

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement (“Settlement Agreement” or “Agreement”) is made by and between Plaintiffs Suleyda Farias (“Plaintiff Farias”) and Jaime Garcia (“Plaintiff Garcia”) (collectively, “Plaintiffs”) and Defendants Shasta Beverages, Inc., National Bevpak, and National Beverage Corp. (collectively, “Defendants” or “Shasta”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

This Settlement Agreement sets forth the Parties’ class and PAGA representative action settlement to resolve all of the claims that are or could have been asserted in the: (1) the action entitled *Suleyda Farias v. Shasta Beverages, Inc., et al.*, Case No. 19STCV38350, pending in Department 17 of the Los Angeles County Superior Court (the “*Farias* Action”), (2) the action entitled *Jaime Garcia v. Shasta Beverages, Inc., et al.*, Case No. 19STCV37651, also pending in Department 17 of the Los Angeles County Superior Court (the “*Garcia* Action”) (collectively, the “Actions”), and (3) Plaintiffs’ PAGA Notices (as defined below).

1. DEFINITIONS.

1.1. “Actions” means, collectively, the Plaintiffs’ lawsuits alleging wage and hour violations against Defendants captioned *Suleyda Farias v. Shasta Beverages, Inc., et al.*, Case No. 19STCV38350, initiated on October 25, 2019 and pending in Superior Court of the State of California, County of Los Angeles (i.e., the *Farias* Action), and *Jaime Garcia v. Shasta Beverages, Inc., et al.*, Case No. 19STCV37651, initiated on October 22, 2019 and also pending in Superior Court of the State of California, County of Los Angeles (i.e., the *Garcia* Action).

1.2. “Administrator” means CPT Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4. “Aggrieved Employees” means all non-unionized, non-exempt employees employed by Defendants in California at any time during the PAGA Period.

1.5. “Class” means all non-unionized, non-exempt employees employed by Defendants in California at any time during the Class Period.

1.6. “Class Counsel” means Aegis Law Firm, PC and Lawyers *for* Justice, PC.

1.7. “Class Counsel Fees Payment” means the amount allocated to Class Counsel for reasonable attorneys’ fees for Class Counsel’s litigation and resolution of the Actions.

1.8. “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reimbursement of actual costs and expenses incurred to prosecute the Actions.

1.9. “Class Data” means a list of Class Member identifying information in Defendants’ possession, which Defendants shall diligently and in good faith compile from their records, including each Class Member’s full name, last-known mailing address, Social Security number, number of Workweeks, and number of Pay Periods.

1.10. “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member.

1.11. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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.

1.12. “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, with a Spanish translation, in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.13. “Class Period” means the period from October 22, 2015 through the date of Preliminary Approval.

1.14. “Class Representative(s)” means the Plaintiffs Suleyda Farias and Jaime Garcia.

1.15. “Class Representatives Service Payments” means the payments to the Class Representatives for initiating the Actions and providing services in support of the Actions.

1.16. “Class Settlement” means the settlement and resolution of the Released Class Claims.

1.17. “Court” means the Superior Court of California, County of Los Angeles.

1.18. “Defendants” means named Defendants Shasta Beverages, Inc., National Bevpak, and National Beverage Corp.

1.19. “Defense Counsel” means K&L Gates LLP.

1.20. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment based on its Final Approval Order; 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 Class Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Class Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal

from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

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

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

1.23. “Gross Settlement Amount” means \$2,500,000.00, which is the total amount Defendants agree to pay under the Settlement, except as provided in Section 8 below. The Gross Settlement Amount will be used to pay Individual Settlement Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses, the Class Representatives Service Payments, and the Administration Expenses Payment.

1.24. “Individual Class Payment” means a Class Member’s *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive for the Class Settlement, calculated according to the number of Workweeks worked during the Class Period.

1.25. “Individual PAGA Payment” means an Aggrieved Employee’s *pro rata* share of 25% of the PAGA Penalties that an Aggrieved Employee is eligible to receive for the PAGA Settlement, calculated according to the number of Pay Periods worked during the PAGA Period.

