendant at any time during the Class Period, he or she shall be eligible to receive a *pro rata* portion of the Net Settlement Amount based on the number of workweeks the Settlement Class Member worked. Each workweek will be equal to one (1) settlement share.

iii. The total number of settlement shares for all Settlement Class Members will be added together and the resulting sum will be divided into the Net Settlement Amount to reach a per share dollar figure. That figure will then be multiplied by each Participating Individual's number of settlement shares to determine the Settlement Class Member's *pro rata* portion of the Net Settlement Amount.

b. Aggrieved Employees shall also receive a *pro rata* portion of the Net PAGA Amount. Class Members who validly request exclusion from the Settlement will receive a *pro rata* portion of the Net PAGA Amount. These payments shall be made as follows:

i. For any Aggrieved Employee who worked for Defendant during the PAGA Period, he or she shall be eligible to receive a *pro rata* portion of the Net PAGA Amount based on the number of pay periods the Aggrieved Employee worked. Each pay period will be equal to one (1) settlement share. The total number of settlement shares for all Aggrieved Employees will be added together and the resulting sum will be divided into the Net PAGA Amount to reach a per share dollar figure. That figure will then be multiplied by each Aggrieved Employee's number of settlement shares to determine the Aggrieved Employee's *pro rata* portion of the Net PAGA Amount.

ii. For Settlement Class Members who are also Aggrieved Employees, the Settlement Class Member's *pro rata* portion of the Net PAGA Amount, if any, may be added to the Settlement Class Member's share of the Net Settlement Amount.

28. **Settlement Award Determinations.** All Settlement Award determinations shall be based on Defendant's timekeeping, payroll, and/or other records. If the Parties determine, based upon further review of available data, that a person previously identified as being a Settlement Class Member is not a Settlement Class Member, or an individual who was not previously identified as a Settlement Class Member is in fact a Settlement Class Member but was not so included, the Settlement Administrator shall promptly make such addition or deletion as appropriate.

29. **Settlement Award Allocations.** Individual PAGA Payments shall be allocated as penalties and will be reported on an IRS Form 1099. The Settlement Award shall be allocated as follows: Twenty percent (20%) of each Settlement Award shall be allocated as wages and subject to tax withholdings, eighty percent (80%) of each Settlement Award shall be allocated as interest and penalties. Settlement Class Members shall be issued an IRS Form W-2 for the wage portion of the Settlement Awards. Settlement Class Members will also be issued an IRS Form 1099 for the portions of the Settlement Awards that are allocated to penalties, expense reimbursements, and interest. Defendant shall pay the employer's share of all required FICA and FUTA taxes on the wage portions of the Settlement Awards. The Settlement Administrator shall calculate the employer share of taxes and provide Defendant with the total employer tax contributions. Defendant shall pay the calculated employer tax contributions to the Settlement Administrator pursuant to Section 22.a. Withheld taxes will be remitted by the Settlement Administrator to the appropriate governmental authorities. Defendant shall cooperate with the Settlement Administrator to provide payroll tax information as necessary to accomplish the income and employment tax withholding on the wage portion of each Settlement Award, and the Form 1099 reporting for the non-wage portion of each Settlement Award.

30. Class Counsel and Defendant's Counsel do not intend this Settlement Agreement to constitute legal advice relating to the tax liability of any Class Member or Aggrieved Employee. To the extent that this Settlement Agreement, or any of its attachments, is interpreted to contain or constitute advice regarding any federal, state or local tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax liability or penalties.

31. The Settlement Administrator shall provide Class Counsel and Defendant's Counsel with a final report of all Settlement Awards.

32. All Settlement Award checks shall remain valid and negotiable for one hundred eighty (180) days from the date of their issuance and may thereafter automatically be canceled if not cashed within that time, at which time the right to recover any Settlement Award will be deemed void and of no further force and effect.

a. With ninety (90) days remaining for the 180-day check cashing deadline, a reminder letter will be sent via U.S. mail and email to those who have not yet cashed their settlement check. At the conclusion of the 180 day check cashing deadline, Settlement Class Members who have not cashed their Settlement Award checks shall nevertheless be deemed to have finally and forever released the Plaintiff's Released Claims or Settlement Class Members' Released Claims, as applicable.

