PRIVATE ATTRONEYS GENARAL ACT OF 2004 ("PAGA") SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between Plaintiff Lindsay Buckner ("Plaintiff") on behalf of the State of California and Defendant K.A. McNair Brewing Company, LLC ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as the "Parties," or individually as "Party."

1. DEFINITIONS.

In addition to any other terms defined in this Agreement, the terms below have the following meaning:

1.1 "Action" means the representative claims set forth in Plaintiff's November 11, 2024 letter to Defendant and the California Labor Workforce Development Agency ("LWDA"), and Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendant captioned *Lindsay Buckner v. K.A. McNair Brewing Company, LLC*, which was filed on January 15, 2025, and is currently pending in the Superior Court of the State of California, County of San Diego.

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

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

1.4 "Aggrieved Employee" means all current and former nonexempt employees of Defendant who were employed in California during the PAGA Period.

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

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

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

1.8 "Court" means the Superior Court of California, County of San Diego.

1.9 "Defendant" means named Defendant K.A. McNair Brewing Company, LLC.

1.10 "Defense Counsel" means Pettit Kohn Ingrassia Lutz & Dolin.

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

1.12 "Gross Settlement Amount" means $110,000, which is the maximum amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay the Individual PAGA Payments, the LWDA PAGA Payment, the Plaintiff's Counsel Fees Payment, the Plaintiff's Counsel Litigation Expenses Payment, the Administrator's Expenses Payment, and the Representative Service Award.

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

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

1.15 "LWDA" means the California Labor and Workforce Development Agency. The LWDA is entitled to receive settlement payments under Labor Code section 2699, subdivision (i).

1.16 "LWDA PAGA Payment" means the amount payable to the LWDA pursuant to PAGA, and as specified in Paragraph 3.2.3 of this Agreement.

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

1.18 "Net Settlement Amount" means the Gross Settlement Amount less Plaintiff's Counsel Fees Payment, Plaintiff's Counsel Litigation Expenses Payment, the Administration Expenses Payment, and the Representative Service Award.

1.19 "PAGA Period" means the period from November 11, 2023 through February 28, 2026.

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

1.21 "PAGA Notices" mean Plaintiff's November 11, 2024 letter to Defendant and the LWDA, providing notice pursuant to Labor Code section 2699.3, subdivision (a).

1.22 "PAGA Penalties Payment" means the amount payable to the Aggrieved Employees in accordance with Paragraph 3.2.4 of this Agreement.

1.23 "Plaintiff" means Lindsay Buckner, the named plaintiff in the Action.

1.24 "Plaintiff's Counsel" means ARCH Legal, P.C., the attorneys representing Plaintiff and the Aggrieved Employees in the Action.

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

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

1.27 "Released Parties" means Defendant K.A. McNair Brewing Company and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, and assigns.

1.28 "Representative Service Award" means the payment to Plaintiff for initiating the Action and providing services in support of the Action.

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

2. RECITALS.

2.1 On January 15, 2025, Plaintiff commenced this Action by filing a Complaint alleging a single cause of action under PAGA seeking civil penalties for the following violations: (1) failure to provide legally compliant rest periods; (2) failure to pay all gratuities earned during employment in violation of Labor Code section 351; (3) failure to reimburse for necessary business expenses; (4) failure to timely pay all wages due and owing upon separation of employment; (5) failure to furnish accurate itemized wage statements; (6) failure to maintain accurate records of gratuities received in violation of Labor Code section 353; and (7) violation of the Private Attorneys General Act of 2004 ("PAGA") ("Operative Complaint"). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged.

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

2.3 The Parties participated in a full-day private mediation with Daniel J. Turner, Esq. on December 2, 2025. With the assistance of the mediator, the Parties eventually reached an agreement to settle Plaintiff's PAGA claims, as well as her individual claims, which are subject to a separate, confidential settlement agreement.

2.4 The Parties agree a bona fide dispute exists as to whether any amount of penalties is due from Defendant to Plaintiff, other Aggrieved Employees, or the LWDA.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below, Defendant promises to pay $110,000 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount before the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1 To Plaintiff's Counsel: A Plaintiff's Counsel Fees Payment of not more than $38,500 (35-percent of the Gross Settlement Amount) and a Plaintiff's Counsel Litigation Expenses Payment of not more than $11,000 Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. If the Court approves less than the amounts requested, the remainder shall be payable to the LWDA as part of the LWDA PAGA Payment. Released Parties shall have no liability to Plaintiff's Counsel arising from any claim to any portion any Plaintiff's Counsel Fee Payment and/or Plaintiff's Counsel Litigation Expenses Payment. The Administrator will pay the Plaintiff's Counsel Fees Payment and Plaintiff's Counsel Expenses Payment using one or more IRS 1099 Forms.

