

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Edward Lee (“Plaintiff”) and Defendant Gilroy IM 2, LLC (“Gilroy”). The Agreement refers to Plaintiff and Gilroy collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means Plaintiff’s two lawsuits alleging wage and hour violations against Gilroy entitled *Edward Lee v. Gilroy IM 2 LLC*, Santa Clara County Superior Court, Case No. 24CV448348, filed on September 30, 2024, and *Edward Lee v. Gilroy IM 2 LLC*, Santa Clara County Superior Court, Case No. 25CV456417, filed on January 13, 2025 (collectively the “Action”).

1.2 “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4 “Aggrieved Employee” means Plaintiff Edward Lee and all non-exempt, hourly employees who worked for Gilroy in California at any time from January 13, 2024 through the date of preliminary approval.

1.5 “Class” means Plaintiff Edward Lee and all non-exempt, hourly employees who worked for Gilroy in California at any time from September 30, 2020 through the date of preliminary approval.

1.6 “Class Counsel” means Wilshire Law Firm, PLC.

1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.8 “Class Data” means Class Member identifying information in Gilroy’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10 “Address Search” means the Administrator’s investigation and search for current Class Member or Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address

database, skip traces, and direct contact by the Administrator with Class Members or Aggrieved Employees.

1.11 “Class Notice” means the “COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL,” to be mailed to Class Members in English in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12 “Class Period” means the period from September 30, 2020, through the date of preliminary approval.

1.13 “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a class representative.

1.14 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15 “Court” means the Superior Court of California, County of Santa Clara.

1.16 “Gilroy” means named Defendant Gilroy IM 2, LLC.

1.17 “Defense Counsel” means ArentFox Schiff LLP.

1.18 “Effective Date” means the date on which both the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement and (b) the Judgment becomes final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.21 “Gross Settlement Amount” means \$110,000.00 which is the total amount Gilroy agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment.

1.22 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.23 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of the 35% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.24 “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.25 “LWDA” means the California Labor and Workforce Development Agency.

1.26 “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).

1.27 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.28 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.29 “PAGA Period” means the period from January 13, 2024, through the date of preliminary approval.

1.30 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).

1.31 “PAGA Notice” means Plaintiff’s PAGA letter to Gilroy and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.32 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees and 65% to the LWDA in settlement of PAGA claims.

1.33 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.34 “Plaintiff” means Edward Lee, the named plaintiff in the Action.

1.35 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.36 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.37 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.38 “Released Parties” means Gilroy and each of its parent companies, subsidiaries, affiliates, current and former management companies, shareholders, members, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and employees), owners, predecessors, successors, and assigns.

1.39 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.40 “Response Deadline” means 60 days after the Administrator mails the Class Notice and shall be the last date on which Class Members may: (a) fax, email or mail Requests for Exclusion, (b) fax, email or mail objections to the Settlement, or (c) fax, email or mail a challenge to the number of Workweeks allocated to the Class Member in the Class Notice. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional 14 calendar days beyond the Response Deadline.

1.41 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.42 “Workweeks” means for each Settlement Class Member or Aggrieved Employee any workweek during the Class Period or the PAGA Period, as applicable, in which the Settlement Class Member or Aggrieved Employee was employed by Gilroy as a non-exempt employee in California and worked at least one shift during the designated workweek. Workweeks will be calculated based on Gilroy’s business records. This information shall be treated as confidential. Workweeks of Non-Participating Class Members will not be included in the total number of Workweeks that are reported to the Settlement Administrator to calculate and distribute Individual Settlement Payments to Participating Class Members. The number of full workweeks that a Participating Class Member was on a leave of absence, sick time, or vacation during the Class Period shall be excluded from the total number of Workweeks and from the Workweeks attributed to that Participating Class Member, regardless of whether the Class Member was paid during those Workweeks.

