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SUPERIOR COURT OF CALIFORNIA

COUNTY OF SANTA CRUZ

LUIS CORRALES, JENNIFER GALVAN, and BIANCA ESPINOZA, individually, and on behalf of all others similarly situated, Plaintiff, v. BELLOWS PLUMBING, HEATING & AIR, INC., a California corporation; and DOES 1 through 50, inclusive, Defendants.	Case No. 25CV04013 (Assigned to the Honorable Timothy Schmal, Dept. 10) **JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE** Action Filed: December 15, 2025 Trial Date: None Set

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BELLOWS PLUMBING, HEATING & AIR, INC.

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release ("Settlement Agreement") is made and entered into by and between Plaintiffs Jennifer Galvan, Bianca Espinoza, and Luis Corrales (collectively, "Plaintiffs" or "Class Representatives"), individually and on behalf of all others similarly situated, and Defendant Bellows Plumbing, Heating & Air, Inc. ("Defendant") (together with Plaintiffs, the "Parties").

This Settlement Agreement shall be binding on Plaintiffs and Settlement Class Members (as defined herein) and on Defendant, subject to the terms and conditions hereof and the approval of the Court.

DEFINITIONS

1. "Actions" shall mean the class and Private Attorneys General Act, California Labor Code §§ 2698, *Et Seq.* ("PAGA") claims alleged in the lawsuits captioned *Jennifer Galvan v. Bellows Plumbing, Heating & Air, Inc., et al.*, Santa Cruz County Superior Court Case No. 25CV00480, filed on February 10, 2025; *Luis Corrales v. Bellows Plumbing, Heating & Air, Inc., et al.*, Santa Cruz County Superior Court Case No. 25CV04013, filed on December 15, 2025, and alleged in the PAGA Notices (defined below).

2. "Aggrieved Employees" shall mean all non-exempt, hourly individuals that worked for Defendant in California during the PAGA Period.

3. "Agreement," "Settlement Agreement," or "Settlement" means this Joint Stipulation of Class Action and PAGA Settlement and Release.

4. "Class Counsel" shall mean the law firms of Fitzpatrick & Swanston, Diversity Law Group, P.C., and The Wheeler Law Firm, APC.

5. "Class Counsel's Fees and Costs" means the amounts that the Court authorizes to be paid to Class Counsel for reasonable attorneys' fees and litigation costs. Subject to the Court's approval, Class Counsel shall be allowed to seek its attorneys' fees up to the amount of One Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Four Cents ($133,333.34) and litigation costs up to the amount of Twenty Thousand Dollars

($20,000.00).

6. "Class Member List" means a complete list of all Settlement Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator. The Class Member List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Settlement Class Member's full name, last known mailing address, last known telephone number (if available), Social Security Number, the number of workweeks he or she worked during the Settlement Class Period, and the number of pay periods he or she worked during the PAGA Period. The Class Member List provided to the Settlement Administrator will be treated as confidential and will not be disclosed to anyone, except as may be required to applicable tax authorities, pursuant to Defendant's express written consent, by order of the Court, or to carry out the reasonable steps described in this Settlement to locate missing Settlement Class Members.

7. "Class Notice" means the Notice of Class Action Settlement, in substantially the form attached hereto as **Exhibit A**, and as approved by the Court.

8. "Class Representatives" or "Plaintiffs" shall mean Plaintiffs Jennifer Galvan, Bianca Espinoza, and Luis Corrales.

9. "Court" means the Superior Court of the State of California for the County of Santa Cruz.

10. "Defendant" means Defendant Bellows Plumbing, Heating & Air, Inc.

11. "Defendant's Counsel" shall mean the law firm of O'Hagan Meyer LLP.

12. "Effective Date" means the later of: (a) the Court's final approval of the settlement if no objections by or on behalf of Settlement Class Members have been filed and not withdrawn; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed.

13. "Enhancement Awards" means the amounts that the Court authorizes to be paid to the Class Representatives, in addition to their Individual Settlement Payments and Individual PAGA Penalties, in recognition of their efforts and risks in assisting with the prosecution of the Actions.

14. "Final Approval Hearing" shall mean the hearing whereat the Court shall consider, without limitations, any timely objections to the Settlement from Settlement Class Members, testimony from the Parties or their counsel, declarations regarding the claims process from the Settlement Administrator, and otherwise make a final determination regarding the fairness of the Settlement as set forth herein.

15. "Final Order and Judgment" means the Final Order Approving Class Action Settlement and Judgment in a form to be agreed upon by the Parties and approved by the Court.

16. "Gross Settlement Amount" means the amount of Four Hundred Thousand Dollars ($400,000.00), to be paid by Defendant in full resolution of all Released Claims and the Actions. The Gross Settlement Amount includes all Individual Settlement Payments to Participating Class Members, Individual PAGA Penalties to Aggrieved Employees, Enhancement Awards to Plaintiffs, Class Counsel's Fees and Costs, Settlement Administration Costs to the Settlement Administrator, and the payment to the California Labor & Workforce Development Agency ("LWDA").

17. "Individual PAGA Penalties" means the *pro rata* amount payable from the Net PAGA Penalties to each Aggrieved Employee in accordance with Paragraph 55.

18. "Individual Settlement Payment" means the *pro rata* portion of the Net Settlement Amount payable to each Participating Class Member, after reduction for the employee's share of taxes and withholdings with respect to wages portion of the Individual Settlement Share, as provided in Paragraph 56.

19. "Net Settlement Amount" means the balance of the Gross Settlement Amount remaining after deduction of the approved Enhancement Awards to Plaintiffs, Settlement Administration Costs, PAGA Penalties, and Class Counsel's Fees and Costs. The entire Net Settlement Amount is the maximum amount that will be available for distribution to Participating Class Members.

20. "PAGA" shall mean the California Private Attorneys General Act, Labor Code § 2698, *et seq*

21. "PAGA Notices" means the written notices that Plaintiffs Jennifer Galvan and Luis Corrales provided to the Labor and Workforce Development Agency ("LWDA[SK13.1]") by online submission and to Defendant by U.S. Certified Mail on November 13, 2024 and November 6, 2025, pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor Code alleged to the have been violated by Defendant. The claims alleged in the PAGA Letters are based on the same California Labor Code violations alleged in the Actions outlined above, with the addition of the following causes of action: (1) Failure to Provide Recovery Period, pursuant to California Labor Code Section 226.7 and California Code of Regulations, Title 8, Section 3395; (2) Failure to Provide Sick Leave, pursuant to California Labor Code Sections 245 and 246; (3) Failure to Implement a Workplace Violence Prevention Policy, pursuant to California Labor Code Sections 6401.7 and 6401.9; and (4) Failure to Implement an Indoor Heat Prevention Policy.

22. "PAGA Penalties" means the portion of the Gross Settlement Amount that the Parties have agreed will be allocated to resolve all Released PAGA Claims in the Actions. The amount of the PAGA Penalties is subject to Court approval pursuant to California Labor Code § 2699(l). The Parties have agreed that Forty Thousand Dollars ($40,000.00) of the Gross Settlement Amount shall be allocated to the resolution of the Aggrieved Employees' claims arising under PAGA. Pursuant to the PAGA, sixty-five percent (65%) of the PAGA Penalties, *i.e.*, the sum of Twenty-Six Thousand Dollars ($26,000.00), shall be paid to the California Labor and Workforce Development Agency ("LWDA"). The remaining thirty-five percent (35%) of the PAGA Penalties, *i.e*., the sum of Fourteen Thousand Dollars ($14,000.00) ("Net PAGA Penalties"), shall be distributed to the Aggrieved Employees.

23. "PAGA Period" means the period of November 13, 2023, through March 21, 2026.

24. "Participating Class Members" means all Settlement Class Members who do not submit a valid and timely request for exclusion.

25. "Parties" shall refer to the Plaintiffs and Defendant, each of whom is a "Party."

26. "Released Claims" means the Released Class Claims and Released PAGA Claims, together.

27. "Released Class Claims" means all claims, rights, demands, liabilities, and causes of action alleged or which could have reasonably been alleged based on the facts alleged in the operative complaints or PAGA Notices in the Actions, that accrued during the Settlement Class Period, including (1) failure to provide required meal periods in violation of Labor Code §§ 226.7, 510, 512, 1194, and 1197 and the applicable IWC Wage Orders; (2) failure to provide required rest periods in violation of Labor Code §§ 226.7 and 512 and the applicable IWC Wage Orders; (3) failure to provide required recovery periods in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, Section 3395; (4) failure to pay overtime wages in violation of Labor Code §§ 510, 1194, and 1998 and the applicable IWC Wage Orders; (5) failure to pay minimum wages in violation of Labor Code § § 1194 and 1197 and the applicable IWC Wage Orders; (6) failure to timely pay wages in violation of Labor Code §§ 204 and 210; (7) failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203; (8) failure to maintain required records in violation of Labor Code §§ 226 and 1174 and the applicable IWC Wage Orders; (9) failure to furnish accurate itemized wage statements in violation of Labor Code § 226 and the applicable IWC Wage Orders; (10) failure to indemnify necessary expenditures incurred in the discharge of duties in violation of Labor Code § 2802; and (11) unfair and unlawful business practices in violation of Business and Professions Code § 17200, *et seq*. The Released Class Claims do not include any individual or non-wage and hour claims of Jennifer Galvan and Bianca Espinoza, which are hereby expressly excluded.