3.2.2 To the Administrator: An Administration Expenses Payment not to exceed $3,490 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $3,490, the Administrator will distribute the remainder to the Aggrieved Employees as part of the PAGA Penalties Payment.

3.2.3 To Plaintiff: A Representative Service Award not to exceed $2,500 shall be paid to Plaintiff for the risks she took in initiating the Action and the services she proved in support thereof.

3.2.4 To the LWDA: The LWDA PAGA Payment shall be paid to the California Labor and Workforce Development Agency pursuant to Section 2699(i) of PAGA. The LWDA Payment Amount shall consist of 65% of the Net Settlement Amount, or $35,431.50.

3.2.5 To Aggrieved Employees: The PAGA Penalties Payment shall consist of 35% of the Net Settlement Amount, or $19,078.50. The PAGA Penalties Payment shall constitute the share of PAGA penalties recoverable by Aggrieved

Employees pursuant to Section 2699(i) of the Labor Code. Aggrieved Employees do not need to make a claim to participate in the Settlement.

3.2.5.1 The Administrator will calculate each Aggrieved Employee's Individual PAGA Payment by (a) dividing the amount of the PAGA Penalties Payment $19,078.50 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 Each Aggrieved Employee's PAGA Penalties Payment shall be characterized as penalties and reported on an IRS Form 1099.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 75 Aggrieved Employees who worked approximately 2,300 PAGA Pay Periods.

4.2 Aggrieved Employee Data. Within 10 days of the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Plaintiff's Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 30 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 30 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, Plaintiff's Counsel Fees Payment, Plaintiff's Counsel Expenses Payment, and the Representative Service Award.

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

4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 5 days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

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

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

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff and Plaintiff's Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and her representatives, agents, attorneys (including Plaintiff's Counsel), heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notices ("Plaintiff's Release"), including but not limited to claims for violation of Labor Code §§ 201–204, 218.5, 226, 226.3, 226.7, 351, 353, 1174, 1174.5, 2802, 2699 *et seq.*, the IWC wage orders, and any claims Plaintiff could have pursued as a representative action under the PAGA. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time or based on occurrences outside the PAGA Period. Plaintiff acknowledges that she 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 agree, 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.

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 California Civil Code, which reads:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notices, including claims for Defendant's alleged: (1) failure to provide legally compliant rest periods; (2) failure to pay all gratuities earned during employment in violation of Labor Code section 351; (3) failure to reimburse for necessary business expenses; (4) failure to timely pay all wages due and owing upon separation of employment; (5) failure to furnish accurate itemized wage statements; and (6) failure to maintain accurate records of gratuities received in violation of Labor Code section 353 ("Released PAGA Claims").

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

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel, all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; and the nature and extent of any financial relationship with Plaintiff, Plaintiff's Counsel or Defense Counsel; and (iii) a signed declaration from Plaintiff's Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code, §2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)).

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

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

7. SETTLEMENT ADMINISTRATION.

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

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

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

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

8. PRO RATA INCREASE. The Gross Settlement Amount was calculated with, and is premised on, the Parties' understanding that there are approximately 75 Aggrieved

Employees who worked approximately 2,300 PAGA Pay Periods between November 11, 2023 and February 28, 2026. The Parties agree that if the total number of PAGA Pay Periods worked by Aggrieved Employees exceeds 10% or more of the estimated PAGA Pay Periods, Defendant will have the option to either: (1) agree to increase the Gross Settlement Amount on a proportional basis above 10% (i.e., if there is an 11% increase in the number of pay periods during the PAGA Period, Defendant would agree to increase the Gross Settlement Amount by 1%); or (2) elect to end the PAGA Period on an earlier date at the Defendant's discretion in order to limit the covered pay periods to 10% more than the estimate provided in lieu of paying an increase to the Gross Settlement Amount.

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

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

10. ADDITIONAL PROVISIONS.

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

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

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

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

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

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

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

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

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

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

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

10.12 Use and Return of Aggrieved Employee Data. Information provided to Plaintiff's

Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to Plaintiff's Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or California Rules of Court rule.

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

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

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

To Plaintiff:

Nathan J. Reese
Dawn M. Berry
ARCH Legal, P.C.
3555 Fifth Avenue, Suite 200
San Diego, CA 92013
nreese@archlegal.com
dberry@ archlegal.com

To Defendant:

Jennifer N. Lutz
Alec F. Dea
Pettit Kohn Ingrassia Lutz & Dolin
11622 El Camino Real, Suite 300
San Diego, CA 92130
jlutz@pettitkohn.com
adea@pettitkohn.com

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

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

PLAINTIFF

Dated: May 17, 2026 By: Signed by: Lindsay Buckner 9D74B29C7E95443...

Lindsay Buckner

DEFENDANT K.A. McNair Brewing Company, LLC

Dated: May ___, 2026 By: ______________________

Its: ______________________

Approved as to Form and Content by Counsel:

ARCH LEGAL, P.C.