33. **Remaining Monies.** If at the conclusion of the 180-day check cashing period set forth above, checks that are returned as undeliverable or are not negotiated shall be cancelled and those monies associated with such cancelled checks shall, consistent with the requirements of Civil Code Section 384, be remitted pursuant to Code of Civil Procedure section 384 to the Katharine & George Alexander Community Law Center ("Cy Pres Recipient"), a non-profit legal services organization that assists low-income workers. The Parties, Class Counsel, and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended *Cy Pres* Recipient. Within twenty-one (21) days after Distribution, Plaintiff will file a Post-Distribution Accounting. The Post-Distribution Accounting will set forth the total settlement fund, the total number of Settlement Class Members, the total number of Settlement Class Members to whom notice was sent and not returned as undeliverable, the number and percentage of opt-outs, the number and percentage of objections, the average and median recovery per Class Member, the largest and smallest amounts paid to Class Members, the method(s) of notice and the method(s) of payment to Class Members, the number and value of checks not cashed, the amounts distributed to the *Cy Pres Recipient* (if applicable), the administrative costs, the attorneys' fees and costs, the attorneys' fees in terms of percentage of the settlement fund, and the multiplier, if any.

MISCELLANEOUS

34. **Submissions to the LWDA.** At the same time as they submit this Class Action Settlement Agreement to the Court for Preliminary Approval, Class Counsel shall submit a copy of this Agreement to the LWDA, as required by California Labor Code § 2699(*l*)(2). Within ten (10) days following the Effective Date, Class Counsel shall submit a copy of the Final Approval Order and Judgment entered by the Court to the LWDA, as required by California Labor Code § 2699(*l*)(3).

35. **No Admission of Liability.** This Settlement Agreement and all related documents are not and shall not be construed as an admission by Defendant or any of the Releasees of any fault or liability or wrongdoing.

36. **Defendant's Legal Fees.** Defendant's legal fees and expenses in this Action shall be borne by Defendant.

37. **Nullification of the Settlement Agreement.** The Parties agree to cooperate fully with each other to accomplish the terms of the Settlement, to use their best efforts to finalize the

Settlement, and to use all other efforts that may become necessary by order of the Court, or otherwise, to effectuate the Settlement. In the event: (a) the Court does not preliminarily or finally approve the Settlement as provided herein; or (b) the Settlement does not become Final for any other reason; or (c) the Effective Date does not occur, the Parties agree to engage in follow up negotiations with the intent of resolving the Court's concerns that precluded approval, and if feasible, to resubmit the settlement for approval within thirty (30) days. If the Settlement is not approved as resubmitted or if the Parties are not able to reach another agreement, then either Party may void this Agreement; at that point, the Parties agree that each shall return to their respective positions on the day before this Agreement and that this Agreement shall not be used in evidence or argument in any other aspect of their litigation.

38. **Defendant's Option to Void Settlement.** If more than ten percent (10%) of the total number of Class Members submit timely and valid Requests for Exclusion / Opt-Out Requests, then Defendant shall have the option to void the Settlement in their sole discretion. To exercise this option, Defendant must send written notification to Class Counsel within fourteen (14) days of receiving a report from the Settlement Administrator informing Defendant's Counsel that the total number of timely and valid Requests for Exclusion / Opt-Out Requests is more than ten percent (10%). If Defendant chooses to exercise this option, the effect will be precisely the same as if Final Judgment did not occur, as discussed herein, and all Settlement Administrator Costs incurred by the Settlement Administrator through that date will be paid by Defendant.

39. **Publicity.** The parties agree that neither Party will issue any press release or other public or non-public representation regarding the settlement other than as necessary to obtain Court approval and effectuate the terms of the settlement.. The parties and their counsel agree that they will not initiate or have any contact with the press, respond to any press inquiry or have any communication with the press about this case until after Final Approval. Class Counsel will not utilize this Settlement in any marketing or advertising materials or website until after Final Approval. This does not prohibit Class Counsel from speaking to or responding to inquiries from Class Members or citing to this case in court filings regarding their adequacy as Class Counsel.

40. **Inadmissibility of Settlement Agreement.** Except for purposes of settling this Action, or enforcing its terms (including that claims were settled and released), resolving an alleged breach, or for resolution of other tax or legal issues arising from a payment under this Settlement Agreement, neither this Agreement, nor its terms, nor any document, statement, proceeding or conduct related to this Agreement, nor any reports or accounts thereof, shall be construed as, offered or admitted in evidence as, received as, or deemed to be evidence for any purpose adverse to the Parties, including, without limitation, evidence of a presumption, concession, indication or admission by any of the Parties of any liability, fault, wrongdoing, omission, concession or damage.