1.26. “Individual Settlement Payment” means the net payment of each Participating Class Member’s share of the Net Settlement Amount, after reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Class Payment.

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

1.28. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.29. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

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

1.31. “Non-Participating Class Member” means any Class Member who opts out of the

Class Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.32. “Objection” means a Participating Class Member’s submission of a written objection to the Class Settlement, which must: (a) contain the case name and number of one of the Actions; (b) contain the full name, mailing address, signature, and last four digits of the Social Security number of the objecting Participating Class Member; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be submitted by email or mail to the Administrator at the specified email address and/or mailing address, emailed or postmarked on or before the Response Deadline.

1.33. “PAGA Period” means the period from October 22, 2018 through the date of Preliminary Approval.

1.34. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.35. “PAGA Notices” mean Plaintiff Farias’s October 25, 2019 letter to Defendants and the LWDA, and Plaintiff Garcia’s September 29, 2021 letter to Defendants and the LWDA, providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.36. “PAGA Penalties” means the total amount of \$150,000.00 in PAGA civil penalties to be paid from the Gross Settlement Amount, allocated as 25% to the Aggrieved Employees (\$37,500.00) and 75% to LWDA (\$112,500.00) (i.e., LWDA PAGA Payment) in settlement of the Released PAGA Claims.

1.37. “PAGA Settlement” means the settlement and resolution of the Released PAGA Claims.

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

1.39. “Pay Period” means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

1.40. “Plaintiffs” means Plaintiff Suleyda Farias, the named plaintiff in the *Farias* Action, and Plaintiff Jaime Garcia, the named plaintiff in the *Garcia* Action.

1.41. “Preliminary Approval” means the entry of the Court’s Preliminary Approval Order.

1.42. “Preliminary Approval Order” means the Court’s Order Granting Preliminary Approval of the Class Action and PAGA Settlement.

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

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

1.45. “Released Parties” means: Defendants and all their present and former parent companies, subsidiaries, divisions, related or affiliated companies, shareholders, officers, directors, corporate-level employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Class Claims and Released PAGA Claims, and Defendants’ counsel of record in the Actions.

1.46. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement, which must: (a) contain the case name and number of one of the Actions; (b) contain the full name, mailing address, signature, and last four digits of the Social Security number of the Class Member requesting exclusion; (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d) be submitted by email or mail to the Administrator at the specified email address and/or mailing address, emailed or postmarked on or before the Response Deadline.

1.47. “Response Deadline” means sixty (60) days after the Administrator mails the Class Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) email or mail Requests for Exclusion, (b) email or mail Objections, or (c) email or mail challenges to Workweeks and/or Pay Periods. Class Members to whom Class Notices are resent after having been returned as undeliverable to the Administrator on or before the Response Deadline, shall have the Response Deadline extended an additional fourteen (14) days.

1.48. “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.

1.49. “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS

2.1. On October 22, 2019, Plaintiff Garcia commenced the *Garcia* Action by filing a Class Action Complaint for Damages (“*Garcia* Operative Complaint”) alleging causes of action against Defendants for: (1) unpaid overtime; (2) unpaid meal period premiums; (3) unpaid rest period premiums; (4) unpaid minimum wages; (5) failing to timely pay final wages; (6) failing to timely pay wages during employment; (7) failing to issue compliant wages statements; (8) failing to keep requisite payroll records; (9) unreimbursed business expenses; and (10) violations of California Business & Professions Code §§ 17200, *et seq.*

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On October 25, 2019, Plaintiff Farias commenced the *Farias* Action by filing a Class Action Complaint alleging causes of action against Defendants for: (1) failing to pay minimum wages; (2) failing to pay for overtime wages; (3) failing to provide meal periods;

(4) failing to permit rest breaks; (5) failing to provide accurate itemized wage statements; (6) failing to pay all wages due upon separation of employment; and (7) unfair business practices in violation of California Business & Professions Code §§ 17200, *et seq.* On February 10, 2020, Plaintiff Farias filed a First Amended Class Action Complaint (“*Farias Operative Complaint*”) alleging an additional cause of action against Defendants under PAGA.