28. "Released PAGA Claims" means all claims for PAGA civil penalties that are alleged or reasonably could have been alleged arising from any of the factual allegations in the Actions that accrued during the PAGA Period, including all claims for attorneys' fees and costs related thereto, for Defendant's alleged failure to provide compliant meal periods and rest periods, and associated premium payments, timely pay wages during employment and upon termination, failure to provide compliant wage statements, failure to pay minimum,

overtime, and straight time wages, failure to maintain complete and accurate payroll records, failure to provide recovery period, failure to provide sick leave, failure to implement a workplace violence prevention policy, failure to implement an indoor heat prevention policy, and reimburse necessary business related expenses.

29. "Released Parties" collectively means Defendant and all their parent, subsidiary and affiliated entities, including all corporations, partnerships, members, divisions and joint ventures, all officers, directors, shareholders, managers, supervisors, partners, employees, agents, attorneys, insurers of defendants, successors and assigns, as well as any other individual or entity who might otherwise be found liable for violations against Plaintiffs or any Aggrieved Employee under California Labor Code section 558.1 in connection with Plaintiff's employment with Defendant.

30. "Response Deadline" means forty-five (45) days after the Settlement Administrator initially mails the Class Notice to Settlement Class Members, and the last date on which Settlement Class Members may submit a written request for exclusion or notice of objection to the Settlement.

31. "Settlement Administrator" means Phoenix Settlement Administrators.

32. "Settlement Administration Costs" means the fees and expenses reasonably incurred by the Settlement Administrator as a result of the procedures and processes expressly required by this Agreement, which are estimated at Seven Thousand Seven Hundred and Fifty Dollars ($7,750.00). The Settlement Administration Costs are subject to Court approval. Any portion of the Settlement Administration Costs not used or approved by the Court shall be added to the Net Settlement Amount.

33. "Settlement Class" or "Settlement Class Members" shall mean all non-exempt, hourly individuals that worked for Defendant in California during the Settlement Class Period. Defendant estimates that there are approximately 283 individuals that comprise the Class.

34. "Settlement Class Period" means the period of February 10, 2021, through March 21, 2026.

35. "Settlement Payment Check" means the payment of the Individual Settlement

Payment to Participating Class Members and Individual PAGA Settlement Payment to Aggrieved Employees.

36. "Workweeks" means the number of weeks worked by each Class Member employed by Defendant as a non-exempt employee in California during the Class Period, which will be calculated by the Settlement Administrator by utilizing the Class Data provided to the Administrator by Defense Counsel reflecting the actual Workweeks worked by each putative class member based on their timekeeping records or paystubs. Weeks shall mean to be Sunday at 12:00:01 am and ends the following Saturday at midnight as defined in Defendant's written policies.

RECITALS

37. On November 13, 2024, Plaintiff Jennifer Galvan filed a Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code §§ 2698, *Et Seq.* ("PAGA Complaint") in the action entitled *Jennifer Galvan v. Bellows Plumbing, Heating & Air, Inc., et al.*, Santa Cruz County Superior Court Case No. 25CV00480, thereby commencing a representative PAGA action against Defendant ("PAGA Action"). The PAGA Complaint alleges a single cause of action for civil penalties under PAGA based on the same California Labor Code violations alleged in the Class Action Complaint (defined below).

38. On February 10, 2025, Plaintiff Jennifer Galvan filed a class, representative, and individual action against defendants Bellows Plumbing, Heating & Air, Inc. and David Michael Murrow in the Superior Court of the State of California, County of Santa Cruz ("*Galvan* Action"). Ms. Galvan's complaint alleged class action claims for: (1) failure to provide meal periods or compensation in lieu thereof in violation of Labor Code §§ 226.7 and 512 and the applicable IWC Wage Orders; (2) failure to provide rest periods or compensation in lieu thereof in violation of Labor Code §§ 226.7 and 1198 and the applicable IWC Wage Orders; (3) failure to pay hourly and overtime wages in violation of Labor Code §§ 1194 and 1998 and the applicable IWC Wage Orders; (4) failure to comply with itemized employee wage statement requirements in violation of Labor Code §§ 226, 1174, and 1175 and the applicable IWC Wage Orders; (5) failure to pay all wages upon termination in violation of

Labor Code §§ 201-203 and the applicable IWC Wage Orders; (6) failure to reimburse business expenses in violation of Labor Code § 2802; and (7) unfair business practices in violation of Business and Professions Code § 17200, *et seq*. and common law. Ms. Galvan's complaint also asserted a cause of action for violation of the PAGA, Labor Code § 2698, *et seq*., for penalties predicated on the underlying Labor Code violations. Finally, the complaint alleged individual claims for: (1) sexual harassment in violation of the FEHA; (2) sex discrimination in violation of the FEHA; (3) failure to investigate and prevent harassment and discrimination in violation of the FEHA; (4) intentional infliction of emotional distress; (5) negligent infliction of emotional distress; (6) retaliation in violation of the FEHA; (7) retaliation in violation of Labor Code § 1102.5; and (8) wrongful termination in violation of public policy.

39. On November 6, 2025, Plaintiff Luis Corrales lodged a notice with the Labor and Workforce Development Agency ("LWDA") by online submission and to Defendant by U.S. Certified Mail on November 6, 2025, pursuant to California Labor Code Section 2699.3, of the specific provisions of the California Labor Code alleged to the have been violated by Defendant. The claims alleged in the PAGA Letter are based on the same California Labor Code violations alleged in the Actions outlined above, with the addition of the following causes of action: (1) Failure to Provide Recovery Period, pursuant to California Labor Code Section 226.7 and California Code of Regulations, Title 8, Section 3395; (2) Failure to Provide Sick Leave, pursuant to California Labor Code Sections 245 and 246; (3) Failure to Implement a Workplace Violence Prevention Policy, pursuant to California Labor Code Sections 6401.7 and 6401.9; and (4) Failure to Implement an Indoor Heat Prevention Policy. Furthermore, Plaintiff Luis Corrales' PAGA Claims are related to the cases entitled: *Jennifer Galvan v. Bellows Plumbing, Heating & Air, Inc., et al.*, Santa Cruz County Superior Court Case No. 25CV00480 and *Luis Corrales v. Bellows Plumbing, Heating & Air, Inc., et al.*, Santa Cruz County Superior Court Case No. 25CV04013, filed on December 15, 2025.

40. On December 15, 2025, Plaintiff Luis Corrales filed a class action complaint against Defendant Bellows Plumbing, Heating & Air, Inc. in the Superior Court of the State of

California, County of Santa Cruz ("*Corrales* Action"). Mr. Corrales' complaint alleged class action claims for: (1) failure to provide required meal periods in violation of Labor Code §§ 226.7, 510, 512, 1194, and 1197 and the applicable IWC Wage Orders; (2) failure to provide required rest periods in violation of Labor Code §§ 226.7 and 512 and the applicable IWC Wage Orders; (3) failure to provide required recovery periods in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, Section 3395; (4) failure to pay overtime wages in violation of Labor Code §§ 510, 1194, and 1998 and the applicable IWC Wage Orders; (5) failure to pay minimum wages in violation of Labor Code § § 1194 and 1197 and the applicable IWC Wage Orders; (6) failure to timely pay wages in violation of Labor Code §§ 204 and 210; (7) failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203; (8) failure to maintain required records in violation of Labor Code §§ 226 and 1174 and the applicable IWC Wage Orders; (9) failure to furnish accurate itemized wage statements in violation of Labor Code § 226 and the applicable IWC Wage Orders; (10) failure to indemnify necessary expenditures incurred in the discharge of duties in violation of Labor Code § 2802; and (11) unfair and unlawful business practices in violation of Business and Professions Code § 17200, *et seq*.

41. Defendant denies all material allegations set forth in the Action and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Action, Released Claims (as defined herein) and Released PAGA Claims (as defined herein). On February 19, 2026, The Parties participated in mediation with Hon. Brian Walsh (Ret.) ("Mediator"), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator's evaluations, the Parties reached the settlement that is memorialized herein. The Parties' settlement discussions were conducted at arms' length, and the Settlement is the result of an informed and detailed analysis of Defendant's potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on Class Counsel's investigation and evaluation, Class Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best

interest of the Class Members, State of California, and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

42. As a condition of settlement, the Parties agreed to the filing of an amended complaint to consolidate the claims of the *Galvan* Action and *Corrales* Action and to seek settlement approval in the *Corrales* Action.