41. **Computation of Time.** For purposes of this Agreement, if the prescribed time period in which to complete any required or permitted action expires on a Saturday, Sunday, or legal holiday (as defined by CAL. CIV. CODE PROC. §§ 12, 12a), such time period shall be continued to the following business day. The term "days" shall mean calendar days unless otherwise noted.

42. **Interim Stay of Proceedings.** The Parties agree to hold in abeyance all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement. Further, without further order of the Court, the Parties hereto may agree in writing to reasonable extensions of time to carry out any of the provisions of the Settlement.

43. **Amendment or Modification.** This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors in interest. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

44. **Entire Settlement Agreement.** This Agreement with exhibits constitutes the entire Agreement among the Parties, and no oral or written representations, warranties or inducements have been made to any Party concerning this Agreement other than the representations, warranties, and covenants contained and memorialized in such documents. All prior or contemporaneous negotiations, memoranda, agreements, understandings, and representations, whether written or oral, are expressly superseded hereby and are of no further force and effect. Each of the Parties acknowledges that they have not relied on any promise, representation or warranty, express or implied, not contained in this Agreement. No rights hereunder may be waived except in writing.

45. **Authorization to Enter into Settlement Agreement.** The Parties warrant and represent that they are authorized to enter into this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel shall cooperate with each other and use their best efforts to effect the implementation of the Agreement. In the event that the Parties are unable to reach resolution on the form or content of any document needed to implement this Agreement, or on any supplemental provisions or actions that may become necessary to effectuate the terms of this Agreement, the Parties shall seek the assistance of the mediator, Deborah Saxe, to resolve such disagreement.

46. **Binding on Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of Plaintiffs, Defendant, the Settlement Class Members and their heirs, beneficiaries, executors, administrators, successors, transferees, successors, assigns, or any corporation or any entity with which any party may merge, consolidate or reorganize. The Parties hereto 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 rights herein released and discharged except as set forth herein.

47. **Counterparts.** This Agreement may be executed in one or more counterparts, including by facsimile or email. All executed counterparts and each of them shall be deemed to be one and the same instrument. All executed copies of this Agreement, and photocopies thereof (including facsimile and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

48. **No Signature Required by Settlement Class Members.** Only the Plaintiffs will be required to execute this Settlement Agreement. The Settlement Notice will advise all Settlement Class Members of the binding nature of the release and such shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member.

49. **Cooperation and Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement; hence the drafting of this Agreement shall not be construed against any of the Parties. The Parties agree that the terms and conditions of this Agreement were negotiated at arm's length and in good faith by the Parties, and reflect a settlement that was reached voluntarily based upon adequate information and sufficient discovery and after consultation with experienced legal counsel.

50. **Governing Law.** All terms of this Settlement Agreement and the exhibits hereto shall be governed by and interpreted according to the laws of the State of California.

51. **Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement and all orders and judgments entered in connection therewith, and the Parties and their Counsel submit to the jurisdiction of the Court for this purpose.

IN WITNESS WHEREOF, the Parties and their Counsel have executed this Settlement Agreement as follows:

PLAINTIFF: DocuSigned by: Diane de la Cruz A9EB97AFD5704E8...
Diane De La Cruz
Date: 2/5/2026

PLAINTIFF: Firmado por: SA 4E30FC97771B4D4...
Santos Andrade Nazario
Date: 2/5/2026

PLAINTIFF: SIMON PEREZ
Simone Perez Flores
Date: 2/11/2026

APPROVED AS TO FORM BY CLASS COUNSEL:

Arrash T. Fattahi
Arman A. Salehi
WILSHIRE LAW FIRM
Date: 2/6/2026

Harout Messrelian, Esq.
MESSRELIAN LAW INC.
Date: 2/11/2026

DEFENDANT: DocuSigned by: Clayton Nicholson 499941E9B6E24F8...
James Nicholson Enterprises, Inc.
Date: 2/2/2026

APPROVED AS TO FORM BY DEFENDANT'S COUNSEL:

Signed by: Daniel J Muller 299BE2A0D5094C0...
Daniel J. Muller
VENTURA HERSEY & MULLER, LLP
Date: 2/2/2026, 2025