PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiffs Terry Cook and Nestor Flores ("Plaintiffs") on one side and defendant Defense International Corporation ("Defendant") on the other side. The Agreement refers to Plaintiffs and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Actions" mean the Plaintiffs' PAGA lawsuit alleging wage and hour violations against DEFENDANT and CHAZ MCKINNEY captioned Terry Cook v. Defense International Corporation and Chaz Mckinney, Case No.: 24STCV01060 and Nestor Flores v. Defense International Corporation, Case No.: 24STCV27985 initiated on January 16, 2024 and October 25, 2024, respectfully, and pending in Superior Court of the State of California, County of Los Angeles. The Court deemed these cases related on November 14, 2024.

1.2 "Administrator" means, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4 "Aggrieved Employee" means a person employed by DEFENDANT in California and classified as a non-exempt employee who worked for DEFENDANT during the PAGA Period.

1.5 "Aggrieved Employee Data" means Aggrieved Employee identifying information in DEFENDANT's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number and number of PAGA Pay Periods.

1.6 "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces and direct contact by the Administrator with Aggrieved Employees.

1.7 "Court" means the Superior Court of California, County of Los Angeles.

1.8 "Defense Counsel" means Bartko Pavia LLP.

1.9 "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment.

1.10 "Gross Settlement Amount" means $300,000.00 which is the total amount DEFENDANT agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA, PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment and the Administrator's Expenses Payment.

1.11 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.12 "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.13 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).

1.14 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).

1.15 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.

1.16 "PAGA Counsel" means Arin | James APC and Bradley/Grombacher LLP, the attorneys representing the Plaintiffs in the Action.

1.17 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" means ($120,190.19), the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action, all of which will be deducted from the gross settlement funds. The costs incurred by Arin | James APC is $12,151.28 and the costs incurred by Bradley/Grombacher LLP is $8,038.91. As such, the total PAGA Counsel Litigation Expense Payment is $20,190.19. The PAGA Counsel Fees Payment is 1/3 of the Gross Settlement Amount which amounts to $100,000.00.

1.18 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for DEFENDANT for at least one day during the PAGA Period.

1.19 "PAGA Period" means the period from January 16, 2023 to the date the Court issues the Approval Order. or September 16, 2025, whichever is earlier.

1.20 "PAGA" means the Private Attorneys General Act (Lab. Code, § 2698. et seq.).

1.21 "PAGA Notice" means Plaintiff Cook's January 16, 2024 letter to

DEFENDANT and to the LWDA and Plaintiff Flores's October 25, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.22 "PAGA Representative Service Payment" means the payment to the Plaintiffs for initiating the Action and providing services in support of the Action.

1.23 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (<u>$41,952.45</u>) and the 75% to LWDA (<u>$125,857.36</u>) in settlement of PAGA claims.

1.24 "Plaintiffs" mean Terry Cook and Nestor Flores, the named Plaintiffs in the Action.

1.25 "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.26 "Released PAGA Claims" means the claims being released by the Plaintiffs and PAGA Counsel and as described in Paragraph 5 below.

1.27 "Released Parties" means DEFENDANT and CHAZ MCKINNEY and and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

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

1.29 "DEFENDANT" means named Defendant Defense International Corporation.

2. RECITALS.

2.1 On January 16, 2024, Plaintiff Cook commenced this Action by filing a Class Action Complaint alleging 10 causes of action which included 9 causes of action under the Labor Code and 1 cause of action under the Business and Professions Code against DEFENDANT and CHAZ MCKINNEY for various wage and hour violations. On July 15, 2024 Plaintiff Cook filed a First Amended Complaint adding a cause of action under the PAGA against DEFENDANT and CHAZ MCKINNEY. The First Amended Complaint is the operative complaint in the Action (the "Cook Operative Complaint.").

2.2 On October 25, 2024, Plaintiff Flores commenced this Action by filing a Class Action Complaint alleging 11 causes of action which included 10 causes of action under the Labor Code and 1 cause of action under the Business and Professions Code against DEFENDANT for various wage and hour violations. (The "Flores Operative Complaint").

2.3 DEFENDANT denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Cook and Flores Operative Complaint and denies any and all liability for the causes of action alleged. CHAZ MCKINNEY denies the allegations in the Cook Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

2.4 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiffs gave timely written notice to DEFENDANT and the LWDA by sending the PAGA Notices.

2.5 On June 10, 2025, the Parties participated in a global mediation presided by Kevin Barnes, which led to this Agreement to settle the Actions.

2.6 Prior to mediation, Plaintiffs obtained from Defendant, through the informal exchange of documents and information, a sample time and corresponding payroll records of hourly paid and non-exempt employees of Defendant, employee handbooks in effect during the relevant time period, and other policy documents and pertinent data for the allegedly Aggrieved Employees, which enabled the Parties to fully investigate the claims at issue and understand their strengths and weakness. Defendant also provided financial data indicating its significant financial hardships.