The *Garcia Operative Complaint* and the *Farias Operative Complaint* collectively are referred to as the “Operative Complaints.”

Defendants deny the allegations in the Operative Complaints, deny any failure to comply with the laws identified in in the Operative Complaints, and deny any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendants and the LWDA by sending their respective PAGA Notices.

2.3. On March 7, 2022 and September 21, 2022, the Parties participated in full-day mediations presided over by David Rotman, Esq., a respected mediator in wage and hour class and representative actions, which led to this Agreement to settle the Actions.

2.4. Prior to mediating and negotiating the Settlement, Plaintiffs obtained, through formal discovery efforts, Defendants’ relevant policies for their non-exempt employees (including all versions of their employee handbooks in effect during the liability period); Plaintiffs’ personnel records, timekeeping and payroll records, and wages statements; sampling of timekeeping and payroll data for 50% of the Class Members; wage statement exemplars; and the contact information for the Class Members after conducting a reasonable *Belaire-West* notice opt-out procedure. Plaintiffs’ investigation is 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 are aware of three other pending matters or actions asserting claims that may be extinguished or affected by the Settlement: *Scott Dykstra v. Shasta Beverages, Inc.*, Orange County Superior Court Case No. 30-2021-01185282-CU-OE-CXC, *Antonio Rios v. Shasta Beverages, Inc.*, Orange County Superior Court Case No. 30-2021-01204631-CU-OE-CXC, and *Antonio Rios v. Shasta Beverages, Inc.*, Orange County Superior Court Case No. 30-2021-01210748-CU-OE-CXC, which all involve the same parties of the Actions and are based on the same or similar claims of the Actions and arise from the same or substantially identical transactions, incidents, or events of the Actions requiring the determination of the same or substantially identical questions of law or fact.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Section 8 below, Defendants agree to pay \$2,500,000.00 and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. 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 Defendants.

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 Order:

3.2.1. To Plaintiffs: Class Representatives Service Payments to each of the Class Representatives of not more than \$10,000.00 (total, \$20,000.00), in addition to any Individual Settlement Payment that Plaintiff Farias is entitled to receive as a Participating Class Member and Aggrieved Employee and any Individual Settlement Payment that Plaintiff Garcia is entitled to receive as a Participating Class Member. Defendants will not oppose Plaintiffs' request for Class Representatives Service Payments that do not exceed these amounts. As part of the Motion for Final Approval, or alternatively, by way of separate motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiffs will seek Court approval for the Class Representatives Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing, or alternatively, such other deadline that is set by the Court. If the Court approves a Class Representatives Service Payment(s) less than the amount(s) requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representatives Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representatives Service Payments.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 35% of the Gross Settlement Amount, which is currently estimated to be \$875,000.00 (if the Gross Settlement Amount remains \$2,500,000.00) and a Class Counsel Litigation Expenses Payment of not more than \$40,000.00. Defendants will not oppose requests for these payments provided that do not exceed these amounts. As part of the Motion for Final Approval, or alternatively, by way of separate motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiffs will seek Court approval of the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' counsel arising from any claim to any portion 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 Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments. With respect to the Class Counsel Fees Payment, the Administrator may purchase annuities to utilize United States Treasuries and bonds or other attorney fee deferral vehicles, for Class Counsel. Any additional expenses for the use of attorney fee deferral vehicles shall be paid separately by Class Counsel and shall not be included in the Administration Expenses Payment.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$10,500.00 except for a showing of good cause and as approved by the Court. These costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include (among other things), translations of the Class Notice from English to Spanish, printing, distributing, and tracking the Class Notice and other documents for the Settlement, calculating and distributing payments due under the Settlement, issuing 1099 and W-2 IRS Forms and undertaking all required tax reporting, filings, withholdings, and remittances, providing necessary reports and declarations, and other duties and responsibilities set forth here to process the Settlement. To the extent the Administration Expenses are less or the Court approves payment less than \$10,500.00, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.4. Individual Class Payment Calculation: The Administrator will calculate each Individual Class Payment 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 individual number of Workweeks worked during the Class Period.