43. On June 22, 2026, Plaintiffs filed a First Amended Complaint ("FAC") in the *Corrales* Action, which is the operative complaint ("Operative Complaint"). The Operative Complaint adds Jennifer Galvan and Bianca Espinoza as additional named plaintiffs and consolidates the claims of the *Galvan* Action and *Corrales* Action with the exception of Galvan and Espinoza's individual non-wage and hour claims, which were preserved and subject to a separate confidential settlement agreements. Specifically, the Operative Complaint alleges the following claims for: (1) failure to provide required meal periods in violation of Labor Code §§ 226.7, 510, 512, 1194, and 1197 and the applicable IWC Wage Orders; (2) failure to provide required rest periods in violation of Labor Code §§ 226.7 and 512 and the applicable IWC Wage Orders; (3) failure to provide required recovery periods in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, Section 3395; (4) failure to pay overtime wages in violation of Labor Code §§ 510, 1194, and 1998 and the applicable IWC Wage Orders; (5) failure to pay minimum wages in violation of Labor Code § § 1194 and 1197 and the applicable IWC Wage Orders; (6) failure to timely pay wages in violation of Labor Code §§ 204 and 210; (7) failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203; (8) failure to maintain required records in violation of Labor Code §§ 226 and 1174 and the applicable IWC Wage Orders; (9) failure to furnish accurate itemized wage statements in violation of Labor Code § 226 and the applicable IWC Wage Orders; (10) failure to indemnify necessary expenditures incurred in the discharge of duties in violation of Labor Code § 2802; (11) unfair and unlawful business practices in violation of Business and Professions Code § 17200, *et seq*.; and (12) violation of the PAGA, Labor Code § 2698, *et seq*.

44. It is the Parties' desire to fully, finally, and forever settle, compromise, and discharge all disputes and claims arising from or related to the allegations of these Actions.

45. It is the Parties' intention that this Settlement Agreement shall constitute a full and complete settlement and release of all Released Class Claims and Released PAGA Claims against all Released Parties, and a release of Plaintiff Luis Corrales' individual claims pursuant to California Civil Code § 1542 against all Released Parties. Plaintiff Jennifer Galvan's individual, non-wage and hour claims against the Released Parties, including the Thirteenth through Twentieth Causes of Action of the Complaint in the *Galvan* Action, and Plaintiff Bianca Espinoza's anticipated individual claims against the Released Parties are specifically excluded from this Agreement and are the subject of separate confidential settlement agreements.

46. It is the Parties' intention that this Settlement shall not become effective until the Court's order approving the Settlement is final, and there is no further recourse by any Class Member or other party with standing to contest or appeal the Settlement.

47. Class Counsel have conducted a thorough investigation into the facts of the Actions, including an extensive review of relevant documents and data, and have diligently pursued an investigation of claims of the members of the Settlement Class Members against Defendant. Based on their own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement with Defendant is fair, reasonable, and adequate and is in the best interest of the Settlement Class Members in light of all known facts and circumstances, including the risks of significant delay, the risks to Plaintiffs involved in not prevailing on one or more causes of action, the possibility of non-certification, and the potential for appeals. Defendant and Defendant's Counsel also agree that the Settlement is fair and in the best interests of the Settlement Class Members. Counsel for the Parties further agree that the Settlement is fair, reasonable, and adequate with respect to civil penalties sought pursuant to PAGA.

48. The Parties agree to cooperate and take all steps necessary and appropriate to consummate this settlement in accordance with the terms of this Settlement Agreement.

TERMS OF SETTLEMENT AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

49. Settlement Consideration. Defendant shall pay the gross settlement amount totaling the sum of Four Hundred Thousand Dollars ($400,000.00) as specified in this Agreement in full satisfaction of all claims arising from the Actions, which shall be used to pay: (1) the Individual Settlement Payments (excluding any appropriate and lawfully required employer-side payroll taxes owed by Defendant on such payments which Defendant shall be separately responsible for apart from the Gross Settlement Amount); (2) the PAGA Penalties; (3) the Enhancement Awards to Plaintiffs; (4) Settlement Administration Costs to the Settlement Administrator; and (5) approved attorneys' fees and litigation costs. Except as otherwise specified herein, Defendant shall not be required to pay any additional monies beyond the amount of the Gross Settlement Amount. The Parties agree that this is a non-reversionary Settlement and that no portion of the Gross Settlement Amount shall revert to Defendant. Furthermore, there will be no claims process.

50. Escalator Clause. Defendant has represented that there are 283 Settlement Class Members who worked approximately 19,906 Workweeks during the period of February 10, 2021, through February 19, 2026. If it is determined by the Settlement Administrator that the total number of Workweeks worked by the Class Members during the Settlement Class Period actually exceeds by more than 5%, Defendant may elect one of two options: (1) the Gross Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number of Workweeks above the 5% threshold, i.e., a 6% increase in the number of Workweeks above 19,906 will result in a 1% increase in the Gross Settlement Amount; or (2) alternatively, Defendant may elect to close the Settlement Class Period so that it ends on the date that the Workweek count is less than 20,901 workweeks.

51. Funding the Gross Settlement Amount. The Gross Settlement Amount shall be funded by Defendant in accordance with the following schedule and instructions:

a. Defendant shall deposit into the Qualified Settlement Fund ("QSF") within

the meaning of Treasury Regulation Section 1.468B-1, *et seq.,* to be established by the Settlement Administrator in the amount of Three Hundred Thousand Dollars ($300,000.00) by February 19, 2027.

b. Defendant shall deposit the remaining One Hundred Thousand Dollars ($100,000.00) into the Qualified Settlement Fund by August 19, 2027. Defendant's share of payroll taxes shall be due at this time also.

c. In the event that the Court's Final Order and Judgment is entered on or after February 19, 2027, the entire Gross Settlement Amount and Defendant's share of payroll taxes shall be paid within fifteen (15) calendar days of entry of the Final Order and Judgment.

52. Distribution of Gross Settlement Amount. Within ten (10) calendar days of the transfer to the Settlement Administrator of the final portion of the Gross Settlement Amount, the Settlement Administrator shall pay: (1) the Individual Settlement Payments to Participating Class Members and Individual PAGA Payments to Aggrieved Employees; (2) the Labor and Workforce Development Agency's seventy-five percent (65%) of the PAGA Penalties; (4) the approved Enhancement Awards to Plaintiffs; and (5) Class Counsel's approved attorneys' fees and litigation costs. The Settlement Administrator shall also issue a payment to itself for services performed in connection with the Settlement. The Settlement Administrator shall also set aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and timely forward these to the appropriate government authorities.

53. Settlement Checks. The Settlement Administrator will be responsible for undertaking appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one check if the intended recipient for both payments is one individual. Settlement Class Members and PAGA Employees are not required to submit a claim to be issued an Individual Settlement Payment and/or Individual PAGA Payment.

54. Employer Payroll Taxes. The Gross Settlement Amount does not include Defendant's share of employer payroll taxes. Defendant shall separately pay its share of employer payroll taxes as calculated and directed by the Settlement Administrator.

55. Distribution of Net PAGA Penalties. The Net PAGA Penalties shall be used to satisfy Individual PAGA Payments to Aggrieved Employees in accordance with the terms of this Agreement. The Settlement Administrator will allocate the Individual PAGA Payments by first dividing the Net PAGA Penalties by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period. That value will then be multiplied by the number of pay periods worked by each respective Aggrieved Employee during the PAGA Period. Aggrieved Employees are entitled to 100% of the Net PAGA Penalties. Defendant maintains no reversionary right to any portion of the Net PAGA Penalties.

56. Distribution of Net Settlement Amount. The Net Settlement Amount shall be used to satisfy Individual Settlement Payments to Participating Class Members in accordance with the terms of this Agreement. The Settlement Administrator will allocate the Individual Settlement Payments by first dividing the Net Settlement Amount by the total number of workweeks worked by all Settlement Class Members during the Settlement Class Period. That value will then be multiplied by the number of workweeks worked by each respective Settlement Class Member during the Settlement Class Period, to yield each Settlement Class Member's Individual Settlement Payment. Participating Class Members are entitled to 100% of the Net Settlement Amount. Defendant maintains no reversionary right to any portion of the Net Settlement Amount. If there are any timely submitted requests for exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Payments for each Participating Class Member so that the amount actually distributed to Participating Class Members equals 100% of the Net Settlement Amount.

57. Tax Allocation of Individual Settlement Payments. All Individual Settlement Payments shall be allocated as follows: eighty-five percent (85%) as interest, statutory penalties, and non-wage damages and shall be reported on an IRS Form 1099; and fifteen percent (15%) as wages and shall be reported on an IRS Form W-2. Participating Class

Members are responsible for their share of the payroll taxes, which shall be deducted from their Individual Settlement Payments. Defendant is responsible for the employer share of payroll taxes, in addition to the amount of the Gross Settlement Amount, and these taxes will not be deducted from the Gross Settlement Amount.

58. Tax Allocation of Individual PAGA Payments. All Individual PAGA Payments shall be allocated 100% as penalties. The amount of payments shall be reported on an IRS Form 1099 by the Settlement Administrator.

59. Non-Negotiated Settlement Checks. Any Individual Settlement Payment Check and Individual PAGA Payment check will be valid and shall be negotiable until one hundred eighty (180) calendar days after mailing to Participating Class Members and Aggrieved Employees. Those funds represented by settlement checks returned as undeliverable and the funds which correspond with the settlement checks that are not negotiated within one hundred eighty (180) calendar days after mailing, shall be transmitted to the California Controller's Unclaimed Property Fund in the names of the Settlement Class Member and/or Aggrieved Employee to which the funds relate. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Settlement Class Members, whether or not they cash their settlement checks. Therefore, Defendant will not be required to pay any interest on such amounts. The Settlement Administrator shall undertake amended and/or supplemental tax filings and reporting required under appliable local, state, and federal tax laws that are necessitated due to the cancellation of any Individual Settlement Payment and/or Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement Payment checks that are not negotiated timely shall, nevertheless, be bound by the Class Settlement, and Aggrieved Employees whose Individual PAGA Payment checks are cancelled shall, nevertheless, be bound by the PAGA Settlement.

