PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiffs, Carlos Zavala and Gonzalo Martinez ("Plaintiffs"), and defendant Paso Robles Tank, Inc. ("Defendant"). The Agreement refers to Plaintiffs and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1 "Action" means the Plaintiffs' PAGA lawsuit alleging wage and hour violations against Defendant captioned *Carlos Zavala v. Paso Robles Tank, Inc*., initiated on February 9, 2024 and pending in Superior Court of the State of California, County of Los Angeles.

1.2 "Administrator" means Phoenix Settlement Administrators, 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 Maximum 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 all current and former non-exempt employees who worked for Defendant in California between February 9, 2023, and the date the Court enters a Judgment on its Order Approving the PAGA Settlement (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 Employees' 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 the Aggrieved Employees.

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

1.8 "Defense Counsel" means JoLynn M. Scharrer of Hunt Ortmann Palffy Nieves Darling & Mah, Inc.

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 day the Court enters Judgment.

1.10 "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.

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

1.12 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code § 2699, subdivision (i), to a portion of the Settlement Amount ("the LWDA PAGA Payment").

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

1.14 "Maximum Settlement Amount" means $350,000.00 which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 9 below. The Maximum Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, PAGA Representative Enhancement Payments, and the Administrator's Expenses Payment.

1.15 "Net Settlement Amount" means the Maximum 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, PAGA Representative Enhancement Payments, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.

1.16 "PAGA Counsel" means Paul K. Haines, Sean M. Blakely, Joel M. Gordon, and Liam A. Hall, the attorneys representing the Plaintiffs in the Action.

1.17 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

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 February 9, 2023, to the date the Court enters a Judgment on its Order Approving the PAGA Settlement .

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

1.21 "PAGA Notices" means Plaintiff Zavala's February 9, 2024 letter to Defendant and the LWDA and Plaintiff Martinez's July 9, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.22 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Maximum Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.

1.23 "Paso Robles Tank" means named Defendant Paso Robles Tank, Inc.

1.24 "Plaintiffs" means Carlos Zavala and Gonzalo Martinez, 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 each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, and assigns.

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

2. RECITALS.

2.1 On February 9, 2024, Plaintiff Zavala commenced this Action by filing a Complaint alleging causes of action against Defendant for violations of the Labor Code on a class-wide basis. On April 15, 2024, Plaintiff Zavala filed a First Amended Complaint adding a cause of action under the PAGA. On September 11, 2024, Plaintiff Martinez filed an arbitration demand with the American Arbitration Association based upon alleged violations of the Labor Code on an individual basis. On September 12, 2024, Plaintiff Martinez filed a Complaint alleging a single cause of action under the PAGA. As a condition of the Settlement, Plaintiff Zavala will file a Second Amended Complaint ("SAC") adding Plaintiff Martinez as a named plaintiff in the Action. The SAC will be the operative complaint in the Action (the "Operative Complaint.") Defendant denies the allegations in the 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 in the Operative Complaint.

2.2 Pursuant to Labor Code § 2699.3, subdivision (a), Plaintiffs gave timely written notice of their claims to Defendant and the LWDA by sending the PAGA Notices.

2.3 On August 26, 2025, the Parties participated in an all-day mediation presided over by Kristin Rizzo, Esq., which resulted in this Agreement to settle the Action (describe alternative means of negotiation).

2.3. Prior to mediation, Plaintiffs obtained, through informal discovery, data regarding the number of non-exempt employees who worked for Defendant in California during the PAGA Period, total pay periods worked during the PAGA Period, and other information from Defendant. Plaintiffs also obtained a random sampling of timekeeping and payroll data for approximately 25% of all Aggrieved Employees from Defendant. Plaintiffs also obtained relevant wage and hour policies, and other relevant data and information from Defendant.

2.4 The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1 <u>Maximum Settlement Amount</u>. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay $350,000.00, and no more as the Maximum Settlement Amount. Defendant has no obligation to pay the Maximum Settlement Amount prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Maximum Settlement Amount described in Paragraph 9 below without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Maximum Settlement Amount will revert to Defendant.