3.2.4.1. Tax Allocation of Individual Class Payments. 60% 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 reduction for the employee's share of taxes and withholding and will be reported on an IRS W-2 Form. The remaining 40% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest, penalties, and non-wage damages (the "Non-Wage Portion"). The Administrator will not undertake any reduction for taxes and withholdings for the Non-Wage Portion, and the Non-Wage Portion will be reported on IRS 1099 Forms. The Administrator will withhold (and remit to the appropriate taxing authorities) the employee's share of taxes and withholdings with respect to the Wage Portion of the Individual Class Payments, and issue checks to Participating Class Members for their Individual Settlement Payment (i.e., payment of their Individual Class Payment net of these taxes and withholdings). Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. The Administrator shall also remit the employer taxes to the

appropriate taxing authorities.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive an Individual Settlement Payment. 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 \$150,000.00 are to be paid from the Gross Settlement Amount. 75% of the PAGA Penalties (\$112,500.00) shall be allocated to the LWDA PAGA Payment and 25% of the PAGA Penalties (\$37,500.00) shall be 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' 25% share of PAGA Penalties (\$37,500.00) by the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the result by each Aggrieved Employee's individual number of Pay Periods worked during the PAGA Period. 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, and will allocate 75% of the approved PAGA Penalties to the LWDA and 25% of the approved PAGA Penalties to the Individual PAGA Payments. Each Individual PAGA Payment will be allocated as 100% penalties and will be reported on IRS 1099 Forms (if applicable) by the Administrator.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Workweeks and Pay Periods. Based on a review of their records to date, Defendants estimate there are approximately 257 Class Members who collectively worked a total of approximately 24,346 Workweeks during the period from October 22, 2015 through September 23, 2022, and approximately 225 Aggrieved Employees who collectively worked a total of approximately 17,917 Pay Periods during the period from October 22, 2018 through September 23, 2022.

4.2. Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval of the Settlement, Defendants 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 the Class Data to effect and perform under this Agreement. Defendants have 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.

4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount and Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than sixty (60) days after entry of the Court's Final Approval Order.

4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendants fund the Gross Settlement Amount and Defendants' share of payroll taxes, the Administrator will mail checks for Individual Settlement Payments, 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 Representatives Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, the Administration Expenses, and the Class Representatives Service Payments shall not precede disbursement of Individual Settlement Payments and Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual Settlement Payments to the Participating Class Members and Individual PAGA Payments 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 after the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom a 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 a Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Settlement 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.

4.4.2. The Administrator must conduct a Class Member Address Search for all Participating Class Members and/or Aggrieved Employees whose checks are returned undelivered without USPS forwarding address, if they are returned within sixty (60) days of the initial mailing of the checks. Within three (3) business 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 Class Member Address Search. The Administrator need not take further steps to deliver checks to Participating Class Members and/or Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Participating Class Member and/or Aggrieved Employee whose original check was lost or misplaced, requested by the Class Member and/or Aggrieved Employee prior to the void date.

4.4.3. For any leftover funds represented by canceled Individual Settlement

Payment and Individual PAGA Payment checks, the Administrator shall transmit the funds to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member and/or Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants 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.

