

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into between plaintiffs and class representatives Guadalupe Salazar, Judith Zarate, and Genoveva Lopez (“Plaintiffs”), as individuals and on behalf of all Class Members as set forth herein, and defendant Bobby O. Haynes, Sr. and Carole R. Haynes Family Limited Partnership d/b/a/ McDonald’s (“Haynes”), subject to the terms and conditions of this Agreement and to the approval of the U.S. District Court in *Salazar, et al. v. McDonald’s Corp., et al.*, N. D. Cal. No. 3:14-cv-02096-RS.

This Agreement is intended to fully, finally, and forever settle, release, resolve, and bar all claims released herein as against Haynes and all other Released Parties as defined in the Agreement. This settlement does not settle or resolve Plaintiffs’ pending or potential claims against any of the remaining defendants in this action, including McDonald’s Corp., a corporation, McDonald’s U.S.A., LLC, a limited liability company, and McDonald’s Restaurants of California, Inc., a corporation (collectively, “McDonald’s”).

I. DEFINITIONS

1. As used in this Agreement, the following terms shall have the following meanings:
 - a. 4ATX Partnership. “4ATX Partnership” means the general partnership between Michele Haynes Watts and Bobby Haynes Sr. 4ATX Partnership has operated the franchised McDonald’s restaurant at 640 Hegenberger Road, Oakland, CA (“Coliseum”) from September 2011 to the present.
 - b. Action. The “Action” means the civil action entitled *Salazar, et al. v. McDonald’s Corp., et al.*, filed in the United States District Court for the Northern District of California, No. 3:14-cv-02096-RS, as pending, including without limitation, plaintiffs’ first amended complaint, filed November 7, 2014. Because this Settlement only settles, releases, and bars claims against Haynes and the Released

Parties as defined herein, references herein to the Action shall not be construed as a settlement, release, or bar of claims by any of the Parties hereto against McDonald's, the McDonald's defendants, or any related McDonald's entity.

- c. Agreement. "Agreement" means this Settlement Agreement and all exhibits attached hereto.
- d. BJGO Partnership. "BJGO Partnership" means the general partnership between Bobby Haynes Jr. and Bobby Haynes Sr. BJGO Partnership has operated the franchised McDonald's restaurant at 1287 Washington Street, San Leandro, CA ("Plaza") from September 2011 to the present.
- e. Claim Form. "Claim Form" means the proof of claim agreed to by the Parties and to be submitted for approval by the Court which shall be used by certain Class Members as described herein to file a claim under this Agreement. A copy of the Claim Form is attached hereto as Exhibit 1.
- f. Claims Administrator. "Claims Administrator" means RG/2 Claims Administration LLC or such other claims administrator as may be mutually designated by the parties to this Agreement and approved by the Court.
- g. Class Counsel. "Class Counsel" means Altshuler Berzon LLP and Cohen Milstein Sellers & Toll, PLLC.
- h. Class Members. "Class Members" means all individuals currently or formerly employed as crew, crew trainers, or maintenance workers paid on an hourly basis ("crew members") at one or more of Haynes's, 4ATX Partnership's, or BJGO Partnership's eight franchised McDonald's restaurants in California (the "Restaurants"), at any time within the period beginning on March 12, 2010 and ending on March 31, 2016.

- i. Class Notice. “Class Notice” means the notice to Class Members that explains the Agreement and the Class Members’ rights and obligations, which shall be sent to all Class Members following preliminary approval of the Settlement, and which shall, *inter alia*, explain the procedures for obtaining the Class Member’s settlement share, filing an objection to the Settlement, and opting out of the Settlement. The Class Notice shall be translated into Spanish. English and Spanish versions will be sent to all Class Members. The English version of the proposed Class Notice is attached hereto as Exhibit 2 and is subject to Court approval and revisions by the Court.
- j. Class Period. “Class Period” means the period beginning on March 12, 2010 and ending on March 31, 2016.
- k. Class Representatives. “Class Representatives” means plaintiffs Guadalupe Salazar, Judith Zarate, and Genoveva Lopez.
- l. Confidential Financial Documents. “Confidential Financial Documents” are the financial documents prepared by Haynes and submitted to Class Counsel, which are subject to the parties’ protective order and which were submitted by Haynes to Class Counsel for the limited purpose of facilitating settlement negotiations and with the additional understanding that those documents may be submitted to the Court *in camera* to demonstrate the limitations of Haynes’s ability to pay a greater settlement amount. Before Haynes submitted any of these documents to Class Counsel, the Parties agreed that these materials would be treated as strictly confidential, and would be treated as HIGHLY CONFIDENTIAL – FOR ATTORNEYS’ EYES ONLY. The Parties further agreed that the Confidential Financial Documents would not be used for any purpose in this litigation other

than as expressly stated in this paragraph.

- m. Court. “Court” means the United States District Court for the Northern District of California.
- n. Effective Date. “Effective Date” of this Agreement means the date the final approval of the Settlement becomes “Final.” If no objections are filed to the Settlement, the date the approval of the Settlement becomes Final shall be the date the Court enters a non-appealable final order approving the settlement. If objections are filed and overruled and no appeal is taken from the approval, the date the approval of the Settlement becomes Final shall be 30 days after the Court enters an order of final approval. If an appeal is taken from the Court’s overruling of objections to the settlement, the date the approval of the Settlement becomes Final shall be 30 days after the appeal is withdrawn or after all appellate review thereof is exhausted and an appellate decision exhausting such review and affirming the final approval decision becomes final. No money shall be distributed by the Claims Administrator unless and until the Effective Date occurs, except as otherwise expressly provided in this Agreement.
- o. Final Settlement Hearing. “Final Settlement Hearing” means the hearing following Class Notice at which plaintiffs shall request that the Court fully and finally approve the fairness, reasonableness, and adequacy of the terms and conditions of the proposed Settlement, enter the Haynes Final Judgment and Consent Decree, and take other appropriate or necessary action as set forth herein.
- p. Gross Fund Amount. “Gross Fund Amount” means the total amount to be paid by Haynes pursuant to this Settlement Agreement to fund the payments to Plaintiffs and Class Members, comprising the Settlement Payment of Two Hundred Thirty

Five Thousand Dollars and No Cents (\$235,000.00), as defined in this Agreement. As provided in this Agreement, if this Settlement is given final approval by the Court, Haynes's timely payment of the Gross Fund Amount plus Haynes's additional payment of the costs of notice and claims administration as set forth herein plus Haynes's payment of applicable employer payroll taxes as required by law, is intended to and shall settle all claims asserted in the Action between Class Representatives and Settlement Class Members on the one hand, and Haynes on the other, with the exception of the individual retaliation claim of plaintiff Guadalupe Salazar, which is being settled through a separate individual agreement. Under no circumstances shall Haynes be liable or responsible to Class Representatives, Settlement Class Members, or Class Counsel for any additional amounts pursuant to this agreement if this Settlement is given final approval by the Court. Upon the Effective Date, payment of the Gross Fund Amount shall be non-reversionary.