2. RECITALS.

2.1 On September 30, 2024, Plaintiff filed the wage and hour class action against Gilroy, Case No. 24CV448348 alleging the following causes of action: (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; (8) Failure to Produce Requested Employment Records; and (9) Unfair Business Practices. On January 13, 2025, Plaintiff filed the PAGA action against Gilroy, Case No. 25CV456417 alleging a PAGA claim against Gilroy for Civil Penalties under PAGA. Gilroy denies the allegations in the Action, denies any failure to comply with the laws identified in in the Action and denies any and all liability for the causes of action alleged in the Action.

2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Gilroy and the LWDA by sending the PAGA Notice.

2.3 On November 20, 2025, the Parties participated in an all-day mediation presided over by William O. Kampf. Following the conclusion of the mediation, Mr. Kampf issued a mediator's proposal that was accepted by Plaintiff and Gilroy.

2.4 Before mediation and negotiating the Settlement, Plaintiff obtained, through informal discovery, all relevant Class and PAGA data needed for negotiating the Settlement, including, but not limited to, timekeeping and pay records for Plaintiff, the Class and Aggrieved employees, all of Plaintiff's records contained in his personnel file, Gilroy's policies and procedures and job descriptions, and relevant policy documents for Gilroy's bonus programs that gave rise to the allegations at issue in the Settlement. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5 The Court has not granted class certification.

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

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Gilroy promises to pay \$ 110,000.00 and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions (as defined below) of the Individual Class Payments. Gilroy has no obligation to pay the Gross Settlement Amount (or any payroll taxes) before the deadline stated in Paragraph 4.2. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Gilroy.

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

3.2.1 To Plaintiff: Class Representative Service Payment of not more than \$10,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Gilroy will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the Motion for Final Approval, Plaintiff will seek Court approval for any Class Representative Service Payment. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service

Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one third (1/3), which is currently estimated to be \$36,666.67, and a Class Counsel Litigation Expenses Payment of not more than \$20,000.00. Gilroy will not oppose requests for these payments provided they do not exceed these amounts. As part of the Motion for Final Approval, Plaintiff and/or Class Counsel may seek Court approval of a Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment. In support of the Class Counsel Litigation Expenses Payment, Class Counsel must submit a cost ledger listing each expense incurred during the Action. If the Court approves a Class Counsel Fees Payment or a Class Counsel Litigation Expenses Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Gilroy harmless, and indemnifies Gilroy from any dispute or controversy regarding any division or sharing of any of these payments.

3.2.3 To the Administrator: An Administration Expenses Payment not to exceed \$3,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less than or the Court approves payment less than \$3,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To Each Participating Class Member: An Individual Class Payment, which the Administrator shall calculate by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1 Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$5,000.00 to be paid from the Gross Settlement Amount, with 65% (\$3,250.00) allocated to the LWDA PAGA Payment and 35% (\$1,750.00) allocated to the Individual PAGA Payments.

3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties (\$1,750.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Class Size Estimates. Based on a review of its records to date, Gilroy estimates there are 32 Class Members and Aggrieved Employees, who collectively worked a total of 2,124 workweeks.

4.2 Funding of Gross Settlement Amount. Gilroy shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Gilroy's share of payroll taxes, by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.

4.3 Payments from the Gross Settlement Amount. Within fourteen (14) days after Gilroy funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.3.1 The Administrator will issue checks for the Individual Class Payments and Individual PAGA Payments and send them to the Class Members and Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when

the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members who are also Aggrieved Employees a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

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

4.3.4 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such check to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subdivision (b).