Dated: May 18, 2026 By: Nathan Reese

Nathan J. Reese
Dawn M. Berry
Attorneys for Plaintiff

PETTIT KOHN INGRASSIA LUTZ & DOLIN

Dated: May ___, 2026 By: ______________________

Jennifer N. Lutz
Alec F. Dea
Attorneys for Defendant K.A. McNair Brewing Company, LLC

contents of this Agreement.

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

PLAINTIFF

Dated: May ___, 2026

By: ______________________________
Lindsay Buckner

DEFENDANT K.A. McNair Brewing Company, LLC

Dated: May 06/04/2026 ___, 2026

By: Kelsey McNair

Its: Managing Member

Approved as to Form and Content by Counsel:

ARCH LEGAL, P.C.

Dated: May ___, 2026

By: ______________________________
Nathan J. Reese
Dawn M. Berry
Attorneys for Plaintiff

PETTIT KOHN INGRASSIA LUTZ & DOLIN

Dated: June 5, 2026

By: ______________________________
Jennifer N. Lutz
Alec F. Dea
Attorneys for Defendant K.A. McNair Brewing Company, LLC

EXHIBIT A

<<DATE>>

<<FIRST NAME>> <<LAST NAME>>
<<ADDRESS>>

Re: Payment From *Lindsay Buckner v. K.A. McNair Brewing Company, Inc.*

Dear <<FIRST NAME>> <<LAST NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Lindsay Buckner v. K.A. McNair Brewing Company, Inc.*, San Diego Superior Court, Case No. 25CU002376C (the "Action").

The Action was filed against K.A. McNair Brewing Company, Inc. (the "Company") pursuant to the California Private Attorneys General Act of 2004, California Labor Code section 2698 *et seq.* ("PAGA"). The claim was brought by a former employee on behalf of the State of California and all persons currently or formerly employed by the Company as non-exempt employee from November 11, 2023, through <<DATE COURT ENTERS ORDER APPROVING SETTLEMENT>>. You have been identified as one of the employees on whose behalf the case was brought.

The plaintiff in the Action claimed that K.A. McNair Brewing Company, Inc. owed penalties under PAGA for the alleged (1) failure to provide legally compliant rest periods; (2) failure to pay all gratuities earned during employment in violation of Labor Code section 351; (3) failure to reimburse for necessary business expenses; (4) failure to timely pay all wages due and owing upon separation of employment; (5) failure to furnish accurate itemized wage statements; and (6) failure to maintain accurate records of gratuities received in violation of Labor Code section 353.

The Company denies the allegations and maintains that its policies and practices were lawful and that all employees were provided all wages and compensation to which they were entitled under the law and reimbursed for all business-related expenses they incurred while performing their jobs, and denies that it owes any unpaid wages or penalties.

The Court has not ruled on the merits of the lawsuit, but it has approved the $110,000 settlement amount agreed upon by the parties. The Gross Settlement Amount will be allocated as follows: (1) third party settlement administration fees not to exceed $3,490; (2) attorneys' fees of up to $38,500 to the plaintiff's counsel; (3) litigation costs of $10,481.09 to the plaintiff's counsel; and a Service Award to the plaintiff of up to $2,500. The remaining funds after these disbursements are available for distribution ("Net Settlement Amount").

Under California law, 65% of the Net Settlement Amount will go to the State of California's Labor and Workforce Development Agency. The remaining 35% of the Net Settlement Amount goes to the current and former employees who were allegedly affected by the wage and hour practices at issue in the case. The 35% of the Net Settlement Amount will be paid on a pro-rata basis according to the following formula:

> Settlement Payment to each Aggrieved Employee = $[35% of Net Settlement Amount] x [Pay Periods Worked By the Individual Aggrieved Employee During PAGA Period ÷ Total Pay Periods Worked By All Aggrieved Employees During PAGA Period].

In agreeing to this settlement, K.A. McNair Brewing Company, Inc. does not admit that it is liable in any way to its current or former employees for any alleged Labor Code violations.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. You are not a party to this lawsuit, but you and the government will be bound by the judgment in this matter as to PAGA civil penalties, including being bound by the following release:

> All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, K.A. McNair Brewing Company and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, and assigns, from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, including claims for alleged: (1) failure to provide legally compliant rest periods; (2) failure to pay all gratuities earned during employment in violation of Labor Code section 351; (3) failure to reimburse for necessary business expenses; (4) failure to timely pay all wages due and owing upon separation of employment; (5) failure to furnish accurate itemized wage statements; and (6) failure to maintain accurate records of gratuities received in violation of Labor Code section 353.

You may contact Apex Class Action, LLC if you have any questions about this payment.

Very truly yours,

[INSERT NAME],