- q. Haynes. "Haynes" means the Bobby O. Haynes, Sr. and Carole R. Haynes Family Limited Partnership, which is a limited partnership between Bobby Haynes, Sr., Carole R. Haynes, Bobby Haynes, Jr., and Michele Haynes Watts. Haynes has operated the following five franchised McDonald's restaurants from the beginning of the Class Period through the present: (1) 7300 Bancroft, Oakland, CA ("73rd"); (2) 6300 International Blvd., Oakland, CA ("64th"); (3) 2520 East 12th Street, Oakland, CA ("E. 12th"); (4) 9725 International Blvd., Oakland, CA ("98th"); and (5) 2208 MacArthur Blvd., Oakland, CA ("MacArthur"). Haynes operated the franchised McDonald's restaurant located at 8400 Edgewater Drive, Oakland, CA ("Walmart") from the beginning of the Class Period through January 2016, when

that restaurant closed. Haynes operated the franchised McDonald's restaurants located at 640 Hegenberger Road, Oakland, CA ("Coliseum"), and 1287 Washington Street, San Leandro, CA ("Plaza"), from the beginning of the Class Period through August 2011, when operation of those restaurants was transferred to 4ATX Partnership and BJGO Partnership, respectively.

- r. Haynes Final Judgment and Consent Decree. "Haynes Final Judgment and Consent Decree" means the order (or orders) entered and filed by the Court that provide(s) final approval to this Agreement and the Settlement; order(s) the injunctive relief agreed upon herein; dismiss(es) the claims against Haynes with prejudice; dispose(s) of all issues and claims in this Action as to the Released Parties as provided in this Agreement; bar(s) Class Members who have received notice of the Settlement before the deadline for opting out and who have not validly opted out of this Settlement from asserting or reopening any claims settled or released through the releases contained herein; and award(s) and order(s) the payment of all required amounts pursuant to the terms of this Agreement including, to the extent approved by the Court, Class Counsel's attorneys' fees and costs, Class Representatives' service payments, payments to the California LWDA, and the payments to Settlement Class Members. The term "Haynes Final Judgment and Consent Decree" is intended to describe only the Court's concluding order; and the order entered by the Court need not be specifically titled "Haynes Final Judgment and Consent Decree."
- s. Net Fund Amount. The "Net Fund Amount" means the Gross Fund Amount, less all court-approved attorneys' fees and expenses, service awards, and California Labor Code Private Attorneys General Act ("PAGA") payments to the California

Labor and Workforce Development Agency (“LWDA”).

- t. Non-Settling Parties. “Non-Settling Parties” means Defendants McDonald’s Corp., a corporation, McDonald’s U.S.A., LLC, a limited liability company, and McDonald’s Restaurants of California, Inc., a corporation (collectively, “McDonald’s”), and any of their past, present, or future direct and/or indirect officers, directors, managers, employees, agents, dbas, representatives, attorneys, insurers, partners, investors, shareholders, members, parent companies, subsidiaries, affiliates, divisions, companies, predecessors, successors, assigns and any other entity acting by, through, or in concert with any of them, and any other entity or person that is or becomes a party in the Action alleged to be liable to Class Members, other than Class Members and the Released Parties. In the event of any conflict between the application of this definition and that of “Released Parties,” the definition of Released Parties shall control in order to give effect to the releases of Haynes and Haynes’s related parties.
- u. PAGA Limitations Period. “PAGA Limitations Period” shall mean the period beginning on March 12, 2013 and ending on March 31, 2016.
- v. Parties. “Parties” shall mean the parties to the Agreement, specifically, the Class Representatives, individually and on behalf of all Class Members, and Haynes.
- w. Preliminary Approval Order. “Preliminary Approval Order” means the order entered and filed by the Court that preliminarily approves the terms and conditions of this Agreement, including without limitation the manner and content of providing notice to the Class.
- x. Released Parties. “Released Parties” means Bobby O. Haynes, Sr. and Carole R. Haynes Family Limited Partnership d/b/a/ McDonald’s (“Haynes”), Bobby

Haynes, Sr., Carole R. Haynes, Bobby Haynes, Jr., Michele Haynes Watts, BJGO Partnership, 4ATX Partnership, and Haynes's past and present affiliated companies, parents, subsidiaries, related companies and business concerns, and each of them, as well as each of their past and present insurers, partners, trustees, directors, shareholders, officers, members, managers, owners, agents, attorneys, servants, supervisors, vendors, payroll companies, accountants, principals, and employees, past and present, and the spouses, children, and heirs of Bobby Haynes, Sr., Carole R. Haynes, Bobby Haynes, Jr., and Michele Haynes Watts; *except that* "Released Parties" shall not include McDonald's, any other defendant in the Action, Golden Arch, Inc., or any alleged joint employer, co-conspirator, aider, abettor, principal, or agent of any other defendant, whether named in the current complaint or any future complaint in this matter, other than the Released Parties as defined in this paragraph.

- y. Restaurants. "Restaurants" means the eight franchised McDonald's restaurants in California owned and/or operated by Haynes, 4ATX Partnership, or BJGO Partnership at any time during the Class Period, located at: (1) 7300 Bancroft, Oakland, CA ("73rd"); (2) 6300 International Blvd., Oakland, CA ("64th"); (3) 2520 East 12th Street, Oakland, CA ("E. 12th"); (4) 9725 International Blvd., Oakland, CA ("98th"); (5) 2208 MacArthur Blvd., Oakland, CA ("MacArthur"); (6) 8400 Edgewater Drive, Oakland, CA ("Walmart"); (7) 640 Hegenberger Road, Oakland, CA ("Coliseum"); (8) 1287 Washington Street, San Leandro, CA ("Plaza").
- z. Settled Claims. "Settled Claims" means any and all claims for relief, demands, causes of action, and appeals of any kind whether known or unknown, which a

person has had, now has, or may have in the future against the Released Parties or any of them that are alleged in the Action or that arose out of or relate to the facts, acts, transactions, occurrences, events, or omissions alleged in the Action, and which arose on or before March 31, 2016; *except* “Settled Claims” does not include the individual retaliation claim of plaintiff Guadalupe Salazar alleged in the Action, which has been settled through a separate individual settlement agreement. “Settled Claims” includes all types of relief available for the claims of relief described in the preceding sentence, including, without limitation, any claims for unpaid wages, unpaid overtime, unpaid premium pay, damages, reimbursement, restitution, losses, penalties, fines, liens, attorneys’ fees, costs, expenses, debts, interest, injunctive or declaratory relief, chargebacks, liquidated damages or similar relief. The Haynes Final Judgment and Consent Decree shall cover and bar each and every Settlement Class Member from asserting any Settled Claims in the future against the Released Parties or any of them.