60. Disputes Regarding Individual Settlement Payments. In the event that Settlement Class Members have a dispute as to the data provided by Defendant, Settlement Class Members will have the opportunity to provide documentation and/or an explanation.

Absent evidence rebutting Defendant's records, Defendant's records will be presumed determinative. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments or Individual PAGA Payments under the terms of this Agreement, and that determination shall be binding.

61. Individual Settlement Payments Do Not Trigger Additional Benefits. The Individual Settlement Payments made to Participating Class Members, Individual PAGA Payments made to Aggrieved Employees, and Enhancement Awards made to Plaintiffs, as well as any other payments made pursuant to this Agreement, shall not be utilized to calculate any additional benefits under any benefit plans to which any Participating Class Members may be eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plans. Rather, it is the Parties' intention that this Settlement will not affect any rights, contributions, or amounts to which any Participating Class Member or Aggrieved Employee may be entitled under any benefit plans.

62. Settlement Administration Cost. The Settlement Administrator shall be paid for the reasonable costs of administration of the Settlement and distribution of payments under the Settlement, which is currently estimated not to exceed Seven Thousand Seven Hundred and Fifty Dollars ($7,750.00). These costs, which will be paid from the Gross Settlement Amount, subject to Court approval. Any portion of the Settlement Administration Costs not allowed shall be added to the Net Settlement Amount and shall be distributed to Participating Class Members as provided in this Agreement. To the extent the actual Settlement Administrator's costs are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to Court approval. The Settlement Administrator shall provide the following services:

a. Establish and maintain a Qualified Settlement Fund account;

b. Calculate the amount of the Net Settlement Amount each Settlement

Class Member is eligible to receive and the amount of the Net PAGA Penalties each Aggrieved Employee is eligible to receive;

c. Verify the last known address for each Settlement Class Member through a generally utilized, national address update database prior to mailing the Class Notice;

d. Translating the Class Notice to Spanish;

e. Printing, Distributing and Tracking the Class Notices and other documents for the Settlement`;

f. Establish and maintain a toll-free informational telephone support line to assist Settlement Class Members who have questions regarding the Class Notice;

g. Conduct additional address searches for mailed Class Notices that are returned as undeliverable and, to the extent new and more current addresses are found, to reprint and re-mail Class Notices accordingly;

h. Field inquiries from Settlement Class Members and administer any requests for exclusion. This service will include settlement proceed calculations, printing and issuing checks, and preparing tax forms;

i. Notify Defendant's Counsel of the wiring instructions to fund the Gross Settlement Amount as approved by the Court;

j. Distribute and pay the Enhancement Awards, Individual Settlement Payments, Individual PAGA Payments, the LWDA's portion of the PAGA Penalties, and attorneys' fees and costs awarded to Class Counsel; and

k. Provide declarations and/or other information to the Court as requested.

63. Class Counsel Fees and Costs. Subject to the Court's approval, Class Counsel shall be allowed to seek attorneys' fees up to the amount of One Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Four Cents ($133,333.34) and litigation costs up to the amount of Twenty Thousand Dollars ($20,000.00). Defendant will not object to Class Counsel's application for attorneys' fees and costs in these amounts. The amount set forth above will cover all work performed and all fees and costs incurred to date, and all work to be performed and all fees and costs to be incurred in the future in connection with the

approval by the Court of this Settlement Agreement, and the administration of the Settlement. Should Class Counsel request a lesser amount, or should the Court approve a lesser amount of attorneys' fees and/or attorneys' costs, the difference between the lesser amount and the maximum amount set forth above shall be added to the Net Settlement Amount and shall be distributed to Participating Class Members as provided in this Agreement.

64. Enhancement Awards. Subject to the Court's approval, Plaintiffs shall be allowed to seek an Enhancement Award in the amount of Ten Thousand Dollars ($10,000.00) for each individual Plaintiff, totaling Thirty Thousand Dollars ($30,000.00), for reimbursement of their service as Class Representatives. Defendant will not object to Class Counsel's application for Court approval of an Enhancement Award to the Class Representatives in the amount of $10,000.00 each. It is understood that the Enhancement Award is in addition to any claimed Individual Settlement Payment or Individual PAGA Payment to which each Plaintiff is entitled. Plaintiff Corrales shall be required to execute a general release and California Civil Procedure Section 1542 waiver.

65. Tax Forms. The Settlement Administrator shall be responsible for issuing the payments and withholding all required state and federal taxes in accordance with this Settlement Agreement. The Settlement Administrator will issue IRS Form W-2 with respect to the amounts paid as wages to the Participating Class Members, and IRS Form 1099 with respect to the amounts paid as interest and penalties to the Participating Class Members and Aggrieved Employees. The Settlement Administrator will also issue IRS Form 1099 to: (1) Plaintiffs for the Enhancement Awards for their service as Class Representatives; and (2) Class Counsel for the amount paid for approved fees and costs. The Settlement Administrator will be responsible for preparing these forms correctly. The Settlement Administrator shall also be responsible for submitting Defendant's share of payroll taxes to the appropriate government agencies on behalf of Defendant. Plaintiffs and Class Counsel will be responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received.

66. Tax Liability. Defendant, Defendant's Counsel, Class Counsel, and the Settlement Administrator make no representation as to the tax treatment or legal effect of the

payments called for hereunder, and Plaintiffs and Participating Class Members are not relying on any statement, representation, or calculation by Defendant, Defendant's Counsel, Class Counsel, or by the Settlement Administrator in this regard. Plaintiffs and Participating Class Members understand and agree that they will be solely responsible for the payment of any and all taxes and penalties assessed on their respective payments described herein and will defend, indemnify, and hold Defendant, Defendant's Counsel, Class Counsel, and the Settlement Administrator free and harmless from and against any claims resulting from treatment of such payments as non-taxable penalties/damages.

67. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement. Plaintiffs will obtain a hearing date from the Court for Plaintiff's Motion for preliminary approval of the Settlement, which Class Counsel will be responsible for drafting, and will submit this Settlement Agreement to the Court in support of said motion. Class Counsel will provide Defendant's Counsel a draft of the preliminary approval motion before filing it with the Court. Defendant agrees not to oppose the motion for preliminary approval of the Settlement consistent with this Settlement Agreement. By way of said motion, Plaintiff will apply for the entry of the Preliminary Approval Order seeking the following:

a. Conditionally certifying the Class for settlement purposes only;

b. Granting Preliminary Approval of the Settlement;

c. Preliminarily appointing Plaintiff as the representative of the Class;

d. Preliminarily appointing Class Counsel as counsel for the Class;

e. Approving as to form and content, the mutually-agreed upon and proposed Class Notice and directing its mailing by First Class U.S. Mail;

f. Approving the manner and method for Class Members to request exclusion from or object to the Class Settlement as contained herein and within the Class Notice;

g. Scheduling a Final Approval Hearing at which the Court will determine whether Final Approval of the Settlement should be granted.

81. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMETN AGREEMETN (FOR PURPOSE OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH

PARTY TO THIS SETTLEMENT AGREEMETN OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGRESS THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMOUNG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMETN AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT AGREEEMNT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

NOTICE TO THE SETTLEMENT CLASS

68. Delivery of the Class Member List. Within twenty-one (21) calendar days of preliminary approval of this Settlement by the Court, Defendant shall provide to the Settlement Administrator the Class Member List.

69. Protection of Personally Identifiable Information. The Settlement Administrator

(along with any of its agents) shall represent and warrant that it will: (1) provide reasonable and appropriate administrative, physical, and technical safeguards for any personally identifiable information ("PII"), which it receives from Defendant's Counsel and/or Class Counsel; (2) not disclose the PII to third parties, including agents or subcontractors, without Defendant's consent; (3) not disclose or otherwise use the PII other than to carry out its duties as set forth herein; and (4) promptly provide Defendant with notice if PII is subject to unauthorized access, use, disclosure, modification, or destruction. The Settlement Administrator may provide notice to both parties if the PII is subject to unauthorized access, use, disclosure, modification, or destruction; however, all additional communications from the Settlement Administrator regarding the scope, circumstances, and substance shall be communicated solely to Defendant.

70. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class Member List from Defendant, the Settlement Administrator will perform a search based on the National Change of Address Databased or any other similar services available, such as provided by Experian, for information to update and correct for any known or identifiable address changes, and shall mail a Class Notice in English and Spanish to all Settlement Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class Member List.