5.1 Plaintiffs' Release. Effective on the date when Defendants fully fund the entire Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to, all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaints and PAGA Notices or ascertained during the Actions and release under Paragraph 5.2 below ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

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

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

5.2 Participating Class Members' Release: Effective on the date when Defendants fully fund the entire Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, all Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release the Released Parties from all claims, arising during the Class Period, under state, federal, or local law, whether statutory,

common law, or administrative law, that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaints, including: failure to pay minimum wage; failure to pay overtime wages; failure to provide compliant rest periods and associated premium pay; failure to provide meal periods and associated premium pay; failure to pay bonuses or other remuneration; failure to timely pay wages during employment, failure to timely pay wages upon termination; failure to reimburse necessary business-related expenses; failure to maintain requisite payroll records; failure to provide compliant wage statements; conversion; breach of contract; waiting time penalties; unfair or unlawful business practices in violation of California Business and Professions Code section 17200, *et seq.* based on the aforementioned; declaratory relief; and all other claims and allegations made or which could have been made in the Operative Complaints arising during the Class Period. (“Released Class Claims”). As part of the release of the Released Class Claims, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

5.3 State of California and Aggrieved Employees’ Release: Effective on the date when Defendants fully fund the entire Gross Settlement Amount and all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, the State of California with respect to the Aggrieved Employees and all Aggrieved Employees, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, are deemed to release the Released Parties from all claims for civil penalties, arising during the PAGA Period, that were alleged, or reasonably could have been alleged, based on the facts stated in the PAGA Notices, to the extent alleged in the Operative Complaints, including: failure to pay minimum wages; failure to pay overtime wages; failure to provide compliant rest periods and associated premium pay; failure to provide meal periods and associated premium pay; failure to pay bonuses or other remuneration; failure to timely pay wages during employment; failure to pay timely wages upon termination; failure to reimburse necessary business-related expenses; failure to maintain requisite payroll records; and failure to provide compliant wage statements (“Released PAGA Claims”).

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 motions for preliminary approval.

6.1 Defendants’ Declaration in Support of Preliminary Approval. Within fourteen (14) days of the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their declarations, Defense Counsel and Defendants shall aver that they are aware of three other pending matters or actions asserting claims that may be extinguished or affected by the Settlement: *Scott Dykstra v. Shasta Beverages, Inc.*, Orange County Superior Court Case No. 30-2021-01185282-CU-OE-CXC, *Antonio Rios v. Shasta Beverages, Inc.*, Orange County Superior Court Case No. 30-2021-01204631-CU-OE-CXC, and *Antonio Rios v. Shasta*

Beverages, Inc., Orange County Superior Court Case No. 30-2021-01210748-CU-OE-CXC, which involve the same parties of the Actions and are based on the same or similar claims of the Actions and arise from the same or substantially identical transactions, incidents, or events of the Actions requiring the determination of the same or substantially identical questions of law or fact.

6.2 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the Notice of Motion 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, subd. (f)(2)); (ii) a draft of the proposed Preliminary Approval Order; (iii) a draft of the proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid or quote 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 Plaintiffs, Class Counsel, or Defense Counsel; (v) signed declarations from Plaintiffs confirming their willingness and competency to serve, and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (vi) signed declarations from Class Counsel attesting to their competency to represent the Class Members; their timely transmissions to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaints (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)), PAGA settlement-related information, and Final Approval Order and Judgment; (vii) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their declarations, Plaintiffs and Class Counsel shall aver that they are aware of three other pending matters or actions asserting claims that may be extinguished or affected by the Settlement: *Scott Dykstra v. Shasta Beverages, Inc.*, Orange County Superior Court Case No. 30-2021-01185282-CU-OE-CXC, *Antonio Rios v. Shasta Beverages, Inc.*, Orange County Superior Court Case No. 30-2021-01204631-CU-OE-CXC, and *Antonio Rios v. Shasta Beverages, Inc.*, Orange County Superior Court Case No. 30-2021-01210748-CU-OE-CXC, which involve the same parties of the Actions and are based on the same or similar claims of the Actions and arise from the same or substantially identical transactions, incidents, or events of the Actions requiring the determination of the same or substantially identical questions of law or fact.

6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval; 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 Order to the Administrator.