- aa. Settlement. “Settlement” shall refer to this Agreement to settle the claims as set forth and embodied in this Agreement.
- bb. Settlement Class/Settlement Class Member(s). “Settlement Class Member” means and includes each Class Member who receives notice of this Settlement, through receipt or review of the Class Notice, before the deadline for opting out of the Settlement has expired, and who does not validly opt out of this Settlement as set forth herein, and “Settlement Class” means the class of all Settlement Class Members. An individual will be presumed not to have received notice of this Settlement before the deadline for opting out (and thus to not be a Settlement Class Member) if both (i) and (ii) below are true:

i. Either:

1. The Claims Administrator does not send a Class Notice to the individual and the individual does not submit a timely Claim Form;

or

2. The Class Notice sent to the individual are returned as undeliverable or addressee unknown, and the individual does not submit a timely Claim Form; and

ii. The individual states under penalty of perjury that the individual did not receive notice of the Settlement before the deadline for opting out, and the individual does not cash any check sent to the individual as part of the distribution(s) of Settlement Payment funds provided for in this Agreement.

cc. Settlement Payment. “Settlement Payment” means the total payment of Two Hundred Thirty Five Thousand Dollars and No Cents (\$235,000.00) to be paid by Haynes in the time and manner set forth in this Agreement and to be included in the Gross Fund Amount.

II. RECITALS

2. This class and representative action was filed on March 12, 2014, and a First Amended Complaint was filed on November 7, 2014, asserting 12 classwide claims for relief, including *inter alia* claims for unpaid wages, minimum wage and overtime claims, and claims for failure to provide legally required timely meal periods and rest breaks, failure to maintain required records and provide accurate itemized wage statements, failure to indemnify employees for necessary business expenditures, negligence, unfair and unlawful business practices, PAGA penalties, and declaratory judgment, and one

individual claim for relief on behalf of plaintiff Salazar alleging retaliation, all in connection with their employment by defendants at Haynes's franchised Restaurants. Plaintiffs' First Amended Complaint named as defendants McDonald's Corp., a corporation; McDonald's U.S.A., LLC, a limited liability company; McDonald's Restaurants of California, Inc., a corporation; Bobby O. Haynes Sr. and Carole R. Haynes Family Limited Partnership d/b/a McDonald's, a limited partnership; and Does 1 through 100, inclusive.

3. The parties and the McDonald's defendants have engaged and are continuing to engage in ongoing discovery. On February 12 and 17, 2016, Plaintiffs and Haynes filed joint discovery dispute letters. On February 25, 2016, the Court issued a Discovery Order documenting Haynes' commitment to provide certain discovery and ordering Haynes to provide additional specified discovery. McDonald's filed a motion for summary judgment on May 6, 2016. The Court issued an Order granting in part and denying in part McDonald's motion for summary judgment on August 16, 2016. McDonald's filed a motion to deny class certification and strike representative PAGA claims on September 23, 2016. Plaintiffs filed a motion for class certification on September 30, 2016. On January 5, 2017, the Court denied plaintiffs' motion for class certification on grounds that plaintiffs' ostensible agency theory could not be tried on a class basis.
4. Without admitting or conceding any liability or damages, Haynes has entered into this Settlement to fully, finally, and forever resolve this litigation as to the claims asserted between the Parties.
5. After extensive investigation, discovery, several formal mediation sessions under the auspices of U.S. Magistrate Judge Jacqueline Scott Corley, and arms-length settlement negotiations, including plaintiffs' expert forensic accountant's review of Haynes's

Confidential Financial Documents and follow-up discussions between the parties' respective accountants, the Class Representatives and Class Counsel have concluded that the terms of the Settlement are fair, reasonable, and adequate, that the Settlement constitutes a good-faith settlement under California law, and that settlement on these terms is in the best interest of the Class Members in light of all known facts and circumstances, including the risks of continuing litigation, defenses asserted in the case, and Haynes's financial condition. A material factor affecting the amount of the Gross Fund Amount is Haynes' financial condition as set forth in documents reviewed by Plaintiffs, including three years of tax returns, unaudited profit-and-loss statements, and other materials.

6. As part of the preliminary and final settlement approval proceedings, the Released Parties will not object to an *in camera* submission to the Court of the Confidential Financial Documents reflecting Haynes's financial condition upon which Plaintiffs relied in reaching this Settlement and other supporting documentation. No document reviewed *in camera* may be made part of the record in this matter, or admitted as evidence, unless filed under seal.
7. This Agreement shall become enforceable in accordance with its terms upon its execution by: (a) one or more Class Representatives; (b) Class Counsel on behalf of the Class Representatives and the Class (approved as to form); (c) Haynes, by and through an authorized representative; and (d) Haynes's counsel (approved as to form). The Parties intend this agreement to be admissible and binding, but fully understand that no settlement can be effectuated on behalf of the Plaintiffs or the Class without the final approval of the Court in this Action.
8. Subject to the Federal Rules of Civil Procedure, applicable case law, and any court-

imposed limitations on discovery in this case, the Parties shall cooperate in providing permitted and relevant discovery, including by agreeing to produce witnesses subject to their control for deposition or trial upon agreement at a reasonable place, date, time and duration. In addition, as part of this settlement, Haynes agreed to comply with the February 25, 2016 Discovery Order in this case, to provide Electronically Stored Information to Plaintiffs from Bobby Haynes, Sr., Bobby Haynes, Jr., and Michele Haynes-Watts, to provide Plaintiffs the same time punch hours, and pay data and documents for the Coliseum and Plaza stores that Haynes previously produced for six other stores, and to make Bobby Haynes, Sr., Bobby Haynes, Jr., and Michele Haynes-Watts available for deposition in a timely manner. Haynes warrants that it has provided all of this agreed-upon discovery.

9. If any other class settlement is reached in this Action before the Effective Date of this Agreement, the Parties to this Settlement shall cooperate in good faith in attempting to coordinate settlement timelines and distribution schedules to minimize costs and promote the efficient administration of the settlements.

NOW THEREFORE, in consideration of the recitals listed above and the promises, releases, and warranties set forth below, and with the intent to be legally bound and to acknowledge the sufficiency of the consideration and undertakings set forth herein, the Class Representatives, individually and on behalf of the Class Members, on the one hand, and Haynes, on the other hand, agree that the Action shall be, and is finally and fully compromised and settled as to the Released Parties, on the terms and conditions set forth herein:

**III. PRELIMINARY APPROVAL, CLASS NOTICE, CLAIMS PROCESS,
AND FINAL SETTLEMENT HEARING, AND EFFECTIVE DATE**

10. Procedures. As part of this Agreement, the Parties agree to the following procedures for obtaining the Court's preliminary approval of the Settlement, certifying the Class for

purposes of settlement, notifying Class Members, obtaining final Court approval of the Settlement, and administering the Settlement.