71. Re-Mailing of Returned Class Notices. Any Class Notices returned to the Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator shall indicate the date of such re-mailing on the Class Notice. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine the correct address using a skip-trace, or other search using the name, address, and/or Social Security Number of the Settlement Class Member involved and shall then perform a re-mailing. Those Settlement Class Members who receive a re-mailed Class Notice shall have their Response Deadline extended fifteen (15) days from the original Response Deadline. The Settlement Administrator shall provide to the Court, concurrently with Plaintiffs' Motion for Final Approval, a declaration of due diligence and proof of mailing with regard to the mailing

of the Class Notices.

72. Class Notices. All Settlement Class Members will be mailed a Class Notice. Each Class Notice will provide: (1) information regarding the nature of the Actions; (2) a summary of the Settlement's principal terms; (3) the Settlement Class definition; (4) each Settlement Class Member's estimated Individual Settlement Payment and the formula for calculating Individual Settlement Payments, if they do not request to be excluded; (5) each Aggrieved Employee's estimated Individual PAGA Payment and the formula for calculating Individual PAGA Payments; (6) the dates that comprise the Settlement Class Period and PAGA Period; (7) instructions on how to submit a valid request for exclusion or written objection; (8) the deadlines by which the Settlement Class Member must submit a request for exclusion or written objection; (9) the date for the final approval hearing; and (10) the claims to be released. The Class Notice will also inform Settlement Class Members that, in order to receive the Individual Settlement Payment and Individual PAGA Payment, they do not need to do anything except keep the Settlement Administrator apprised of their current mailing addresses.

REQUESTS FOR EXCLUSION

73. Request for Exclusion Procedures. Any Settlement Class Member, other than Plaintiffs, may opt-out from the Settlement by submitting a written request for exclusion to the Settlement Administrator postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The request need not be in any particular form and will be considered a valid request for exclusion so long as it communicates a clear desire by the Settlement Class Member not to be included in the Settlement and/or Settlement Class, identifies his/her full name and current address along with his/her signature. No requests for exclusion shall be accepted if postmarked after the Response Deadline. Any disputes regarding the timeliness of a request for exclusion or whether a written communication constitutes a valid request that cannot be resolved between the Parties shall be determined by the Court, whose determination shall be final. The Settlement Administrator will certify jointly to Class Counsel and Defendant's Counsel the number of timely and valid Requests for Exclusion that are

submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to request exclusion from the Class Settlement. Any Class Member who submits a Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants Final Approval to the Settlement.

74. No Right to Opt-Out of PAGA Settlement. By submitting such a timely request for exclusion, an Aggrieved Employee shall be deemed to have exercised his or her option to opt out of the Settlement and not be bound by this Agreement, except that in light of the binding nature of a PAGA judgment on non-party employees, Aggrieved Employees who exclude themselves from this Settlement shall still be bound by the Released PAGA Claims.

75. Settlement Terms Bind All Settlement Class Members Who Do Not Opt-Out. Any Settlement Class Member who does not affirmatively opt-out of the Settlement by submitting a valid and timely request for exclusion shall be bound by all terms of the Settlement to the fullest possible extent, including those pertaining to the Released Class Claims, as well as any Judgment that may be entered by the Court. Additionally, Aggrieved Employees shall be bound by the Released PAGA Claims, as well as any Judgment that may be entered by the Court thereon, regardless of whether they opt-out of the Settlement.

76. No Interference. The Parties and their respective counsel agree that they will not attempt to encourage or discourage Settlement Class Members from filing requests for exclusion.

77. Defendant's Right to Rescind. If five percent (5%) or more of the Settlement Class Members opt out of the Settlement by submitting valid and timely requests for exclusion,

Defendant shall have the right in its sole discretion to rescind and void the Settlement at any time before final approval by the Court, by providing written notice to Class Counsel at least twenty (20) business days prior to the Final Approval Hearing, provided the Settlement Administrator has previously furnished Defendant with the number and percentage of valid and timely requests for exclusion. If Defendant exercises this option, Defendant shall pay all costs of administration incurred up to that date.

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

OBJECTIONS TO THE SETTLEMENT

79. Objection Procedures. Any Settlement Class Member who does not opt-out of this Settlement shall be entitled to object to the Settlement. To object to the Settlement, a Settlement Class Member must return by mail a written statement of objection to the Settlement Administrator at the specified address by the Response Deadline. The objection must include: (1) the objector's full name, signature, address, and telephone number; (2) contact information for your attorney (if any); (3) a written statement of the basis for the objection; and (4) any copies of papers, briefs, or documents upon which the objection is based. At no time shall any of the Parties or their counsel seek to solicit or otherwise encourage Settlement Class Members to submit written objections to the Settlement or appeal from the Final Order and Judgment. Class Counsel shall not represent any Settlement Class Members with respect to any such objections to this Settlement. Any Settlement Class Member who submits a valid request for exclusion shall not be allowed to object to this Settlement. Alternatively, any Settlement Class Member may appear at the hearing on final approval to voice their objections.

80. Reporting Objections/Exclusions. The Settlement Administrator shall provide Defendant's Counsel and Class Counsel a weekly report which certifies the number of Settlement Class Members who have submitted valid request for exclusion. The Settlement Administrator shall also forward to Defendant's Counsel and Class Counsel any written objections received immediately upon receipt. Further, the Settlement Administrator shall

immediately forward any requests for exclusions to the Parties' counsel so that they can determine whether the request is valid and timely.

RELEASES BY THE PARTICIPATING CLASS MEMBERS, AGGRIEVED EMPLOYEES, AND CLASS REPRESENTATIVES

81. Release of Claims by Plaintiffs and Participating Class Members. Upon the full payment of the Gross Settlement Amount, Plaintiffs and all Participating Class Members shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from the Released Class Claims that accrued during the Settlement Class Period.

82. Release of Claims by Aggrieved Employees. Upon the full payment of the Gross Settlement Amount, the LWDA, Plaintiffs, and all Aggrieved Employees shall be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from the Released PAGA Claims that accrued during the PAGA Period.

83. Release of Claims by Plaintiff Luis Corrales. As a condition to obtaining the Enhancement Award provided for herein, Plaintiff Luis Corrales also agrees to a general release of any and all claims against Defendant and the Released Parties – which includes without limitation any and all claims which in any way relate to his employment with Defendant, under State or Federal law, in tort, common law, statute, contract, or equity, whether pled in the Actions or not, including but not limited to any claims under the FLSA, Title VII, ADA, FEHA, ADEA, PAGA, California Labor Code, or any Industrial Welfare Commission Wage Order – now existing or arising in the future, based on any act, omission, event, occurrence, or nonoccurrence from the beginning of time to the date of execution hereof. Luis Corrales further expressly waives and relinquishes, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides:

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

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a

complete release and discharge of the claims in the General Release, Luis Corrales expressly acknowledges that this Agreement is intended to include in its effect all claims that he does not know of or suspect to exist in his favor at the time of execution hereof and that this Agreement contemplates the extinguishment of all such claims.

PRELIMINARY AND FINAL APPROVAL

84. Preliminary Approval Hearing. Plaintiffs shall obtain a hearing before the Court to request the Preliminary Approval of the Settlement, conditional certification of the Settlement Class, and the entry of a Preliminary Approval Order: (i) approving of the proposed Settlement, and (ii) setting a date for a Final Approval Hearing. The Preliminary Approval Order shall provide for the Class Notice to be sent to all Settlement Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiff shall submit this Agreement, which sets forth the terms of this Settlement, and will include the proposed Class Notice, attached to this Agreement as **Exhibit A**.

85. Final Approval Hearing. Upon expiration of the deadlines to submit requests for exclusion or notices of objection to the Settlement, and with the Court's permission, a Final Approval Hearing shall be conducted to determine the final approval of the Settlement along with the amounts properly payable for (i) Individual Settlement Payments; (ii) the PAGA Penalties; (ii) the Class Counsel Award; (iii) the Enhancement Awards; and (iv) Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at the Final Approval Hearing.

86. Notice to LWDA. Pursuant to California Labor Code § 2699(k)(2), Plaintiffs shall submit to the LWDA a copy of this Agreement at the same time Plaintiffs submit it to the Court.

87. Entry of Judgment and Continued Jurisdiction of the Court. Concurrently with the Motion for Final Approval, the Parties shall also jointly seek the entry of Final Order and Judgment consistent with the terms of this Agreement. After entry of the Judgment, the Court shall have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such

post-Judgment matters as may be appropriate under court rules or as set forth in this Agreement.

88. Nullification of Settlement. In the event that the Settlement does not become final for any reason, then this Agreement, and any documents generated to bring it into effect, shall be null and void. Any order or judgment entered by the Court in furtherance of this Agreement shall likewise be treated as void from the beginning.

CLASS CERTIFICATION

89. Class Action Certification. The Parties are agreeing to class certification for settlement purposes only. This Agreement shall not constitute, in this or any other proceeding, an admission of any kind by Defendant, including without limitation, that certification of a class for trial or any other purpose is appropriate or proper or that Plaintiffs or any Settlement Class Member can establish any of the requisite elements for class treatment of any of the claims in this Action. If, for any reason, the Settlement is not finally approved, this Agreement will be void and the Parties will be restored to their respective positions in the lawsuit as if they had not entered into this Agreement. The Parties further agree that this Agreement or any documents or orders issued related to this Settlement will not be admissible, other than according to the Settlement's terms, in this or any other proceeding as evidence that either: (i) a class action should be certified, or (ii) Defendant is liable to Plaintiff or any Settlement Class Member.

90. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, that its has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law, regulation, or legal requirement. Except as necessary in a proceeding to enforce the terms of this Agreement, this

Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission of any nature on the part of Defendant, or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local, or other applicable law.

MISCELLANEOUS TERMS

91. Disputes Regarding Administration of Settlement. Any disputes not resolved by the Settlement Administrator concerning the administration of the Settlement will be resolved by the Court under the laws of the State of California. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to resolve the disputes without the necessity of involving the Court.

92. Mutual Full Cooperation. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including, but not limited to, execution of such documents and taking of such action as reasonable may be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Class Counsel shall take all necessary steps to secure the Court's final approval of this Settlement Agreement.

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

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

95. Entire Agreement. This Settlement Agreement and any attached exhibits

constitute the entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

96. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the Action (including with respect to California Code of Civil Procedure § 583.310), except such proceedings necessary to implement and complete this Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

97. Amendment or Modification. Prior to the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement except by written agreement signed by counsel for all Parties. After the filing of the motion for preliminary approval of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement except by written agreement signed by counsel for all the Parties and subject to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

98. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce

its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under state or federal law.

99. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each Settlement Class Member or PAGA Employee execute this Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member and PAGA Employee.

100. California Law Governs. All terms of this Settlement Agreement and attached exhibits hereto will be governed by and interpreted according to the laws of the State of California.

101. Acknowledgement that the Settlement Agreement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement Agreement.

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

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

preparation of this Settlement Agreement.

104. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

105. Breach and Enforcement Action. The Parties will jointly request that the Court retain jurisdiction pursuant to California Code of Civil Procedure § 664.6 to retain jurisdiction to oversee and enforce the terms of this Settlement. In the event of a breach of this Settlement, the non-breaching Party shall provide notice to the breaching party and request that the breaching party cure any alleged breach. If the breach is not cured within thirty (30) days of said notice, the non-breaching party may pursue legal action or other proceeding against any other breaching party or parties to enforce the provisions of this Settlement Agreement or to declare rights or obligations under this Settlement Agreement. In the event of such enforcement actions, the successful party or parties shall be entitled to recover from the unsuccessful party or parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions. All such disputes shall be resolved by the Court.

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

107. Notices. Unless otherwise specifically provided herein, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To Plaintiffs, the Settlement Class, and Class Counsel:

FITZPATRICK & SWANSTON
B. James Fitzpatrick
bjfitzpatrick@fandslegal.com
Alison L. Baker
abaker@fandslegal.com
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Salinas, CA 93901
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Scott Ernest Wheeler
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Justin A. Wheeler
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250 West First Street, Suite 216
Claremont, CA 91711
Telephone: (909) 621-4988

To Defendant and Defendant's Counsel:

O'HAGAN MEYER LLP
Sumy Kim
skim@ohaganmeyer.com
Aadil Muhammad
AMuhammad@ohaganmeyer.com
One Embarcadero Center, Suite 2100
San Francisco, CA 94111
Telephone: 415.578.6900

108. Construction. The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties, and this Settlement Agreement shall not be construed in favor of or against any party by reason of the extent to which any Party or his, her, or its counsel participated in the drafting of this Settlement Agreement.

109. Captions and Interpretations. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision of it. Each term of this Settlement Agreement is contractual and not merely a recital.

110. Integration Clause. This Settlement Agreement and the Exhibits attached hereto and incorporated herein by reference, and the confidential individual settlement agreements for

Galvan and Espinoza, contain the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

111. Binding on Assigns. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

112. Settlement Class Member Signatories. It is agreed that because the Settlement Class Members are so numerous, it is impossible or impractical to have each member execute this Settlement Agreement. The Notice of Class Action Settlement, **Exhibit A** hereto, will advise the Settlement Class of the binding nature of the Released Claims, and the release shall have the same force and effect as if this Settlement Agreement were executed by each member.

113. Counterparts. This Settlement Agreement may be executed in counterparts by one or more of the Parties on any number of separate counterparts and delivered electronically. All executed counterparts and each of them, including electronic signatures (*i.e.*, Docusign), facsimile, and scanned copies of the signature pages, will be deemed an original and, when taken together with other signed counterparts, shall constitute one Settlement Agreement binding upon and effective as to all parties.

114. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

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IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs and Defendant as of the date(s) set forth below:

IT IS SO AGREED.

PLAINTIFF JENNIFER GALVAN

Dated: 08/12/2026

Signed by:
07D9D732FF8B4CF...
Jennifer Galvan

PLAINTIFF BIANCA ESPINOZA

Dated: 08/12/2026

Signed by:
Bianca Espinoza
B0CA5DC721254CA...
Bianca Espinoza

PLAINTIFF LUIS CORRALES

Dated: _____

_____
Luis Corrales

DEFENDANT BELLOWS PLUMBING, HEATING, & AIR, INC.

Dated: _____

_____
Jason Schlunt
On behalf of Bellows Plumbing, Heating, & Air, Inc.

APPROVED AS TO FORM:

FITZPATRICK & SWANSTON

Dated: 8/12/2026

_____
B. James Fitzpatrick
Alison L. Baker

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs and Defendant as of the date(s) set forth below:

IT IS SO AGREED.

PLAINTIFF JENNIFER GALVAN

Dated: _____

_____
Jennifer Galvan

PLAINTIFF BIANCA ESPINOZA

Dated: _____

_____
Bianca Espinoza

PLAINTIFF LUIS CORRALES

Dated: 8/31/2026

Signed by: Luis 9EEF3DFB22F642A...

Luis Corrales

DEFENDANT BELLOWS PLUMBING, HEATING, & AIR, INC.

Dated: _____

_____
Jason Schlunt
On behalf of Bellows Plumbing, Heating, & Air, Inc.

APPROVED AS TO FORM:

FITZPATRICK & SWANSTON

Dated: _____

_____
B. James Fitzpatrick
Alison L. Baker

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiffs and Defendant as of the date(s) set forth below:

IT IS SO AGREED.

PLAINTIFF JENNIFER GALVAN

Dated: _____

_____
Jennifer Galvan

PLAINTIFF BIANCA ESPINOZA

Dated: _____

_____
Bianca Espinoza

PLAINTIFF LUIS CORRALES

Dated: _____

_____
Luis Corrales

DEFENDANT BELLOWS PLUMBING, HEATING, & AIR, INC.

Dated: Aug 31, 2026

Jason Schlunt
Jason Schlunt
On behalf of Bellows Plumbing, Heating, & Air, Inc.

APPROVED AS TO FORM:

FITZPATRICK & SWANSTON

Dated: _____

_____
B. James Fitzpatrick
Alison L. Baker

Attorneys for Plaintiffs Jennifer Galvan and Bianca Espinoza

DIVERSITY LAW GROUP, P.C.

Dated: _____

Larry W. Lee
Max W. Gavron
Attorneys for Plaintiffs Jennifer Galvan and Bianca Espinoza

THE WHEELER LAW FIRM, APC

Dated: _____

Scott Ernest Wheeler
Justin A. Wheeler
Attorneys for Plaintiff Luis Corrales

O'HAGAN MEYER LLP

Dated: _____

Sumy Kim
Aadil Muhammad
Attorneys for Defendant Bellows Plumbing, Heating & Air, Inc.

Attorneys for Plaintiffs Jennifer Galvan and Bianca Espinoza

DIVERSITY LAW GROUP, P.C.

Dated: _____

_____
Larry W. Lee
Max W. Gavron
Attorneys for Plaintiffs Jennifer Galvan and Bianca Espinoza

THE WHEELER LAW FIRM, APC

Dated: _____

_____
Scott Ernest Wheeler
Justin A. Wheeler
Attorneys for Plaintiff Luis Corrales

O'HAGAN MEYER LLP

Dated: 8/31/26

_____
Sumy Kim
Aadil Muhammad
Attorneys for Defendant Bellows Plumbing, Heating & Air, Inc.

EXHIBIT A

LUIS CORRALES v. BELLOWS PLUMBING, HEATING & AIR, INC.
Superior Court of California, County of Santa Cruz
Case No. 25CV04013

NOTICE OF CLASS ACTION SETTLEMENT ("NOTICE")

IF YOU ARE OR WERE EMPLOYED AS A NON-EXEMPT HOURLY EMPLOYEE BY BELLOWS PLUMBING, HEATING & AIR, INC. IN CALIFORNIA DURING THE PERIOD OF FEBRUARY 10, 2021, THROUGH MARCH 21, 2026 ("CLASS"), YOU MAY BE ABLE TO COLLECT MONEY FROM A CLASS ACTION SETTLEMENT.

The Santa Cruz County Superior Court ("Court") authorized this Notice to be sent by _____ ("Settlement Administrator"). This is not an advertisement. This is not a solicitation from a lawyer.

PLEASE KEEP THE SETTLEMENT ADMINISTRATOR INFORMED OF YOUR ADDRESS IF YOU MOVE AFTER RECEIVING THIS NOTICE.