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

5. RELEASES OF CLAIMS. Effective on the date when Gilroy fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Except for claims or causes of action that cannot be released as a matter of law without court or agency approval, such as worker's compensation claims, Plaintiff agrees to completely release and discharge the Released Parties from any and all

individual claims or causes of action that he may have against them, including other claims or causes of action that he may have with respect to his employment with Gilroy, including the separation of that employment. Plaintiff releases and discharges Released Parties from such claims or causes of action on behalf of himself and his respective spouses, domestic partners, marital community, children, estates, trusts, attorneys, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, assigns, and representatives. This individual release is in addition to Plaintiff's release of Released Class Claims and Released PAGA Claims with respect to himself through this Agreement. It extends to any and all further claims concerning any other alleged liabilities, obligations, promises, agreements, contracts, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including for back wages, statutory penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever, from the beginning of time through the execution of this Agreement, whether known or unknown, suspected or unsuspected, concealed or hidden. Plaintiff agrees not to seek any further compensation or relief from the Released Parties with respect to any of these other released claims or causes of action. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.^{vi}

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

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

5.2 Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Action that are alleged to have occurred during the Class Period. The Released Class Claims are all claims asserted in the operative Complaints in the Action, or which could have been asserted in the Action based on the facts alleged, including all claims for failure to timely pay wages under Labor Code section 204 (including for penalties under Labor Code section 210), failure to pay overtime wages (including failure to pay overtime at the correct regular rate of pay), failure to provide meal, rest, or recovery rest breaks as required or pay premium pay under Labor Code section 226.7, subdivision (c), failure to reimburse business expenses, providing inaccurate wage statements (and penalties under Labor Code section 226), waiting time penalties under Labor Code section 203, and unfair business practices. The Released Class Claims include all claims arising under Labor Code sections 200, 201 through 203, 204, 210, 218.5, 226, subdivision (a), 226, subdivision (e), 226.3,

226.7, 246, 510, 512, 1174, 1174.4, 1194, 1197.1, 1199, and 2802 through 2804, the applicable Industrial Wage Commission wage order, and Business and Professions Code section 17200 as they relate to the underlying claims and allegations in the Action. The Released Claims further include all other claims for wages, penalties, civil penalties, liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, declaratory relief, equitable relief, or additional damages that allegedly may arise out of these claims.

5.3 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, administrators, successors and assigns, the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Action that are alleged to have occurred during the PAGA Period and the PAGA Notice, including any and all claims for civil penalties pursuant to PAGA based on the allegations stated in the PAGA Notice and that were pled in the operative Complaint based on the facts alleged therein, including claims for civil penalties for the alleged violation of Labor Code sections 201, 202, 203, 204, 226.7, 210, 226, 510, 516, 558, 1182.12, 1194, 1197, 1198, and 2802.

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; and its timely transmission to the LWDA of all necessary PAGA documents (PAGA Notice (Lab. Code, § 2699.3, subd. (a)), the Action (Lab. Code, § 2699, subd. (l)(1)), and the Agreement (Lab. Code, § 2699, subd. (l)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, and/or the Administrator. In their declarations, Plaintiff and Class Counsel shall aver whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together by meeting in person or by telephone and in good faith to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

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

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

7.4 Notice to Class Members.

7.4.1 Not later than twenty (20) days after the Court grants Preliminary Approval, Gilroy will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to effect and perform under this Agreement. Gilroy has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Gilroy must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received

and state the number of Class Members, Aggrieved Employees, Workweeks and PAGA Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and Individual PAGA Payment (if applicable) payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadline for Class Members' written objections, challenges to Workweeks, and Requests for Exclusion will be extended for Class Members whose notices are re-mailed. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional fourteen (14) calendar days beyond the Response Deadline. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Gilroy or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves from (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline. A Request for

Exclusion is a letter from a Class Member or the Class Member's representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Release under Paragraph 5.2 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline to challenge the number of Workweeks allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges to the number of Workweeks. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct if they are consistent with the Class Data. The Administrator's determination of allocations of Workweeks is final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide to Defense Counsel and Class Counsel copies of all challenges to calculation of Workweeks and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and this Agreement, including contesting the fairness of the Settlement and the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email or mail no later than the Response Deadline. Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing.

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform all tasks to be performed by the Administrator set forth in this Agreement or otherwise.

7.8.1 Email Address and Toll-Free Number. The Administrator will maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion (“Exclusion List”); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Administrator’s Declaration. Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered,

the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion it received (both valid or invalid), and the number of written objections. The declaration shall attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.5 Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

- 8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records, Gilroy estimates that, as of the date of this Settlement Agreement, (1) there are 2,124 Workweeks during the Class Period.

