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ADDENDUM TO PAGA SETTLEMENT AGREEMENT (REVISED FUNDING AND DISTRIBUTION)

This Addendum to PAGA Settlement Agreement (this "**Addendum**") is entered into by and between Plaintiffs Terry Cook and Nestor Flores (collectively, "**Plaintiffs**") and Defendant Defense International Corporation ("**Defendant**"). Plaintiffs and Defendant are collectively referred to as the "**Parties**."

RECITALS

A. On September 22, 2025, the Parties entered into that certain PAGA Settlement Agreement (the "**Settlement Agreement**") resolving the representative claims asserted under the California Private Attorneys General Act (Labor Code § 2698 et seq.) in the consolidated actions styled *Terry Cook v. Defense International Corporation, et al.*, Los Angeles Superior Court Lead Case No. 24STCV01060, and the related action Case No. 24STCV27985 (collectively, the "**Action**").

B. The Settlement Agreement provides for a Gross Settlement Amount of $300,000.00, to be funded by Defendant in twenty (20) monthly installments of $15,000.00 each (Settlement Agreement §§ 3.1, 4.2), with the Administrator disbursing all settlement payments only after Defendant fully funds the entire Gross Settlement Amount (Settlement Agreement § 4.3).

C. Plaintiffs moved for approval of the Settlement Agreement. In its tentative ruling, the Court indicated that it would approve the settlement in all respects, except that it declined to approve the installment-based funding plan on the existing record. The Court directed that (i) Defendant provide a declaration regarding its financial condition to support the propriety of an installment-based funding plan and to assure the Court that Defendant's financial condition will permit the future payments to be made; and (ii) the funding and distribution provisions be revised to provide for accelerated distribution that pays the Aggrieved Employees and the LWDA before PAGA Counsel's fees and costs, so that those least able to bear the risk of nonpayment are paid first.

D. The Parties enter into this Addendum to amend the Settlement Agreement's funding and distribution provisions to conform to the Court's tentative ruling, while leaving all other terms of the Settlement Agreement unchanged.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and in the Settlement Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows.

AGREEMENT

1. Defined Terms. Except as otherwise defined in this Addendum, all capitalized terms have the meanings given to them in the Settlement Agreement.

2. Amendment to Section 3.1 (Gross Settlement Amount). Section 3.1 of the Settlement Agreement is amended and restated in its entirety to read as follows:

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, DEFENDANT promises to pay $300,000.00 and no more as the Gross Settlement Amount. The Gross Settlement Amount will be paid in installments of $15,000.00 per month, with the first payment due within thirty (30) days after the date the Court enters the Approval Order, and each

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subsequent installment due on or before the same day of each successive month, until the Gross Settlement Amount is fully funded. DEFENDANT may prepay all or any portion of the Gross Settlement Amount at any time without penalty, and DEFENDANT shall use its best efforts to accelerate funding so as to permit the earliest possible distribution of the Individual PAGA Payments, the Administration Expenses Payment, and the LWDA PAGA Payment in accordance with Section 4.3. Plaintiffs will give DEFENDANT fifteen (15) days to cure if any payment is late before seeking a default. Notwithstanding the foregoing, if DEFENDANT fails to cure any late payment within the fifteen (15) day cure period, the entire then-unpaid balance of the Gross Settlement Amount shall, at Plaintiffs' election, become immediately due and payable, and Plaintiffs may seek entry of judgment for the unpaid balance and enforcement thereof through the Court's retained jurisdiction under Section 9. None of the Gross Settlement Amount will revert to DEFENDANT.

3. Amendment to Section 4.2 (Funding of Gross Settlement Amount). Section 4.2 of the Settlement Agreement is amended and restated in its entirety to read as follows:

4.2 Funding of Gross Settlement Amount. No later than thirty (30) days after the Effective Date, Defendant shall send the first installment payment of $15,000.00 to the Administrator, and thereafter shall send monthly installments of not less than $15,000.00 to the Administrator until the Gross Settlement Amount is fully funded. Defendant may, and shall use best efforts to, make larger installment payments or a lump-sum payment to accelerate funding. The Administrator shall hold all amounts received in the Qualified Settlement Fund and shall disburse those amounts as they accumulate in accordance with the priority set forth in Section 4.3, without waiting for the Gross Settlement Amount to be fully funded.