11. Stipulation to Class Certification for Settlement Purposes. For purposes of this settlement only, the Parties stipulate that a class comprising all Class Members may be certified under Rule 23 of the Federal Rules of Civil Procedure, and that all of the prerequisites for establishing class certification for this purpose have been met.
12. Request for Preliminary Approval Order. For purposes of implementing this Agreement, the Parties shall request that the Court enter a Preliminary Approval Order, preliminarily approving the proposed settlement, certifying the Class for settlement purposes only, approving notice, and setting a date for the Final Settlement Hearing. The requested Preliminary Approval Order shall provide for notice of the Settlement to be sent to Class Members as specified herein.
13. Preliminary Approval of Settlement. Promptly after execution of this Agreement, Class Representatives shall file a motion in the Action requesting that the Court enter the Preliminary Approval Order. The requested Preliminary Approval Order shall:
 - a. Preliminarily approve the proposed Settlement and this Agreement;
 - b. Approve the plan for the dissemination of notice to Class Members under this Agreement, including the form of the Class Notice and Claim Form;
 - c. Approve the procedures for distribution of payments to Class Members under this Agreement;
 - d. Approve the procedures for Class Members to submit Claim Forms or to opt out of the Settlement, including by setting a deadline for Class Members to submit Claim Forms or requests to opt out;
 - e. Approve the procedure for Class Members to object to the Settlement, including

by setting a deadline for Class Members to submit such objections; and

- f. Schedule the Final Settlement Hearing for final approval of this Settlement and entry of the Haynes Final Judgment and Consent Decree;

14. Motion for Preliminary Approval and Further Relief. Haynes shall not oppose Class Counsel's motion for preliminary approval of the Settlement, provided such motion and supporting papers are consistent with the terms of this Agreement. The Parties acknowledge and agree that as a result of the Settlement, some portion of the Class Members' remaining claims that are asserted in, arise from, or relate to the claims asserted in the Action, including, without limitation, such claims against Non-Settling Parties, may be subject to reduction, compromise, and/or offset as a result of this Settlement, with the method, allocation, amount, or value of any reduction, compromise, and/or offset of the Settlement to be determined as the Court deems appropriate, based on applicable law, in connection with the Action. Subject to any offset(s) the Court may determine is required by applicable law, this Agreement shall not otherwise preclude any Class Members from continuing to pursue any claims against any Non-Settling Party.

15. Notice of Settlement to Appropriate Government Officials. Within ten (10) calendar days after the filing of a motion for preliminary approval of the Settlement with the Court, the Claims Administrator shall provide appropriate notice of the Settlement to appropriate state and federal officials in conformity with the Class Action Fairness Act.

16. Class Notice. Notice of the Settlement shall be provided to Class Members. The Parties believe and agree that the following procedures for disseminating such notice provide the best practicable notice to Class Members.

- a. The Claims Administrator shall be responsible for preparing, printing, and mailing to all Class Members an individualized version of the Class Notice as approved by

the Court and any such other materials as may be required to be distributed, including a Claim Form for individuals claiming to be Class Members who request such a Form, all as approved and directed by the Court.

- b. Not later than fifteen (15) business days after the Court's entry of a Preliminary Approval Order, and to the greatest extent possible based on existing and obtainable information, Haynes shall provide to the Claims Administrator, in electronic form, a spreadsheet (the "Putative Class List") that contains the name, telephone number, social security number, last known mailing address and email address, and starting and ending employment dates during the Class Period (including multiple starting and ending employment dates if applicable) of every Class Member, as updated to include the most current information available to Haynes. Haynes shall meet and confer with the Claims Administrator regarding the format of said spreadsheet, and shall cooperate to provide any additional information the Claims Administrator may request that is reasonable and necessary for the purpose of providing Class Notice, allocating and distributing the Gross Fund Amount, and otherwise administering this Agreement. The Claims Administrator shall provide Class Counsel with a copy of the Putative Class List, but shall delete social security numbers before doing so. The contact information in the Putative Class List shall be treated as Highly Confidential pursuant to the stipulated protective order entered in the Action. The parties will ask the Court to determine in its Order of Preliminary Approval whether to impose any other limitation on Class Counsel's use of the contact information in the Putative Class List. Haynes asserts that Class Counsel should be permitted to use information from the Putative Class List to contact Class Members who are current Haynes

employees regarding only administration of this settlement. Plaintiffs assert that no further limitation beyond the Highly Confidential designation under the Protective Order is appropriate, that imposing any such limitation would inappropriately hamper Class Counsel's role and duties to class members, and that the Court has already resolved this issue by ordering in the February 25, 2016 Discovery Order (Docket No. 76) that Haynes produce to plaintiffs a full class list with contact information without imposing any limitations on use of that information beyond the confidentiality designations permitted by the Protective Order. Haynes represents that it agreed to comply with the Discovery Order (Docket No. 76) and that it has so complied, but asserts that the Discovery Order does not resolve the issue of whether additional limitations should be placed on Class Counsel's use of the contact information in the Putative Class List that will be provided as part of this settlement. Until the Court issues a Preliminary Approval Order, the parties agree that the contact information in the Putative Class List will be limited solely for the purpose of administration of this settlement.

- c. Based on the information provided in the Putative Class List and the Plan of Allocation set forth herein, the Claims Administrator shall promptly calculate an Estimated Settlement Amount for every Class Member, to be included in the individualized Notice to be sent to that Class Member, and shall prepare and email a spreadsheet setting forth those calculations to Class Counsel and Haynes's counsel no fewer than two days before mailing the Class Notice to Class Members.
- d. Not later than ten (10) business days after receipt of the information described in subsection (b) above, the Claims Administrator shall mail the Class Notice to

every individual on the Putative Class List whose address information is known. This mailing shall be sent by first-class U.S. mail, postage pre-paid. Before mailing the Class Notice, the Claims Administrator shall run the Putative Class Member addresses through the U.S. Postal Service's Change of Address Database and update any addresses accordingly. Any returned envelopes from the initial mailing with forwarding addresses shall be used by the Claims Administrator to re-mail the Class Notice. Not later than (10) business days after receipt of the Putative Class List, the Claims Administrator shall also email a copy of the Class Notice to all Putative Class Members whose email addresses are known. The Claims Administrator will track and report all "bounce back" emails, but shall be under no obligation to search for different email addresses.

- e. Except as otherwise provided herein, the Class Notice:
 - i. Shall state that the deadline for submitting any objection to the Settlement or for opting out of the Settlement shall be seventy-five (75) calendar days after the postmark date of the initial mailing of Class Notices, and that for Class Members who are required to submit Claim Forms, the deadline for submitting a Claim Form shall be seventy-five (75) calendar days after such postmark date;
 - ii. Shall state the recipient's Estimated Settlement Amount, as calculated by the Claims Administrator;
 - iii. Shall inform the recipient of the need to provide updated contact information to the Claims Administrator until such time as all settlement funds have been distributed;
 - iv. Shall include a summary of the release and waiver of claims

against the Released Parties, and shall inform the recipient that any Class Member who receives notice of the Settlement before the deadline for opting out and who does not opt out shall be deemed to have released all covered claims against the Released Parties;

- v. Shall explain that no Claim Form will be required from any individual on the Putative Class List to whom a Class Notice is sent unless the Class Notice sent by U.S. mail is returned to the Claims Administrator as undeliverable or addressee unknown, without forwarding information, and shall explain that a Class Member who receives an email version of the Class Notice but does *not* receive a hard copy of the Class Notice through the U.S. mail shall *not* be eligible to share in the settlement funds *unless* that individual submits a Claim Form to the Claims Administrator no later than seventy-five (75) calendar days after the postmark date of the initial mailing of Class Notices; and
 - vi. Shall explain that a Class Member who is not identified on the Putative Class List or whose Class Notice sent by U.S. mail is returned to the Claims Administrator as undeliverable or addressee unknown without forwarding information shall *not* be eligible to share in the settlement funds *unless* that individual submits a Claim Form to the Claims Administrator no later than seventy-five (75) calendar days after the postmark date of the initial mailing of Class Notices.
- f. The Claims Administrator shall send Claims Forms upon request to any individual

who requests a Claim Form.