6.4 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 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 Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class 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 CPT Group, Inc. to serve as the Administrator and as a condition of appointment, CPT Group Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expenses Payment. 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 or a separate 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 Notice to Class Members.

7.4.1 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 Pay Periods, as reflected 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 United States Postal Service ("USPS") mail, the Class Notice, with Spanish translation, 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/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and 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, on or before the Response Deadline, 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 Objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the Response Deadline otherwise provided in the Class Notice for all Class Members whose Class Notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendants, 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 a 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, the Parties will submit a stipulation to the Court reflecting this agreement and, upon Court approval thereof, 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 the Class Notice, or the Response Deadline in the Class Notice, whichever is later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by email or mail, a signed written Request for Exclusion no later than the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed).

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 from the Class Settlement. 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 valid and timely Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Class Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion shall not be issued an Individual Settlement Payment or have the right to object to the Class Settlement. All Aggrieved Employees are bound to the PAGA Settlement and will still be issued an Individual PAGA Payment, regardless of whether they seek exclusion from the Class Settlement.

7.6 Challenges to Calculation of Workweeks and Pay Periods. Each Class Member shall have until the Response Deadline (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Workweeks and/or Pay Periods (if any) allocated to the Class Member in the Class Notice. The challenge must (a) contain the case name and number of one of the Actions; (b) contain the full name, mailing address, signature, and last four digits of the Social Security number of the challenging Class Member; (c) clearly state that the Class Member challenges the number of Workweeks and/or Pay Periods credited to them and what they contend is the correct number to be credited to them; (d) include information and/or attach documentation demonstrating that the number of Workweeks and/or Pay Periods that they contend should be credited to them are correct; and (d) be submitted by email or mail to the Administrator at the specified email address and/or mailing address, emailed or postmarked on or before the Response Deadline. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all Workweeks and/or Pay Periods challenges to Defense Counsel and Class Counsel and the Administrator's determination of the challenges to Defense Counsel and Class Counsel.

7.7 Objections to Class Settlement. Only Participating Class Members may object to the Class Settlement.

7.7.1 Participating Class Members may send written Objections to the Administrator, by email or mail, on or before the Response Deadline (plus an additional 14 days for Class Members whose Class Notice was re-mailed). In the alternative or in addition to submitting a written Objection, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing.

7.7.2 Non-Participating Class Members have no right to object to the Class Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks required by this Agreement for administration of the notice and settlement payment distribution process.

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7.8.1 Website, Email Address, and Toll-Free Number. The Administrator will

establish and maintain and use a static internet website (or a portion of its existing website) to post copies of the Settlement Agreement (and any amendment(s) thereto), the Motion for Preliminary Approval (and any supplemental papers filed in support thereof), the Preliminary Approval Order (and any other orders reflecting the date, time, and location for the Final Approval Hearing), an exemplar Class Notice, the Motion for Final Approval (and if applicable, any separate motion seeking Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and Class Representatives Service Payments), the Final Approval Order, and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls and emails.

7.8.2 Requests for Exclusion and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain whether they are valid and timely. No later than five (5) days after the expiration of the Response Deadline or any applicable extended Response Deadline (whichever is later), the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the full names and other identifying information of Class Members who have submitted valid and timely Requests for Exclusion (“Exclusion List”); (b) the full names and other identifying information of Class Members who have submitted invalid and/or untimely 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, shall 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 and/or Pay Periods received and/or resolved, and checks mailed for Individual Settlement Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of whether Requests for Exclusion are valid and timely and attach copies of all Requests for Exclusion and Objections received.

7.8.4 Workweek and/or Pay Period Challenges. 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 and/or Pay Periods allocated to them. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator’s Declaration. No later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval, 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), the number of Objections it received, and

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.