3.2 <u>Net Settlement Amount</u>. The Administrator will make and deduct the following payments from the Maximum Settlement Amount, in the amounts specified by the Court in the Approval, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

3.2.1 <u>To Plaintiffs</u>: PAGA Representative Enhancement Payments to the Plaintiffs of not more than $5,000.00 each (totaling $10,000.00), in addition to any Individual PAGA Payment the Plaintiffs are entitled to receive as Aggrieved Employees. Defendant will not oppose Plaintiffs' request for PAGA Representative Enhancement Payments that do not exceed this amount. If the Court approves PAGA Representative Enhancement Payments less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the PAGA Representative Enhancements Payments to the Plaintiffs using IRS Form 1099.

3.2.2 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third, which is currently estimated to be $116,666.66, and PAGA Counsel Litigation Expenses Payment of not more than $30,000.00. 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 of 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 to PAGA Counsel 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.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed $5,000.00, 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 $5,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of approximately $188,333.34 to be paid from the Maximum Settlement Amount, with 75% ($141,250.00) allocated to the LWDA PAGA Payment and 25% ($47,083.34) allocated to the Individual PAGA Payments.

3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($47,083.34) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.

3.2.4.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net

Settlement Amount to the Aggrieved Employees. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 188 Aggrieved Employees who worked a total of 8,800 PAGA Pay Periods.

4.2 Aggrieved Employee Data. Within 15 days of the Court entering a Judgment on its Order Approving the PAGA Settlement, 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.

4.3 Funding of Maximum Settlement Amount. Defendant shall fully fund the Maximum Settlement Amount by transmitting the funds to the Administrator no later than ninety (90) calendar days after the Effective Date.

4.4 Payments from the Maximum Settlement Amount. Within 14 days after Defendant funds the Maximum Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Representative Enhancement Payments, and the PAGA Counsel Fee Payment and PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Fee Payment and PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1 The Administrator will mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in English and Spanish, along with 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, along with the explanatory letter, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned 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 remailed 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.

4.4.3 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.

4.4.4 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 Maximum Settlement Amount Plaintiffs and PAGA Counsel will release claims against all Released Parties as follows:

5.1 <u>Plaintiffs' Release</u>. Plaintiffs and 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, transactions or occurrences 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 Notices ("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 acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, 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 waive and relinquish 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 Complaint 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 and PAGA Expenses incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notices.

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. In their Declarations, Plaintiffs and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

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 Duty to Cooperate. 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.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators 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. Defendant estimates that the Aggrieved Employees worked approximately 8,800 total pay periods during the PAGA Period. If at the time of approval of the PAGA Settlement, the number of pay periods has increased by 25% or more than 8,800 (i.e., if there are 11,000 or more pay periods) then Defendant has the option to: (1) increase the Maximum Settlement Amount on a proportional basis (e.g., if there was a 27% increase in the number of pay periods, Defendant shall increase the Maximum Settlement Amount by 2%); or (2) cut off the PAGA Period as of the date Aggrieved Employees worked 11,000 pay periods.

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. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, incurred in connection with any enforcement actions.

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, and 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, and 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 that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that 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 reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest 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, and/or 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 implement the Settlement, or on any modification of the Agreement that may become 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: Haines Law Group, APC
2155 Campus Drive, Suite 180
El Segundo, California 90245

To Defendant Paso Robles Tank, Inc.: Hunt Ortmann Palffy Nieves Darling & Mah, Inc.
301 North Lake Avenue, 7th Floor
Pasadena, California 91101

10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e,g, 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.