- g. For any Class Notice that is returned by the Post Office with a forwarding address, the Claims Administrator shall forward the Class Notice to that new address within five (5) calendar days of receipt of the forwarding address. For any Class Notice that is returned by the Post Office as undeliverable or addressee unknown, the Claims Administrator shall perform a skip trace that shall include: (1) processing the name and address through the United States Postal Service's National Change of Address database; (2) performing address searches using such public and proprietary electronic resources as are available to the Claims Administrator that lawfully collect address data from various sources such as utility records, property tax records, motor vehicle registration records and credit bureaus; and (3) calling last known telephone numbers (and telephone numbers updated through public and proprietary databases) to obtain accurate contact information. If the Claims Administrator is successful in locating an alternate subsequent address or addresses, the Claims Administrator shall forward such Class Notice to the new address(es) within ten (10) calendar days of receipt of the undeliverable notice.
- h. The Parties intend that reasonable means be used to maximize the probability that all Class Members shall receive the Class Notice and where appropriate, the Claim Form.
- i. In addition to the foregoing, the Parties may, but are not obligated to, supplement the mailed Class Notice with reasonable alternative forms of notice, and may provide Claim Forms to Class Members for whom there are no known addresses but who seek to establish their eligibility to participate in this Settlement.

- j. If a Claim Form, objection, or opt-out form is timely submitted but is deficient in one or more aspects, the Claims Administrator shall, within five (5) calendar days of receipt of the deficient form, return the form to the Class Member with a letter explaining the deficiencies and informing the Class Member that he or she shall have fourteen (14) calendar days from the date of the deficiency notice to correct the deficiencies and resubmit the Claim Form. This letter shall be provided in English and Spanish.
- k. Any resubmitted Claim Form must be postmarked within fourteen (14) calendar days of the date of the deficiency notice to be considered timely, unless there is a showing of good cause for additional time. The Claims Administrator shall notify Class Counsel and Haynes's counsel within five (5) calendar days of receipt of each deficient form. The Claims Administrator has no obligation to provide a Class Member with a second notice of deficiency.

17. Claim Form Submission. Absent a showing of good cause in accordance with the procedures set forth in this Agreement, no Claim Form shall be honored if postmarked more than seventy-five (75) calendar days after the date the Class Notice is first mailed to Class Members. Any Class Members who receive notice of the Settlement before the deadline for opting out and who are required to submit a Claim Form pursuant to this Agreement (*i.e.*, individuals who are not on the Putative Class List or whose Class Notice is returned as undeliverable or addressee unknown, without forwarding information, and whose accurate contact information cannot be obtained through the procedures set forth above) but who without good cause submit a Claim Form postmarked more than seventy-five (75) calendar days after the date the Class Notices are mailed to Class Members shall be deemed to have waived irrevocably any right in or claim to a settlement share, but this

Settlement shall nevertheless be fully binding on such Class Members subject to the terms set forth herein. The Claims Administrator shall notify Class Counsel and Haynes's counsel within five (5) calendar days of receipt of each untimely Claim Form. The Claims Administrator shall accept Class Counsel's and Haynes joint determination of whether good cause exists for honoring an untimely Claim Form. Class Counsel and Haynes' agreement that good cause exists will not be unreasonably denied. If Class Counsel and Haynes do not agree on whether good cause exists, the party who believes good cause does not exist shall present the dispute to the Court for resolution. If that party does not promptly present the dispute to the Court, the Claims Administrator will accept that good cause exists and will honor the untimely Claim Form.

18. Opting Out of the Settlement. Class Members may opt out of the Settlement by timely mailing a valid opt-out statement to the Claims Administrator.
- a. Any opt-out statement, to be valid, must state the name, telephone number, and current address of the Class Member, the dates the Class Member worked for Haynes, and the address to which the Class Member's Class Notice was mailed (if known), and must include the following language: "I, [NAME], voluntarily choose not to participate in the settlement of my claims against my current or former employer Bobby O. Haynes, Sr. and Carole R. Haynes Family Limited Partnership d/b/a/ McDonald's ("Haynes"), and hereby waive any rights I may have to participate in the settlement against Haynes in the federal court lawsuit entitled *Salazar et al. v. McDonald's Corp. et al.*, N. D. Cal. No. 3:14-cv-02096-RS." The opt-out statement must be personally signed by the Class Member who seeks to opt out. No opt-out request may be made on behalf of a group of Class Members.

- b. Absent a showing of good cause and in accordance with the procedures set forth in this Agreement, no opt-out statement shall be honored or valid if postmarked more than seventy-five (75) calendar days after the postmark date of the initial Class Notice mailed to all Class Members. Requests to opt out that do not include all required information, or that are not submitted on a timely basis, shall be deemed null, void and ineffective. If a Class Member files both an opt-out statement and a Claim Form, the opt-out statement shall be deemed invalid and the Class Member's Claim Form and release of claims shall be valid and controlling.
- c. Class Members who submit valid and timely requests to opt out of the Settlement may not participate in any portion of the Settlement and shall not receive any Settlement Payment, nor shall such Class Members be bound by the terms of the Settlement or the dismissal with prejudice of Haynes pursuant to the Haynes Final Judgment and Consent Decree.
- d. A Class Member who receives notice of the Settlement before the deadline for opting out and who does not timely opt out of the Settlement as described in this Agreement shall be bound by the terms and conditions of this Agreement, and shall also be bound by the Court's Order enjoining all Settlement Class Members from pursuing, or seeking to reopen, any of the Settled Claims against the Released Parties, regardless of whether he or she timely submits a valid Claim Form.

19. Objecting to the Settlement. Any Class Member who does not timely opt out may object to the Settlement. The Class Notice shall provide that Class Members who wish to object to the Settlement must mail a written statement of objection subject to the provisions set forth below:

- a. Any such objection must be filed with the clerk of the Court and served on all counsel identified in the Class Notice no later than seventy-five (75) calendar days after the postmark date of the initial mailing of Class Notices and Claim Forms.
- b. The postmark date of the mailing shall be the exclusive means for determining whether an objection is timely. The objection must state the basis for the objection.
- c. Class Members who receive notice of the Settlement before the deadline for opting out and who fail to make objections in the manner specified shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement, and the Settlement shall be fully binding upon them.