7.8.6 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. **ESCALATOR CLAUSE.** Based on its records, Defendants represent that there are approximately 30,000 Workweeks during the period from October 22, 2015 through February 11, 2022. If the number of Workweeks during the Class Period exceeds 30,000 by more than 7.5% (i.e., exceeds 32,250 Workweeks), Defendants shall have the option to increase the Gross Settlement Amount *pro rata* per additional Workweek for each Workweek over 32,250 Workweeks or to cap the Class Period at the last point in time in which the number of Workweeks does not exceed 32,250.
9. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA Settlement under Labor Code section 2699, subd. (l), a proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven (7) days prior to 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.
 - 9.1 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 prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
 - 9.2 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 by Participating 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 of the Settlement. The Court's decision to award less than the amounts requested for the Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this Paragraph.

- 9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Actions, 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.
- 9.4 Notice of Entry. Class Counsel shall provide the Settlement Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final Approval Order and Judgment on the website to be established pursuant to Paragraph 7.8.1 herein, for sixty (60) calendar days, and this shall satisfy California Rules of Court 3.771(b). No individualized notice of the Final Approval Order and Judgment to the Class will be required.
- 9.5 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 set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Class Settlement as provided in this Agreement, 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 there is an appeal with respect to the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Gross Settlement Amount or Net Settlement Amount.
- 9.6 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing 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 by Participating 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 entry of a Final Approval Order and Judgment, sharing, on a 50-50 basis, any additional Administration Expenses Payment reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representatives Service Payments 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.
10. **AMENDED JUDGMENT.** If any amended judgment is required under California Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

11. ADDITIONAL PROVISIONS.

- 11.1 No Admission of Liability, Class Certification 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 Defendants that any of the allegations in the Operative Complaints have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Actions 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 grant Preliminary Approval, final approval, or enters Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Actions, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Actions 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).
- 11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendants, and Defense Counsel separately agree that, until the Motion for Preliminary Approval is filed, they and each of them will not disclose, disseminate and/or 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) 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. Plaintiffs, Class Counsel, Defendants, 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. This Paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members, or to undertake required submissions of information and/or documents to the LWDA pursuant to PAGA.
- 11.3 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 Class Settlement, or appeal from the Final Approval Order or 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, or to undertake required submissions of information and/or documents to the LWDA pursuant to PAGA.

- 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibit 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.
- 11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, 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.
- 11.6 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, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the exchange of information, data, and documents, executing documents, 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, if necessary, the Court for resolution.
- 11.7 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 and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement Agreement.
- 11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 11.9 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.
- 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 11.11 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.
- 11.12 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.

- 11.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 11.14 Use and Return of Class Member Information. Information provided to Class Counsel pursuant to Cal. Evid. Code section 1152, and all copies and summaries of class member information provided to Class Counsel by Defendants 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 rule of court. Not later than 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, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court’s discharge of the Administrator’s obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of class member information.
- 11.15 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.
- 11.16 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.
- 11.17 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 Plaintiffs:

<p>Samuel A. Wong (swong@aegislawfirm.com) Kashif Haque (khaque@aegislawfirm.com) Jessica L. Campbell (jcampbell@aegislawfirm.com) Alexander G.L. Davies AEGIS LAW FIRM, PC 9811 Irvine Center Drive, Suite 100 Irvine, California 92618 Tel: (949) 379-6250 / Fax: (949) 379-6251</p>	<p>Arby Aiwazian (arby@calljustice.com) Joanna Ghosh (joanna@calljustice.com) Alexandra Rose (a.rose@calljustice.com) LAWYERS for JUSTICE, PC 410 West Arden Avenue, Suite 203 Glendale, California 91203 Tel: (818) 265-1020 / Fax: (818) 265-1021 Attorneys for Plaintiff Jaime Garcia</p>
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Attorneys for Plaintiff Suleyda Farias

To Defendants:

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 10100 Santa Monica Blvd., Eighth Floor
 Los Angeles, California 90067
 Tel: (310) 552-5000 / Fax: (310) 552-5001

Attorneys for Defendants
 Shasta Beverages, Inc., National Bevpak, and
 National Beverage Corp.