«BarcodeString»
SIMID «SIMID»
ATTN: «FirstName» «LastName»
«Address1» «Address2»
«City» «Abbrev» «Zip»

YOU ARE ESTIMATED TO RECEIVE APPROXIMATELY $«MERGED_EstSettAmnt_CALC» THROUGH THIS CLASS ACTION SETTLEMENT

- Former employees Luis Corrales, Jennifer Galvan, and Bianca Espinoza ("Named Plaintiffs") have sued Bellows Plumbing, Heating & Air, Inc. ("Defendant") on behalf of themselves and all other similarly situated employees.
- The parties to the lawsuit have reached a tentative settlement, and the Court has preliminarily approved it.
- The settlement resolves the lawsuit.
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
You Can DO NOTHING	**You will receive a payment from the settlement.** If you do nothing, you continue your participation in this lawsuit, and you will be impacted by the outcome of this case. You will receive a settlement payment; however, you will **lose** any rights to sue Defendant separately for the same legal claims made in the lawsuit. The estimated amount of your settlement payment is shown above. To receive your settlement payment, all you need to do is keep the Settlement Administrator informed of your current mailing address. Once the Court grants final approval of the settlement, the Settlement Administrator will mail your check to the address on file for you. Defendant has approved this Settlement and will not retaliate against you for participating in the Settlement.

QUESTIONS? CALL TOLL FREE 1-800-_____

You Can ASK TO BE EXCLUDED FROM THE CLASS SETTLEMENT **(Deadline: _____, 2026)**	**If you ask to be excluded from the class settlement, you will get no payment from the class settlement amount,** but you will **keep** any rights to sue Defendant separately for the same legal claims made in this lawsuit. However, you may not request exclusion from the settlement of the PAGA claim. **Important: You cannot ask to be excluded and still get a settlement payment.**
You Can OBJECT TO THE CLASS SETTLEMENT **(Deadline: _____, 2026)**	If you do not like the class settlement, you can send a written objection to the Settlement Administrator by the deadline. If your objection is overruled, you will still be bound by the terms of the settlement and will receive a settlement payment. **Important: If you object to the settlement, you cannot also ask to be excluded.**

THESE RIGHTS AND OPTIONS – AND THE DEADLINES TO EXERCISE THEM – ARE EXPLAINED IN THIS NOTICE.

The Court is in charge of this lawsuit and still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after appeals, if any, are resolved. **Please be patient.**

1. Why Should You Read This Notice?

You should read this Notice because you may be entitled to money from a class action settlement.

2. What is this Lawsuit About?

In the lawsuit, as amended, the Named Plaintiffs asserted class-wide claims for: (1) failure to provide required meal periods in violation of Labor Code §§ 226.7, 510, 512, 1194, and 1197 and the applicable IWC Wage Orders; (2) failure to provide required rest periods in violation of Labor Code §§ 226.7 and 512 and the applicable IWC Wage Orders; (3) failure to provide required recovery periods in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, Section 3395; (4) failure to pay overtime wages in violation of Labor Code §§ 510, 1194, and 1998 and the applicable IWC Wage Orders; (5) failure to pay minimum wages in violation of Labor Code § § 1194 and 1197 and the applicable IWC Wage Orders; (6) failure to timely pay wages in violation of Labor Code §§ 204 and 210; (7) failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203; (8) failure to maintain required records in violation of Labor Code §§ 226 and 1174 and the applicable IWC Wage Orders; (9) failure to furnish accurate itemized wage statements in violation of Labor Code § 226 and the applicable IWC Wage Orders; (10) failure to indemnify necessary expenditures incurred in the discharge of duties in violation of Labor Code § 2802; and (11) unfair and unlawful business practices in violation of Business and Professions Code § 17200, *et seq*. The Named Plaintiffs also asserted a representative action claim for violation of the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq*. ("PAGA") predicated on Defendant's alleged violations of the Labor Code.

Defendant denies all liability and is confident it has strong legal and factual defenses to these claims. However, Defendant recognizes the risks, distractions, and costs associated with litigation. Defendant contends that its conduct is and has been lawful at all relevant times and that Plaintiffs' claims do not have merit and do not meet the requirements for class certification.

3. Why is this a Class Action?

This lawsuit is a class action. In a class action, one or more persons, called a class representative (in this case, the Named Plaintiffs), sue on behalf of people who allegedly have similar claims. All these people are a class or class members. One case resolves the issues for all class members, except for those who exclude themselves from the class. The Santa Cruz County Superior Court is in charge of the case. The lawsuit is known as *Luis Corrales v. Bellows Plumbing, Heating & Air, Inc.*, Case No. 25CV04013, as amended.

4. Why is there a Settlement?

The Court did not decide in favor of Named Plaintiffs or Defendant. Named Plaintiffs thinks they could have won at trial. Defendant thinks that it would have won at trial. But there was no trial. Instead, both parties agreed to a settlement. That way, they avoid the risks and cost of litigation, and the individuals potentially affected will get compensation. The class representatives and the attorneys think the settlement is best for Class Members.

5. How Do I Know If I Am Part of the Settlement?

The Court has decided that all non-exempt, hourly individuals that worked for Defendant in California during the Settlement Class Period are Class Members. The Settlement Class Period is the period of February 10, 2021, through March 21, 2026.

6. What Does the Settlement Provide?

The proposed settlement provides for a cash payment by Defendant of $400,000.00 to fully and finally resolve all claims in the lawsuit (referred to as the "Gross Settlement Amount"). The total amount to be distributed to Class Members who can be located and who do not exclude themselves from the settlement will be the value of the Gross Settlement Amount after deducting the following (the "Net Settlement Amount"): (a) settlement administration costs not to exceed $7,750.00; (b) an enhancement award to each of the Named Plaintiffs not to exceed $10,000.00 each totaling up to $30,000.00 for their work and efforts in prosecuting this case and for undertaking the risks of costs (in the event the outcome of this lawsuit was not favorable); (c) Class Counsel's attorneys' fees not to exceed $133,333.34; (d) Class Counsel's actual litigation costs and expenses as supported by declaration not to exceed $20,000.00; and (f) PAGA Penalties of $40,000.00 for alleged civil penalties owed pursuant to the California Private Attorneys General Act. **Class Counsel's attorneys' fees and costs and Named Plaintiffs' enhancement awards remain subject to Court approval.**

By statute, the Labor and Workforce Development Agency will receive sixty-five percent of the PAGA Penalties – *i.e.*, the amount of $26,000.00. Class Members who worked during the period of November 13, 2023, through March 21, 2026 (the "PAGA Period") will receive a portion of the remaining thirty-five percent of the PAGA Payment ("Net PAGA Penalties") – *i.e.*, the amount of $14,000.00.

No portion of the Net Settlement Amount will be returned to Defendant under any circumstances. Any unclaimed portions will be sent to the California Controller's Unclaimed Property Fund in the names of the Class Members to whom the funds relate.

7. How Much Will My Payment Be?

Your estimated share of the class settlement is [INSERT AMOUNT] and is based on the number of workweeks you worked for Defendant during the Class Period, as compared to the total number of workweeks worked by all Class Members during the Class Period. Based upon Defendant's records, the number of workweeks you worked during the Class Period is determined to be **.

Your estimated share of the Net PAGA Penalties is [INSERT AMOUNT] ("Individual PAGA Payment") and is based on the number of pay periods you worked for Defendant during the PAGA Period, as compared to the total number of pay periods worked by all Class Members during the PAGA Period. Based upon Defendant's records, the number of pay periods you worked during the PAGA Period is determined to be **.

If this information appears correct, you do not need to do anything further to receive your settlement payment. If you disagree with the number of workweeks identified, see below (Question 9).

8. How Do I Get a Payment?

To qualify for payment, you need not do anything. Following final approval of the settlement, Defendant will submit the Gross Settlement Amount to the Settlement Administrator. The Settlement Administrator will then mail you a check after processing amounts due to all parties, including administering payroll taxes.

9. What If I Believe the Information is Inaccurate?

If you believe the number of workweeks and/or pay periods that you worked for Defendant during the Class Period and/or PAGA Period is inaccurate, you may dispute it by sending a letter to _____, [INSERT ADDRESS] no later than [RESPONSE DEADLINE]. Be sure to include your name, address, telephone number, last four digits of your Social Security Number, and a statement as to what and why you are disputing. Also attach a copy of any documentation you want to include to support your dispute.

10. What Am I Giving Up to Receive a Settlement Payment?

Unless you request to be excluded from the settlement, you remain a Class Member, and part of the Settlement Class. If you are a member of the Settlement Class, that means you will be giving up or "releasing" the Released Parties from the following:

> all claims, rights, demands, liabilities, and causes of action alleged or which could have reasonably been alleged based on the facts alleged in the operative complaints in the Actions, that accrued during the Settlement Class Period, including (1) failure to provide required meal periods in violation of Labor Code §§ 226.7, 510, 512, 1194, and 1197 and the applicable IWC Wage Orders; (2) failure to provide required rest periods in violation of Labor Code §§ 226.7 and 512 and the applicable IWC Wage Orders; (3) failure to provide required recovery periods in violation of Labor Code § 226.7 and California Code of Regulations, Title 8, Section 3395; (4) failure to pay overtime wages in violation of Labor Code §§ 510, 1194, and 1998 and the applicable IWC Wage Orders; (5) failure to pay minimum wages in violation of Labor Code § § 1194 and 1197 and the applicable IWC Wage Orders; (6) failure to timely pay wages in violation of Labor Code §§ 204 and 210; (7) failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203; (8) failure to maintain required records in violation of Labor Code §§ 226 and 1174 and the applicable IWC Wage Orders; (9) failure to furnish accurate itemized wage statements in violation of Labor Code § 226 and the applicable IWC Wage Orders; (10) failure to indemnify necessary expenditures incurred in the discharge of duties in violation of Labor Code § 2802; and (11) unfair and unlawful business practices in violation of Business and Professions Code § 17200, *et seq*. The Released Class Claims do not include any individual or

non-wage and hour claims of Jennifer Galvan and Bianca Espinoza, which are hereby expressly excluded ("Released Class Claims").