20. Non-Interference with Claims Procedure and Settlement. The Parties and their counsel agree that they shall not solicit or otherwise encourage Class Members to submit opt-out requests or objections to the Settlement or to appeal from the Haynes Final Judgment and Consent Decree.

21. Interim Reports by the Claims Administrator. No later than three (3) calendar days prior to the deadline for filing a motion for final approval of the settlement, the Claims Administrator shall provide counsel for the Parties with a declaration setting forth: (a) due diligence and proof of mailing of the Class Notice and due diligence and proof of mailing of appropriate notice of the Settlement to appropriate state and federal officials in conformance with the Class Action Fairness Act; (b) the total number of individuals on the Putative Class List who were sent a Class Notice; (c) the total number of those individuals whose Class Notices were returned as undeliverable or addressee unknown; (d) the total number of those individuals whose Class Notices were subsequently sent to a

corrected address; (e) the total number of individuals who requested a Claim Form; (f) the total number of individuals who submitted a Claim Form; (g) the total number of Class Members who submitted valid Claim Forms without challenge to the dates worked contained therein; (h) the total number of Class Members who submitted Claim Forms that were deficient, or who challenged the dates worked in the Claim Form, and how such deficient or challenged Claim Forms were resolved; (i) the total number of Class Members who filed valid requests to opt out, including complete copies of all such requests, including the postmark dates for each; and (j) the total number of Class Members who filed timely objections to the Settlement, along with the complete copies of all objections received, including the postmark dates for each objection. The Claims Administrator shall provide an updated declaration on these matters three (3) calendar days prior to the date of the Final Settlement Hearing if any changes or additions have occurred, and again the business day after the Effective Date of the Settlement or such other later date as the Court or the Parties may agree upon.

22. Final Settlement Hearing. After expiration of the deadlines for submitting a Claim Form, opting out, and submitting objections, the Parties shall ask the Court to conduct a Final Settlement Hearing to determine final approval of the settlement, to enter the Haynes Final Judgment and Consent Decree, and to order amounts properly payable for attorneys' fees and expenses, service payments, and any other matters as required herein.
23. Final Judgment. Upon final approval by the Court at the Final Settlement Hearing, Class Representatives shall request, and Haynes will concur in said request, that the Court enter the Haynes Final Judgment and Consent Decree finally approving this Agreement, which shall be consistent with this Agreement and subject to prior review and approval by the Parties hereto. Class Representatives shall request that the Court find and determine that

this Settlement is fair, just, equitable, reasonable, and adequate; that it disposes of all issues and claims in this Action as to the Released Parties, as provided in this Agreement, dismissing the Action against the Released Parties with prejudice; that it represents a good-faith settlement; that it is in the best interests of the Class; and that it permanently enjoins all Settlement Class Members from pursuing, or seeking to reopen any Settled Claims against the Released Parties.

24. Appellate Review. In the event any appeal or collateral attack is filed concerning any of the Court's orders pertaining to the Settlement, administration of the Settlement shall be stayed pending final resolution of such appeal or review.

IV. INJUNCTIVE RELIEF AND CONSENT DECREE

25. Injunction. Unless otherwise provided herein, the injunctive relief and Consent Decree provisions of this Settlement shall be binding on Haynes beginning ten (10) days after the entry of the Court's order granting preliminary approval. Unless this Settlement is mutually modified as permitted herein or unless the Court declines to grant final approval, the injunctive relief and Consent Decree provisions of this Settlement shall remain in effect until the earlier of five (5) years after the entry of the Court's order granting preliminary approval or the last date Haynes, Bobby Haynes, Sr., Carole Haynes, Bobby Haynes, Jr., Michele Haynes Watts, or any of them, or any entities under their direction and control, including but not limited to 4ATX Partnership or BJGO Partnership, own or operate, in whole or in part, the franchises of any of the eight Restaurants at issue.
26. Terms of Injunction. As consideration for this Settlement, Haynes shall enter into a Court-enforceable Consent Decree pursuant to which it agrees to be bound, prospectively, to the following terms:
- a. Haynes shall pay overtime premiums to any Plaintiff, Class Member, or future

hourly employee who works more than eight hours in any designated workday (such designation to be made in advance in writing to the affected employee(s)) or, if no workday is so designated, in any 24-hour period.

- b. Haynes shall review all time and payroll records at least once at the end of each pay period, either manually or through re-programming of its timekeeping and payroll software, and shall pay an additional one hour's wages to each Plaintiff, Class Member, or future hourly employee for each day during that pay period on which the time records (as may be adjusted in accordance with existing policy, upon approval of the affected employee and a representative of Haynes) reflect that such Plaintiff, Class Member, or future hourly employee was not provided all full and timely 30-minute meal periods as required by California law, and for each day during that pay period on which the time records reflect that such Plaintiff, Class Member, or future hourly employee was not provided all full and timely 10-minute paid rest breaks as required by California law. For purposes of this paragraph, a first meal break is required for all shifts longer than five hours and is not timely if the records reflect that it began more than five hours after the beginning of a shift, and a second meal break is required for all shifts longer than 10 hours and is not timely if the records reflect that it began more than 10 hours after the beginning of a shift. For purposes of this paragraph, a rest break is not timely if the records reflect that it began or ended within 15 or fewer minutes of the beginning or end of a shift, work period, meal period, or another rest break. For purposes of this paragraph, an early or late meal period or rest break (including a meal period or rest break that is defined as not timely elsewhere in this paragraph) is deemed timely if the Plaintiff, Class Member, or future hourly

employee acknowledges in writing prior to the close of the current pay period that he or she voluntarily requested to take such break early or late.

- c. Haynes shall provide wage statements to Plaintiffs, Class Members, and future hourly employees that separately record regular hours and overtime hours each pay period, the rate of pay, premium wages for missed, untimely, or short meal periods and rest breaks, and any deductions taken from that pay.
- d. Haynes shall make available to each Plaintiff, Class Member, and future employee a clean apron at the beginning of such employee's shift. Apron use will be at the employee's option and the apron must be turned in at the end of the employee's shift.
- e. For five (5) years following final approval of the settlement, Haynes will provide a report documenting the implementation of and compliance with the injunctive relief described above to Plaintiffs' counsel every six (6) months using the mutually agreed-upon form attached to this Agreement as Exhibit 4.

27. Modification. Whenever possible, each provision and term of the Consent Decree shall be interpreted in such a manner as to be valid and enforceable; provided, however, that if any term or provision of the Consent Decree is determined to be or is rendered unenforceable after entry of final approval of the Settlement, all other terms and provisions of the Consent Decree shall remain unaffected, to the extent permitted by law. If any application of any term or provision of the Consent Decree to any specific person or circumstance should be determined to be invalid or unenforceable, the application of such term or provision to other persons or circumstances shall remain unaffected, to the extent permitted by law. Class Counsel and Haynes's Counsel may jointly agree in writing to modify the terms of the Consent Decree, subject to Court approval. If changed or other

circumstances make a modification of the Consent Decree necessary to ensure that its purposes are fully effectuated, but good faith negotiations seeking such modifications are unsuccessful, any party to the Consent Decree shall have the right to move the Court to modify the Consent Decree. Such motion shall be granted only upon the movant proving to the Court by clear and convincing evidence that changed or other circumstances make such modification necessary.