4. Amendment to Section 4.3 (Payments from the Gross Settlement Amount). Section 4.3 of the Settlement Agreement is amended and restated in its entirety to read as follows:

4.3 Payments from the Gross Settlement Amount. The Administrator shall disburse the Gross Settlement Amount as funds accumulate, in the following order of priority, and shall pay each priority tier in full before making any disbursement to the next tier. The Administrator shall make each disbursement described below as soon as the cumulative amount then funded by Defendant is sufficient to pay that tier in full, without waiting for the Gross Settlement Amount to be fully funded:

(a) First Priority — Individual PAGA Payments, Administration Expenses, and Service Payments. As soon as the amounts funded are sufficient, the Administrator shall pay (i) the Individual PAGA Payments to the Aggrieved Employees (the 25% share of PAGA Penalties, estimated at $41,952.45), (ii) the Administration Expenses Payment (not to exceed $10,000.00), and (iii) the PAGA Representative Service Payments ($1,000.00 to each Plaintiff, for a total of $2,000.00, as approved by the Court), for a combined first-priority amount of approximately $53,952.45, in each case in the amounts approved by the Court. Before mailing any checks, the Administrator shall update the recipients' mailing addresses using the National Change of Address Database, and shall administer the Individual PAGA Payment checks in accordance with Sections 4.3.1 through 4.3.4.

(b) Second Priority — LWDA PAGA Payment. After the first-priority amounts have been paid in full, the Administrator shall pay the LWDA PAGA Payment (the 75% share of PAGA Penalties, estimated at $125,857.36) to the California Labor and Workforce Development

Agency, in the amount approved by the Court, as soon as the amounts funded are sufficient to do so.

(c) Third Priority — PAGA Counsel Fees and Litigation Expenses. After the first- and second-priority amounts have been paid in full, the Administrator shall pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment (together estimated at $120,190.19), in the amounts approved by the Court, as the remaining amounts are funded. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of the Individual PAGA Payments.

The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided, and the Administrator will cancel all checks not cashed by the void date. The estimated amounts stated in this Section are for reference only; the actual amounts disbursed shall be the amounts approved by the Court in the Approval Order and calculated in accordance with Section 3.2.

5. Defendant's Declaration of Financial Condition. In support of the installment-based funding plan set forth in this Addendum, Defendant shall provide, concurrently with the submission of this Addendum to the Court, a declaration executed under penalty of perjury by an officer of Defendant with personal knowledge, addressing Defendant's current financial condition and assuring the Court that Defendant's financial condition will permit the future installment payments required under the Settlement Agreement, as amended by this Addendum, to be made. The declaration shall be filed with the Court in support of approval of the settlement as revised by this Addendum.

6. Escalator Clause and Service Awards Unaffected. For the avoidance of doubt, the escalator clause set forth in Section 8.2 of the Settlement Agreement (as approved by the Court) and the PAGA Representative Service Payments of $1,000.00 to each Plaintiff (as approved by the Court) remain in full force and effect and are not modified by this Addendum, except that the timing of disbursement of the Service Payments is governed by Section 4.3(a) as amended.

7. Ratification; No Other Modifications. Except as expressly amended by this Addendum, all terms and conditions of the Settlement Agreement remain in full force and effect and are hereby ratified and confirmed. In the event of any conflict between the terms of this Addendum and the Settlement Agreement, the terms of this Addendum control. This Addendum does not release, waive, or modify any right, obligation, or release set forth in the Settlement Agreement other than the funding and distribution provisions expressly amended herein.

8. Conforming Revisions to Proposed Order and Judgment. The Parties acknowledge that the [Proposed] Order and Judgment submitted with the motion for approval will be revised to conform to the revised funding and distribution provisions set forth in this Addendum, and Plaintiffs shall submit a revised proposed order and judgment consistent with this Addendum and the Court's ruling.

9. Court Approval. This Addendum is subject to and conditioned upon approval by the Court. The Court's continuing jurisdiction under Section 9 of the Settlement Agreement and Code of Civil Procedure section 664.6 extends to the enforcement of this Addendum.

10. Counterparts; Electronic Signatures. This Addendum may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the

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same instrument. Signatures transmitted electronically or by facsimile, and electronic signatures, shall be deemed valid and binding to the same extent as original signatures.

11. Governing Law. This Addendum is governed by and shall be construed in accordance with the laws of the State of California, consistent with Section 10 of the Settlement Agreement.

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IN WITNESS WHEREOF, the Parties have executed this Addendum as of the dates set forth below.

PLAINTIFF

Signed by:
Terry Cook
2B8577ECC257450

TERRY COOK

Dated: October 28, 2026

Nestor Flores

NESTOR FLORES

Dated: 10/31/2026

DEFENDANT

DEFENSE INTERNATIONAL CORPORATION

By: Signed by: Chaz Mckinney

Name: Chaz Mckinney

Title: President

Dated: 10/26/2026

APPROVED AS TO FORM AND CONTENT:

ARIN | JAMES APC

By: DocuSigned by: A 320F112ED44B41E...

Arin Norijanian

Attorneys for Plaintiff Terry Cook

Dated: October 28, 2026

BRADLEY/GROMBACHER LLP

By:

Marcus J. Bradley

Attorneys for Plaintiff Nestor Flores

Dated: 11/1/26

BARTKO PAVIA LLP

By:

Attorneys for Defendant Defense International Corporation

Dated: October 26, 2026

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