11.18 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.

11.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation in the Actions 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 California Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Class Action and PAGA Settlement Agreement between Plaintiffs and Defendants:

IT IS SO AGREED.

PLAINTIFF SULEYDA FARIAS

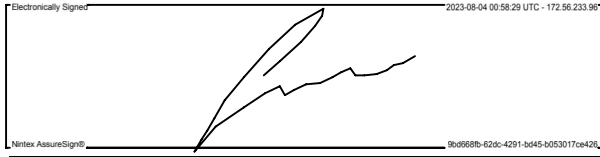
Dated: 8/1/2023, 2023

DocuSigned by:

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 Plaintiff Suleyda Farias

PLAINTIFF JAIME GARCIA

Dated: 08/03/2023, 2023



Plaintiff Jaime Garcia

DEFENDANT SHASTA BEVERAGES, INC.

Dated: _____, 2023

Name: _____

Title: _____

On behalf of Shasta Beverages, Inc.

DEFENDANT NATIONAL BEVPAK

Dated: _____, 2023

Name: _____

Title: _____

On behalf of National Bevpak

**DEFENDANT NATIONAL BEVERAGE
CORP.**

Dated: _____, 2023

Name: _____

Title: _____

On behalf of National Beverage Corp.

///

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APPROVED AS TO FORM:

Dated: _____, 2023

Plaintiff Jaime Garcia

DEFENDANT SHASTA BEVERAGES, INC.

Dated: 7-27-23, 2023




Name: G BRACHEN

Title: V.P

On behalf of Shasta Beverages, Inc.

DEFENDANT NATIONAL BEVPAK

Dated: 7-27-23, 2023



Name: G BRACHEN

Title: VP

On behalf of National Bevpak D/B/A

DEFENDANT NATIONAL BEVERAGE CORP.

Dated: 7-27-23, 2023



Name: G BRACHEN

Title: EVP

On behalf of National Beverage Corp.

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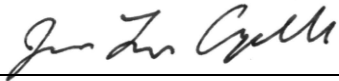
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APPROVED AS TO FORM:

AEGIS LAW FIRM, PC

Dated: July 27, 2023



Jessica L. Campbell
Attorneys for Plaintiff Suleyda Farias

LAWYERS *for* JUSTICE, PC

Dated: _____, 2023

Arby Aiwazian
Joanna Ghosh
Alexandra Rose
Attorneys for Plaintiff Jaime Garcia

K&L GATES LLP

Dated: _____, 2023

Christopher J. Kondon
Saman Rejali
Gabriel M. Huey
Vannie Karapetian
*Attorneys for Defendants Shasta Beverages, Inc.,
National Bevak, and National Beverage Corp.*


AEGIS LAW FIRM, PC

Dated: _____, 2023

Jessica L. Campbell
Attorneys for Plaintiff Suleyda Farias

LAWYERS *for* JUSTICE, PC

Dated: August 4, 2023



Arby Aiwazian
Joanna Ghosh
~~Alexandra Rose~~ Brian J. St. John
Attorneys for Plaintiff Jaime Garcia

K&L GATES LLP

Dated: _____, 2023

Christopher J. Kondon
Saman Rejali
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*Attorneys for Defendants Shasta Beverages, Inc.,
National Bevak, and National Beverage Corp.*

AEGIS LAW FIRM, PC

Dated: _____, 2023

Jessica L. Campbell
Attorneys for Plaintiff Suleyda Farias


LAWYERS *for* JUSTICE, PC

Dated: _____, 2023

Arby Aiwazian
Joanna Ghosh
Alexandra Rose
Attorneys for Plaintiff Jaime Garcia

K&L GATES LLP

Dated: July 27, 2023, 2023



Christopher J. Kondon
Saman Rejali
Gabriel M. Huey
Vannie Karapetian
*Attorneys for Defendants Shasta Beverages, Inc.,
National Bevak, and National Beverage Corp.*