V. SETTLEMENT FUNDS, CLAIMS PROCESSING, AND SETTLEMENT PAYMENT CALCULATION

28. Deposit of Gross Fund Amount into Joint Escrow. Within 10 days after the Court's final approval of this settlement, Haynes shall pay Two Hundred Thirty Five Thousand Dollars and No Cents (\$235,000.00) into an interest-bearing escrow account, to be jointly controlled by Haynes's counsel and Class Counsel, for purposes of funding the Settlement Fund. No such payment shall be required if the Court denies final approval of the settlement.
29. Qualified Settlement Fund. Within seven (7) calendar days after the Effective Date, Haynes's Counsel and Class Counsel shall wire the funds in the joint escrow account to a Qualified Settlement Fund established by the Claims Administrator.
30. All interest accruing on the Gross Fund Amount shall accrue to the benefit of and be distributed as part of the Settlement Fund; provided, however, if the Settlement does not receive final approval by the Court, or if for any other reason the Effective Date does not occur, the Settlement Payment amount, including all interest accruing thereon, shall be returned to Haynes.
31. Application for Payment to the LWDA. The Parties shall request that the Court approve that a total of Ten Thousand Dollars (\$10,000) of the Gross Fund Amount shall be designated as civil penalties under the California Labor Code Private Attorneys General

Act (“PAGA”), Seven Thousand Five Hundred Dollars (\$7,500) of which shall be paid to the LWDA, with the remaining Two Thousand Five Hundred Dollars (\$2,500) being distributed to the Class as part of the Net Fund Amount.

32. Distribution. Within thirty (30) calendar days after the Effective Date, the Claims Administrator shall pay from the Qualified Settlement Fund all court-approved service awards (in an amount not to exceed \$1,500 to each of the three named Plaintiffs), court-approved attorneys’ fees (in an amount not to exceed \$30,000), Class Counsel’s court-approved expenses (in an amount not to exceed \$10,000), and payments to the LWDA pursuant to ¶31, and the Claims Administrator shall distribute the remainder of the Qualified Settlement Fund to Settlement Class Members based on their respective shares of the settlement as set forth in the Plan of Allocation.
33. Each check mailed to a Class Member shall plainly state on its face that the check must be cashed within ninety (90) calendar days, and that any check uncashed after ninety (90) calendar days will be invalid. If any check remains uncashed after forty-five (45) calendar days, the Claims Administrator shall send out a reminder postcard to the recipient. The Claims Administrator shall also provide counsel for the Parties with a list of all Class Members who have not cashed their checks, including any updated contact information for those Class Members. The Claims Administrator shall use skip trace methods as necessary to obtain a working telephone number for any such individuals. Class Counsel shall attempt to contact Class Members who have not cashed their checks within seventy-five (75) calendar days of the checks being mailed, to remind them to cash the checks.
34. Class Members who receive notice of the Settlement before the deadline for opting out but who do not cash their settlement checks within (90) calendar days after mailing by the

Claims Administrator shall be deemed to have waived irrevocably any right in or claim to a settlement payment, but will still be bound by the Settlement; except that after all required distributions are made, the Claims Administrator may, in its discretion and without appeal to or right of review by the Court, agree to make full or partial payment of the amount calculated to be due to any such Class Member or Members if sufficient funds remain in the Gross Fund Amount.

35. Application for Attorneys' Fees. Class Counsel shall request that the Court approve an award of statutory attorneys' fees pursuant to California law in an amount not to exceed \$30,000, plus payment of Class Counsel's incurred expenses in an amount not to exceed \$10,000. To the extent the Court approves attorneys' fees in an amount less than Class Counsel's request, the difference between the requested and awarded amounts shall be distributed to eligible Class Members as part of the Net Fund Amount on a proportional basis as set forth in the Plan of Allocation. Plaintiffs and their counsel reserve the right to appeal any denial or reduction in the amount of requested attorneys' fees and costs awarded by the Court. The Parties agree that regardless of any action taken by the Court with respect to attorneys' fees and expenses, the validity of the underlying Settlement shall not be affected.

36. Service Payments to Class Representatives. Class Counsel shall request that the Court approve service awards for distribution to Guadalupe Salazar, Judith Zarate, and Genoveva Lopez in an amount not to exceed \$1,500 each. To the extent the Court approves service awards in an amount less than the request, the difference between the requested and awarded amount shall be distributed as part of the Net Fund Amount to eligible Class Members on a proportional basis as set forth in the Plan of Allocation. The Parties agree that regardless of any action taken by the Court with respect to such service

awards, the validity of the underlying Settlement shall not be affected.

37. Claims Administration Costs. All costs and fees of the Claims Administrator shall be paid separately by Haynes, in addition to all other payments required by this Settlement. All disputes relating to the Claims Administrator's performance of its duties shall be referred to the Court, if necessary, which shall have continuing jurisdiction over the terms and conditions of the Settlement until all payments and obligations contemplated by the Settlement have been fully satisfied and carried out. To the extent practicable and to reduce the expense of notice and claims administration, notices to Class Members or other activities of the Claims Administrator may be combined with any other notices to Class Members and/or any claims administration activities ordered or approved by the Court in this case, as long as combining such a combination will not prejudice Class Members.
38. Plan of Allocation. The portion of the Net Fund Amount, including any funds added to the Net Fund Amount pursuant to ¶35 and ¶36, to be distributed to each Settlement Class Member shall be based on a fixed amount per week for every week worked during the class period, except that funds designated as payment of PAGA penalties shall be based on a fixed amount per week only for those weeks worked during the PAGA Limitations Period. Payments will be allocated to the Class Members' claims against Haynes as set forth in the Plan of Allocation attached hereto as Exhibit 3. The Parties have developed and analyzed the Plan of Allocation attached as Exhibit 3 and have concluded that it is fair, reasonable, and adequate, and is the best practicable means for allocating and distributing the Net Fund Amount to Class Members based on the Parties' evaluation of the claims asserted against Haynes.
39. Allocation of Each Settlement Payment and Tax Issues. Each payment of settlement funds to a Class Member, other than a service payment to a named Plaintiff, shall be

allocated as follows: (1) forty percent (40%) shall be allocated to wages (inclusive of the employee's share of payroll taxes, deductions, and contributions); (2) twenty percent (20%) shall be allocated to interest; and (3) forty percent (40%) shall be allocated to civil or statutory penalties or liquidated damages. The portion of each payment attributed to wages shall be reported by the Claims Administrator to government taxing authorities on Form W-2 prepared by the Claims Administrator and applicable withholdings shall be taken. The portions of each payment attributed to interest, penalties, and liquidated damages shall be reported by the Claims Administrator to government taxing authorities as miscellaneous income on Form 1099 and no withholdings shall be taken. The Parties agree that no taxes shall be withheld from service payments or from Class Counsel's attorneys' fees and costs, which shall also be reported by the Claims Administrator to government taxing authorities on a Form 1099 issued to the Class Representatives and Class Counsel, respectively. The Claims Administrator shall coordinate and cooperate with Haynes to ensure that all tax withholdings and deductions made in administering the Settlement are done in accordance with all applicable government regulatory requirements.