Additionally, if you worked during the PAGA Period, you will be giving up or "releasing" the Released Parties from the following:

> all claims for PAGA civil penalties that are alleged or reasonably could have been alleged based on the facts alleged in the operative complaints in the Actions, that accrued during the PAGA Period [November 13, 2023, through March 21, 2026] ("Released PAGA Claims").

The Released Parties are Defendant and its affiliated companies and their respective past, present, and future parents, subsidiaries, affiliates, predecessors, successors, and their respective assigns, partners, managers, members and agents (including, without limitation, attorneys and any past, present or future directors, officers, attorneys, and employees).

11. How Do I Exclude Myself from the Settlement?

To exclude yourself from the class settlement (also referred to as "opt-out"), you must mail a letter to the Settlement Administrator saying that you want to be excluded from the *Luis Corrales v. Bellows Plumbing, Heating & Air, Inc.* settlement.

Be sure to include your name, address, and your signature. You must mail your exclusion letter postmarked no later than [RESPONSE DEADLINE], to the Settlement Administrator at [INSERT ADDRESS].

If you submit a timely and valid "opt-out" request, you will no longer be a member of the class and you will not receive any money from the class settlement, or be able to object to the settlement, but you will not be legally bound by anything that happens regarding the class action portion of this lawsuit. You will keep any rights to sue (or continue to sue) Defendant in the future for the same class claims made in this lawsuit, at your own expense.

If you worked during the PAGA Period, you may not opt-out, or request to be excluded, from the settlement of the PAGA claim. Thus, even if you submit a timely and valid "opt-out" request, you will still receive an Individual PAGA Payment and will be deemed to have released the Released PAGA Claims.

12. If I Don't Exclude Myself, Can I Sue Defendant or Get Money from the Settlement?

If you do not exclude yourself from the settlement, you cannot sue Defendant for any of the claims that this settlement resolves. If you have a pending lawsuit against Defendant, speak to your lawyer in that case immediately. You may have to exclude yourself from this case to continue on with your own lawsuit. Remember, the exclusion deadline is [RESPONSE DEADLINE].

Again, if you exclude yourself from this settlement, you cannot get money from this settlement.

13. How Do I Tell the Court that I Don't Believe that the Settlement is Fair?

If you are a Class Member and you do not exclude yourself from the class settlement, you can object to the class settlement if you believe that the settlement is unfair or inadequate. You can give reasons why you think the Court should not approve the class settlement. If you object and follow the procedures set out in this section, your objection will be considered.

If you decide to object to the proposed settlement, you can do so in writing. All objections must be signed by you and must include: (1) your full name, current address, telephone number, and contact information for any attorney representing you for the purposes of your objection; (2) a written statement of the basis for your objection; and (3) any copies of papers, briefs, or documents upon which the objection is based. You must mail your written objection postmarked no later than [RESPONSE DEADLINE], to the Settlement Administrator at _____. If you do not follow these procedures, you will be deemed not to have objected. Alternatively, you may appear at the final approval hearing on the date identified below and express your objections to the Court, if you have not requested to be excluded from the Settlement.

14. What is the Difference Between Objecting and Excluding?

Objecting is simply telling the Court that you don't like something about the class settlement. You can object only if you stay in the class. Excluding yourself, on the other hand, is telling the Court that you don't want to be part of the class. If you exclude yourself, you have no basis to object because the case no longer affects you. However, if you file an objection, you will still receive settlement benefits under the settlement if it is approved by the Court.

15. Do I Have a Lawyer in this Case?

In connection with the Preliminary Approval of the Settlement, the Court decided that the law firms of Fitzpatrick & Swanston, Diversity Law Group, P.C., and The Wheeler Law Firm, APC, which represent the Named Plaintiffs, are also qualified to represent you and all Class Members. You will not be charged for these lawyers. These law firms are referred to as "Class Counsel." If you want to be represented by your own lawyer, you may hire one at your own expense.

16. How Will the Attorneys for the Class and the Class Representative Be Paid?

The attorneys for the Named Plaintiffs and the class will be paid from the Gross Settlement Amount. Class Counsel will ask the Court to approve up to $133,333.34 in attorneys' fees and for actual litigation costs incurred up to a maximum of $_____.00, the actual amount of which will be determined by the Court at the final approval hearing (see Section 17 below for details as to when this hearing will take place). Class Members (like you) do not have to pay the fees and costs of Class Counsel. **If you elect, however, to hire your own lawyer, you have to make your own arrangements to compensate your lawyer.**

If approved by the Court, a service payment for each of the Named Plaintiffs in an amount up to $10,000.00 (total $30,000.00) will be paid from the Gross Settlement Amount for their work and efforts in prosecuting this case and for undertaking the risks of costs (in the event the outcome of this lawsuit was not favorable).

17. Notice of Hearing on Final Approval and Objections to Class Action Settlement.

The Court has preliminarily approved the settlement and will hold a final approval hearing to decide whether to give final approval to the settlement. This hearing will be held before the Honorable Timothy Schmal on ****, 2026, at __:00 a.m., in Department 10 of the Superior Court of California for the County of Santa Cruz, located at 701 Ocean Street, Santa Cruz, California 95060, to determine whether the proposed settlement is fair, reasonable, and adequate, and whether it should be finally approved by the Court. If there are objections, the Court will consider them. After the hearing, the Court will decide whether to approve the settlement. We do not know how long this decision will take. The final approval hearing may be continued without further notice. The Court may adjourn or continue the hearing from time to time, without further notification, as the Court may direct. You may also be able to attend the final approval via Zoom or other remote means.

Once final approval is granted by the Court, the Court will enter judgment against Defendant, and all Class Members who have not requested exclusion from the class will be deemed to have waived the Released Class Claims and Released PAGA Claims set forth above.

18. How Do I Get More Information?

This Notice summarizes the proposed settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by contacting Class Counsel.

19. What is the Contact Information for the Court, Class Counsel, and Defendant's Counsel?

The contact information for Class Counsel is below:

FITZPATRICK & SWANSTON
B. James Fitzpatrick
bjfitzpatrick@fandslegal.com
Alison L. Baker
abaker@fandslegal.com
555 S. Main Street
Salinas, CA 93901
Telephone: (831) 755-1311

DIVERSITY LAW GROUP, P.C.
Larry W. Lee
lwlee@diversitylaw.com
Max W. Gavron
mgavron@diversitylaw.com
515 S. Figueroa Street, Suite 1250
Los Angeles, CA 90071
Telephone: (213) 488-6555

THE WHEELER LAW FIRM, APC
Scott Ernest Wheeler
sew@scottwheelerlawoffice.com
Justin A. Wheeler
jaw@scottwheelerlawoffice.com
250 West First Street, Suite 216
Claremont, CA 91711
Telephone: (909) 621-4988

The Court is located at: Superior Court of California, County of Santa Cruz, 701 Ocean Street, Santa Cruz, California 95060.

WHAT IF I HAVE QUESTIONS?

If you have any questions about the settlement, you may contact the Settlement Administrator:

Luis Corrales v. Bellows Plumbing, Heating & Air, Inc.
c/o _____
_____
_____
Toll-Free Phone Number: [insert]

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE COURT CLERK FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.

PLEASE DO NOT CONTACT DEFENDANT, ITS MANAGERS OR ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS.

QUESTIONS? CALL TOLL FREE 1-800-_____

26.8.11 - Settlement Agreement FINAL(20124098.1)

Final Audit Report 2026-08-31

Created:	2026-08-31
By:	Sumy Kim (skim@ohaganmeyer.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAG7RqItnV4zUaSnJsM0YLqMmMaI1asOyf

"26.8.11 - Settlement Agreement FINAL(20124098.1)" History

Document created by Sumy Kim (skim@ohaganmeyer.com)
2026-08-31 - 5:20:35 PM GMT

Document emailed to Jason Schlunt (jason@bellowsservice.com) for signature
2026-08-31 - 5:20:44 PM GMT

Email viewed by Jason Schlunt (jason@bellowsservice.com)
2026-08-31 - 5:21:27 PM GMT

Document e-signed by Jason Schlunt (jason@bellowsservice.com)
Signature Date: 2026-08-31 - 5:30:19 PM GMT - Time Source: server - Signature Appearance Selected: IMAGE

Agreement completed.
2026-08-31 - 5:30:19 PM GMT