2.7 The Parties, PAGA Counsel and Defense Counsel represent that they are aware of three matters which bring PAGA claims against Defendant which will be released as part of this Agreement. Those matters are *Guillermo Torres Ortega, et al. v. Defense International Corporation, et al*, Case No.: 25CU024073C, pending in San Diego Superior Court, Thomas v. Defense International Corp., Case No.30-2025-01483926-CU-OE-CJC [], pending in Superior Court of California, County of Orange. Emily D. Gonzalez v. Defense International Corp., Does 1-100, LASC, Case No. 25STCV17077.

3. MONETARY TERMS.

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 paid in installments of $15,000.00 per month over a 20-month period, with the first payment due within 30 days after the date the Court enters the Approval Order. Plaintiffs will give DEFENDANT 15 days to cure if any payment is late before seeking a default. DEFENDANT has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to DEFENDANT.

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

3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 1/3, which is currently estimated to be $100,000.00, which shall be divided between PAGA Counsel as follows: 60% to Arin | James APC and 40% to Bradley/Grombacher, LLP, and PAGA Counsel Litigation Expenses Payment of not more than $20,190.19. The costs incurred by Arin | James APC is $12,151.28 and the costs incurred by Bradley/Grombacher LLP is $8,038.91. As such, the total PAGA Counsel Litigation Expense Payment is $20,190.19. DEFENDANT will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds DEFENDANT harmless, and indemnifies DEFENDANT, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 To the Plaintiffs: PAGA Representative Service Payments to each Plaintiff of not more than $1,000 each in addition to any Individual PAGA Payments the Plaintiffs are entitled to receive as Aggrieved Employees. DEFENDANT will not oppose PLAINTIFFS' request for a PAGA Representative Service Payment that does not exceed this amount. As part of the motion for the Approval Order, PLAINTIFFS will seek Court approval for any PAGA Representative Service Payments. If the Court approves a PAGA Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the PAGA Representative Service Payment using IRS Form 1099. PLAINTIFFS assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed $10,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To the LWDA and Aggrieved Employees: PAGA Penalties to be paid from the Gross Settlement Amount equal to the Gross Settlement Amount less the PAGA Counsel Expense Payment, PAGA Counsel Fee Payment, and the Administration Expense Payment. PAGA Penalties will be allocated 75% to the LWDA ("LWDA PAGA Payment") and 25% to the Aggrieved Employees ("Individual PAGA Payments"), pursuant to Labor Code section 2699(i).

3.2.5 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees 25% share of PAGA penalties (i.e., the Net Settlement Amount) by the total number of PAGA Pay Periods worked by all Aggrieved Employee during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. The Individual PAGA Payments shall be allocated 100% as penalties and interest.

3.2.6 The Administrator will calculate the Net Settlement Amount by subtracting the PAGA Counsel Expenses Payment, PAGA Representative Service Payments, PAGA Counsel Fees Payment, the LWDA PAGA Payment, and the Administration Expenses Payment. The anticipated Net Settlement Amount is $41,952.45. The Parties estimate the Net Settlement Amount as follows, subject to the Court's approval:

Gross Settlement Amount:	$	300,000.00
PAGA Counsel Expenses Payment:	$	20,190.19
PAGA Counsel Fees Payment:	$	100,000.00
PAGA Representative Service Payments	$	2,000.00
Administrative Expense Payment	$	10,000.00
LWDA PAGA Payment:	$	125,857.36 (75% of the remaining amount)
Net Settlement Amount	**$**	**41,952.45**

3.2.6.1 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Data. Within 30 days, DEFENDANT will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. DEFENDANT has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which DEFENDANT must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

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 send monthly installments of $15,000.00 to the Administrator for twenty (20) months until the Gross Settlement Amount is fully funded.

4.3 Payments from the Gross Settlement Amount. Within 14 days after DEFENDANT funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.3.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.3.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are retuned undelivered without USPS forwarding address. Within 7 days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.3.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.3.4 The payment of Individual PAGA Payments shall not obligate DEFENDANT to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS**. Effective on the date when DEFENDANT fully funds the entire Gross Settlement Amount Plaintiffs and PAGA Counsel will release claims against

all Released Parties as follows:

5.1 Plaintiffs' Release. Plaintiffs and his, her or their respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, inclusive of their individual claims, from all transactions or occurrences, including those that occurred during the PAGA Period, including, but not limited to: all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time or based on occurrences outside the PAGA Period. Plaintiffs acknowledges that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now knows or believes to be true but agrees, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1 Plaintiffs' Waiver of Rights Under Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaints and the PAGA Notices.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiffs, PAGA Counsel or Defense Counsel;
(iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code, §2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator.

6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Judgment. As part of the Approval Motion, Plaintiffs shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the Settlement, retains jurisdiction over the Action under Cal. Code Civ. Proc. § 664.6 for the purpose of enforcing the terms of the Settlement following its approval, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the occurrence of the Effective Date and the Settlement being fully funded. This Settlement is expressly conditioned upon the Court entering judgment as set forth herein. The Judgment will not release or bar any claims other than the Released Claims, as defined herein, as to Plaintiffs and the Aggrieved Employees.