____________________	____________________
Plaintiff Carlos Zavala	Defendant Paso Robles Tank, Inc.
________________	2-2-26
(date)	(date)
____________________	
Plaintiff Gonzalo Martinez	
________________	
(date)	
____________________	Johnson M. Schaner
Counsel For Plaintiffs	Counsel For Defendant Paso Robles Tank, Inc.
________________	02/02/2026
(date)	(date)

To Defendant Paso Robles Tank, Inc.: Hunt Ortmann Palffy Nieves Darling & Mah, Inc.
301 North Lake Avenue, 7th Floor
Pasadena, California 91101

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Carlos Zavala (Feb 2, 2026 14:19:58 PST)

Plaintiff Carlos Zavala	Defendant Paso Robles Tank, Inc.
Feb 2, 2026 (date)	(date)
Plaintiff Gonzalo Martinez	
(date)	
Counsel For Plaintiffs	Counsel For Defendant Paso Robles Tank, Inc.
(date)	(date)

To Defendant Paso Robles Tank, Inc.: Hunt Ortmann Palffy Nieves Darling & Mah, Inc.
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____
Plaintiff Carlos Zavala

____
(date)

Gonzalo Martinez (Feb 2, 2026 19:10:02 EST)
____
Plaintiff Gonzalo Martinez

Feb 2, 2026
____
(date)

____
Defendant Paso Robles Tank, Inc.

____
(date)

____
Counsel For Plaintiffs

____
(date)

____
Counsel For Defendant Paso Robles Tank, Inc.

____
(date)

To Defendant Paso Robles Tank, Inc.: Hunt Ortmann Palffy Nieves Darling & Mah, Inc.
301 North Lake Avenue, 7th Floor
Pasadena, California 91101

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Plaintiff Carlos Zavala

(date)

Defendant Paso Robles Tank, Inc.

(date)

Plaintiff Gonzalo Martinez

(date)

Counsel For Plaintiffs

February 3, 2026
(date)

Counsel For Defendant Paso Robles Tank, Inc.

(date)

EXHIBIT A

Re: ***Carlos Zavala, et al. v. Paso Robles Tank, Inc.***
Superior Court of California Los Angeles County; Case No. 24STCV03493

Date: __/__/2026

SIMID
Name
Address

Dear Name:

Enclosed, please find a check made payable to you. This is your payment from the settlement of a lawsuit titled *Carlos Zavala, et al. v. Paso Robles Tank, Inc.*, Los Angeles Superior Court, Case No. 24STCV03493, pending in the Superior Court of the State of California for the County of Los Angeles (the "Action").

The Action was filed against Paso Robles Tank, Inc. ("Paso Robles Tank") and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). The Action was brought by Plaintiffs Carlos Zavala and Gonzalo Martinez ("Plaintiffs"), former employees of Paso Robles Tank, on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

In the lawsuit, Plaintiffs claimed that Paso Robles Tank violated the California Labor Code by failing to pay minimum wages, failing to pay overtime wages, failing to provide compliant meal and/or rest breaks, failing to reimburse employees for necessary business expenditures, failing to provide employees with itemized wage statements, and failing to pay all final wages. Paso Robles Tank disputes all of Plaintiffs' allegations and denies that it engaged in any of the alleged misconduct. The parties have reached a settlement of Plaintiffs' representative PAGA claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Paso Robles Tank who were allegedly affected by the alleged violations of the Labor Code. In agreeing to enter into this settlement, Paso Robles Tank does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code, or any penalties, and has denied and disputed all of Plaintiffs' contentions. The Court has not decided the merits of Plaintiffs' claims or Paso Robles Tank's defenses.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. Please note that no deductions/withholdings have been made from your settlement payment, and you will be responsible for any tax consequences arising from your receipt of the same (for which an IRS Form 1099 will issue). If you do not cash your check within 180 days of issuance, the funds will be sent to the State Controller's Office Unclaimed Property Division in your name. If you are still employed by Paso Robles Tank, your decision to cash the check will not affect your employment in any way.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims under the PAGA that were alleged in, or could have been alleged based on the facts alleged in, Plaintiffs' complaint in the Action, during the time period February 9, 2023 through <THE DATE OF THE ORDER APPROVING THE PAGA SETTLEMENT> (the "PAGA Period").

If you have any questions, you can contact Phoenix Settlement Administrators., the Settlement Administrator, at 1-___-____.