8.1.1 Increase in Class Members. To the extent the number of Workweeks increases beyond 2,124 by more than 10%, Gilroy shall have the option to increase the Gross Settlement Amount proportionately. For example, if the number of Workweeks increases by 11%, Gilroy shall have the option to increase the Gross Settlement Amount by 1%. If Gilroy elects not to increase the Gross Settlement Amount proportionately, Gilroy shall notify Class Counsel of its decision in writing within ten (10) days of receiving the number of Workweeks from the Administrator. Within ten (10) days of receipt of such written notice from Gilroy, Plaintiff shall have the option to terminate this Settlement Agreement via written notice to Defense Counsel and the Parties will be restored to their positions prior to the Settlement and the Settlement shall be null and void.

- 9. GILROY'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Gilroy may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Gilroy withdraws, the Settlement shall be void ab initio and have no force or effect whatsoever, and neither Party will have any further obligation to perform under this Agreement; provided, however, Gilroy will remain responsible for paying all Settlement Administration Expenses incurred to that point. Gilroy must notify Class Counsel and the Court of its election to withdraw not later than ten (10) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
- 10. MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval that includes a request for approval of the PAGA settlement under Labor Code section 2699, subdivision (l), a proposed Final Approval Order and a proposed Judgment

(collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later than five (5) days before filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days before the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

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

10.5 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the appellate court vacates, reverses or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court’s concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional administration expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court’s award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of

the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. **AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

12. **ADDITIONAL PROVISIONS.**

12.1 No Admission of Liability. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Gilroy that any of the allegations in the Action have merit or that Gilroy has any liability for any claims asserted; nor is it intended or should be construed as an admission by Plaintiff that Gilroy defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If for any reason the Court does not grant Preliminary Approval, grant Final Approval, or enter Judgment, Gilroy reserves the right to contest certification of any class for any reason, Gilroy reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Gilroy's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 Confidentiality Before Preliminary Approval. Plaintiff, Class Counsel, Gilroy and Defense Counsel separately agree that, until the Motion for Preliminary Approval is filed, they and each of them will not disclose, disseminate, publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Gilroy and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect.

12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

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

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

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

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

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

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

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

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

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

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

12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Gilroy in connection with the mediation, other settlement negotiations, or the Settlement, may be used only with respect to this Settlement and for no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or the California Rules of Court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Gilroy unless, before the Court's discharge of the Administrator's obligation, Gilroy makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

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

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

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

To Plaintiff:

John G. Yslas, SBN 187324
john.yslas@wilshirelawfirm.com
John Brown, SBN 233605
john.brown@wilshirelawfirm.com
Jacquelyn Silva, SBN 342302
jacquelyn.silva@wilshirelawfirm.com
Desiree Ruiz Alfaro, SBN 351819
desiree.ruizalfaro@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Gilroy:

Jeffrey B. Weston, SBN 309507
jeffrey.weston@afslaw.com
Saisruthi Paspulati, SBN 319879
Saisruthi.Paspulati@afslaw.com

Marissa M. Rael, Bar No. 352123
marissamaria.rael@afslaw.com
ARENTFOX SCHIFF LLP
555 S. Flower Street, 43rd Floor
Los Angeles, CA 90071
Telephone: 213.629.7400
Facsimile: 213.629.7401

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

12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.'

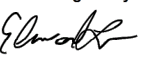
12.20 Non-Disparagement. Plaintiff agrees, on behalf of himself and any person acting by, though, under or concert with him, to refrain from disseminating or publishing any written, oral or electronically transmitted statement that is a defamatory statement about any of the Released Parties, their services, offerings, customers, finances, financial condition or capacities, policies, practices, or other aspect of its business, or any employee, officer, manager, agent or director of any of the Released Parties. These undertakings apply in any medium and by any method to any person or entity without limitation in time, including, but not limited to social media, regardless of whether Plaintiff participates anonymously or under a pseudonym. This section shall apply except (a) in statements made by Plaintiff to his immediate family members, tax advisor, medical provider, counselor, or attorney and (b) in statements made by Plaintiff that are required by law, or in the course of a lawful governmental investigation, inquiry or proceeding.