6.4 Duty to Cooperate. Defendant shall provide a declaration indicating its financial hardships in support of obtaining the Approval Order, if necessary. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

6.5 *Dismissal of Actions.* The Actions shall be dismissed with prejudice following settlement approval. Plaintiffs' Counsel will include dismissal of the Actions with prejudice as part of the proposed Approval Order.

6.6 *Entry of Judgment.* Upon issuance of the Approval Order, the Parties shall request that the Court enter Judgment in the case.

6.7 *Effect of Failure to Obtain Judgment.* In the event the Court fails to enter Judgment in accordance with this Settlement, or such final judgment is vacated or reversed, the Actions shall proceed as if no settlement had been attempted, unless the Parties jointly agree to seek reconsideration or appellate review of the ruling or Court approval of a renegotiated settlement. Defendants retain the right to contest whether any aspect of the Actions should be maintained as a class or representative action, or to contest the merits of the claims being asserted by Plaintiffs or the Aggrieved Employees in the Actions.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected CPT Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, CPT Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES [and ESCALATOR CLAUSE]

8.1. *Aggrieved Employee Size Estimate*. Based on data provided by Defendant, Plaintiffs estimated that there were a total of 20,000 PAGA pay periods worked by Aggrieved Employees from January 16, 2023 to June 10, 2025.

8.2. *Escalator Clause*. If the number of PAGA pay periods during the PAGA Period is more than 15% greater than 20,000 (*i.e.,* if there are approximately 23,000 or more pay periods worked by Aggrieved Employees), Defendant agrees to increase the Gross Settlement Amount proportionately by 1% (*i.e.*, if there is an 17% increase in the number of pay periods during the PAGA Period, Defendant has the option to increase the Gross Settlement Amount proportionately by 1%). Alternatively, Defendant has the option to modify the release date in the PAGA Period to a date in which the actual number of pay periods does not exceed 15%.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by DEFENDANT or CHAZ MCKINNEY that any of the allegations in the Operative Complaint have merit or that DEFENDANT and CHAZ MCKINNEY has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that or CHAZ MCKINNEY and DEFENDANT's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement, DEFENDANT and CHAZ MCKINNEY reserves all available defenses to the claims in the Action, and Plaintiffs reserves the right to contest CHAZ MCKINNEY and DEFENDANT's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and DEFENDANT, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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

10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.

10.6 No Tax Advice. Neither Plaintiffs, PAGA Counsel, DEFENDANT nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

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

10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

10.11 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by DEFENDANT in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Aggrieved Employee Data received from DEFENDANT unless, prior to the Administrator's payment of all Settlement Funds, DEFENDANT makes a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.

10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

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

10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

ARIN NORIJANIAN,
arin@arinjames.com
JAMES H. DEMERJIAN,
james@arinjames.com
ARIN | JAMES APC
100 North Brand Blvd., Suite 620
Glendale, CA 91203
(818) 476-0133 | Fax: (818) 230-5243

To DEFENDANT:

AN NGUYEN RUDA
aruda@bartkopavia.com
VAROUJ N. ARABIAN
varabian@bartkopavia.com
BARTKO PAVIA LLP
1100 Sansome Street
San Francisco, California 94111
Telephone: (415) 956-1900
Facsimile: (415) 956-1152

10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The

Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Signed by:

Terry Cook

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Dated: September 22, 2025

Terry Cook, Plaintiff

Dated:

Nestor Flores, Plaintiff

Dated:

Defense International Corporation, Defendant

Title

Dated: September 22, 2025

ARIN | JAMES APC

DocuSigned by:

By:

Arin Norijanian
James H. Demerjian
Attorneys for Plaintiff, Terry Cook

Dated:

BRADLEY/GROMBACHER LLP

By:

Marcus Bradley
Attorney for Plaintiff, *Nestor Flores*

Dated:

BARTKO PAVIA LLP

By:

An Nguyen Ruda
Attorney for Defendant

Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Dated: ______________________________
Terry Cook, Plaintiff

Dated: ______________________________
Nestor Flores, Plaintiff

Dated: ______________________________
Defense International Corporation, Defendant

President
Title

Dated:

ARIN | JAMES APC

By: ______________________________
Arin Norijanian
James H. Demerjian
Attorneys for Plaintiff, Terry Cook

Dated:

BRADLEY/GROMBACHER LLP

By: ______________________________
Marcus Bradley
Attorney for Plaintiff, *Nestor Flores*

Dated:

BARTKO PAVIA LLP

By: ______________________________
An Nguyen Ruda
Attorney for Defendant

Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

Dated: September 22, 2025

Signed by: Terry Cook

Terry Cook, Plaintiff

Dated: 9/30/2025

Signed by: NestorFlores

Nestor Flores, Plaintiff

Dated:

Defense International Corporation, Defendant

Title

Dated: September 22, 2025

ARIN | JAMES APC

DocuSigned by:

By:

Arin Norijanian
James H. Demerjian
Attorneys for Plaintiff, Terry Cook

Dated: 9/30/25

BRADLEY/GROMBACHER LLP

By:

Marcus Bradley
Attorney for Plaintiff, *Nestor Flores*

Dated: September 30, 2025

BARTKO PAVIA LLP

By:

An Nguyen Ruda
Attorney for Defendant