12.21 Covenant Not to Sue. Plaintiff expressly covenants not to sue the Released Parties for any claim or cause of action released pursuant to this Agreement. A lawsuit to enforce the terms of this Agreement shall be excepted from the terms of this Section. This covenant not to bring or maintain any action in law or equity shall be specifically enforced and each party shall have standing to bring an action for specific enforcement and shall be a real party as defined in Code of Civil Procedure section 367. In addition, Plaintiff has not and will not directly or indirectly encourage and/or solicit any third party, including any current and/or former employees and/or contractors of the Released Parties, to file any complaint in a court of law, or other forum or venue, against the Released Parties. Plaintiff will not directly or indirectly participate, assist, or cooperate in any lawsuit or complaint in a court of law against the Released Parties, including any class and/or representative action, unless and to the extent required or compelled by law. In the event Plaintiff breaches the covenant not to sue as set forth above, he shall be liable for all damages incurred by the Released

Parties, including, without limitation, compensatory damages as well as attorneys' fees and costs.

12.22 Employee Confidentiality. To the fullest extent permitted by law, Plaintiff agrees that he will not hereafter without compulsion of legal process, disclose to others, either directly, indirectly, or by implication the underlying facts and allegations publicly, except Plaintiff may disclose the amount of payment to his attorneys, accountants, professional advisors, his immediate family members, or where disclosure is required by law. If disclosure of this Agreement or any of its terms and provisions is compelled and/or required by law, Plaintiff agrees that he will first promptly provide written notice to Defendant's legal counsel, Jeffrey Weston (jeffrey.weston@afslaw.com), prior to the disclosure so as to provide Gilroy and/or the Released Parties the opportunity to address, object to and/or oppose the disclosure. The Parties acknowledge that California Government Code section 12964.5 does not apply and that Plaintiff has retained an attorney to review this Agreement.

12.23 Liquidated Damages. Plaintiff acknowledges that a breach of the non-disparagement, non-assistance, or confidentiality obligations set forth in Sections 12.20, 12.21, and 12.22 would cause irreparable harm to the Released Parties that would be difficult to quantify and for which monetary damages would be an inadequate remedy. The Parties have made a reasonable endeavor to estimate the damages that would flow from such a breach, considering the potential harm to business reputation, customer relationships, employee morale, litigation costs, and future business opportunities. Therefore, Plaintiff agrees that if he breaches any of the obligations set forth in Sections 12.20, 12.21, or 12.22, he shall pay to Gilroy liquidated damages in the amount of \$1,000.00 for each breach or violation. These liquidated damages represent a reasonable forecast of the harm that would result from such breach and are not intended as a penalty. The parties expressly agree that this liquidated damages provision shall not preclude Gilroy from seeking injunctive relief or other equitable remedies for breach of these obligations. If a court of competent jurisdiction finds that Plaintiff breached Sections 12.20, 12.21 and/or 12.22 to have been breached, Gilroy may recover court costs, attorneys' fees and any other remedies deemed appropriate by such court of competent jurisdiction.

DocuSigned by:

 7CA8FE7C31B3421
 Edward Lee

For Plaintiff

1/21/2026

(date)


 Eugene Zinovyev
 1/20/26
 (date)

Counsel For Plaintiff

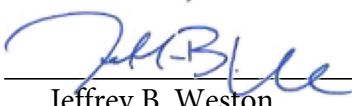
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For Gilroy IM 2, LLC

1/21/2026 | 12:14:51 PST

(date)


 Jeffrey B. Weston
 1/20/2026
 (date)

Counsel For Gilroy IM 2, LLC