40. Claims Processing. All Claim Forms to be valid must be sent to the Claims Administrator at the address indicated on the Claim Form. The Claims Administrator shall review the Claim Forms and finalize the calculations of payments to be distributed to Class Members pursuant to this Settlement by reviewing the Putative Class List as supplemented by the Claim Forms. The Claims Administrator shall certify jointly to Class Counsel and Haynes's counsel the number of timely filed Claim Forms and shall identify the Class Members who filed them. If a Class Member who is required to submit a Claim Form to be eligible for payment does not postmark a Claim Form on or before the deadline, his or

her proportional share of the settlement shall be redistributed on a pro rata basis to all eligible Settlement Class Members, in accordance with the procedures required by this Settlement, absent a determination by Class Counsel that there was good cause for the delay. No Claim Form will be accepted from any individual claiming to be a Class Member unless: (1) the individual is on the Putative Class List; or (2) the individual submits documentation in conjunction with his or her Claim Form that the Claims Administrator concludes is sufficient to establish that the individual is a Class Member. The Claims Administrator shall consider in good faith any recommendations from the Parties concerning whether a particular individual is a Class Member.

41. Class Member Dates Worked and Challenges. The Class Notice shall be individualized and shall include a statement of the dates worked by the Class Member to whom the Notice is sent, based on Haynes's available records.

- a. If a Class Member does not challenge the information set forth in the Class Notice, the Class Member need not do anything further and payment shall be made to that Class Member based on the statements of the dates worked and the Plan of Allocation.
- b. If a Class Member challenges the dates worked as set forth in the Class Notice, that Class Member shall submit a written, signed challenge along with any supporting documents to the Claims Administrator at the address provided on the Class Notice within seventy-five (75) calendar days of the postmark date of the initial mailing of Class Notices to Class Members. No challenge shall be timely if postmarked more than seventy-five (75) calendar days after the initial date the Class Notices are mailed to Class Members.
- c. Within five (5) calendar days from the date the Claims Administrator receives

notice of the challenge, the Claims Administrator shall send to Class Counsel and Haynes's counsel a copy of the documentation submitted in connection with that dispute. Within five (5) calendar days from the date counsel receive that documentation, Class Counsel and Haynes's counsel shall meet and confer and make one or more recommendations to the Claims Administrator, which shall thereafter make a final and binding determination without hearing or right to appeal and communicate that determination to the Class Member, Class Counsel and Haynes's Counsel.

42. Non-Reversionary Settlement and Net Fund Amount Remainder. Haynes's payment of the Gross Fund Amount shall be made on a non-reversionary basis. The amounts designated for all Settlement Class members who do not cash their check and who cannot be located within 120 days after the date of a distribution shall be available for redistribution to all other Settlement Class Members in proportion to their allotted share of the Net Fund Amount. If the amount of remaining funds does not exceed \$10,000, such funds shall be donated as a *cy pres* payment with one-half being paid to the East Bay Community Law Center and one-half being paid to Bay Area Legal Aid.

VI. RELEASED CLAIMS

43. Settlement Class Member Releases. Upon the Effective Date of this Agreement, each Settlement Class Member shall release the Released Parties from any and all Settled Claims, including any claims that accrued during the Class Period. As a condition of this Agreement, upon final approval each Settlement Class Member expressly waives and relinquishes any and all claims, rights, or benefits that he or she may have against the Released Parties under California Civil Code §1542 with respect to the Settled Claims. Section 1542 provides: "A general release does not extend to claims which the creditor

does not know or suspect to exist in his or her favor at the time of executing the release which if known by him or her must have materially affected his or her settlement with the debtor.”

44. Mutual Releases by Class Representatives and the Settling Defendants. Except as otherwise provided herein, in consideration for the promises set forth above, the Class Representatives and each of them on the one hand, and Haynes on the other hand, for themselves and their respective agents, heirs, predecessors, successors, assigns, representatives and attorneys, and each of them, do hereby mutually waive, release, acquit and forever discharge each other and the Released Parties, from any and all employment-related claims, actions, charges, complaints, grievances and causes of action of whatever nature, whether known or unknown, which exist or may have existed during the Class Period on behalf of each Class Representative and Haynes, respectively, including but not limited to any and all tort claims, contract claims, wage claims, wrongful termination claims, disability claims, benefit claims, public policy claims, retaliation claims, statutory claims, personal injury claims, emotional distress claims, invasion of privacy claims, defamation claims, fraud claims, quantum meruit claims, and any and all claims arising under any federal, state or other governmental statute, law, regulation or ordinance that may lawfully be waived; *except* that Class Representative Guadalupe Salazar is releasing her individual retaliation claim as part of a separate individual settlement agreement. It is further understood and agreed by the Class Representatives and Haynes, and each of them, that as a condition of this Agreement, they each hereby expressly waive and relinquish any and all employment-related claims, rights or benefits that they may have under California Civil Code §1542, which provides: “A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time

of executing the release which if known by him or her must have materially affected his or her settlement with the debtor.”

VII. TERMINATION OR OTHER FAILURE OF SETTLEMENT

45. Settling Defendants’ Termination Right and Option. Haynes shall have the right and option, to be exercised in its sole discretion no later than ten (10) days after the opt-out deadline set forth in this Agreement, to terminate this Settlement in full and to revoke and rescind this Agreement in its entirety if sixty (60) or more Class Members have validly opted out of the Settlement.
46. Automatic Voiding of Agreement if Settlement Not Finalized. In the event (i) the Court does not enter a Preliminary Approval Order following a motion for preliminary approval; (ii) the Court does not grant final approval to the proposed settlement in accordance with its terms; (iii) the Court does not enter the Haynes Final Judgment and Consent Decree submitted by the Parties; (iv) Haynes timely exercises its option to terminate the Settlement; or (v) the Effective Date does not occur or the Settlement does not become final for any other reason, the Settlement shall be null and void and the Parties agree that any order entered by the Court in furtherance of this Settlement should be treated as void *ab initio*. In such case, the Parties shall take all possible steps to return to the status quo as if the Parties had not entered into this Settlement. In such event, this Agreement, all negotiations, Court orders, and proceedings relating thereto shall be without prejudice to the rights of the Parties hereto, and all evidence relating to the Settlement and all negotiations shall not be admissible or discoverable in the Action, in any other litigation, or otherwise; and any funds (including the Gross Fund Amount) used or to be used for the Settlement shall be returned to Haynes, with the exception of amounts already paid by Haynes to the Claims Administrator for fees and costs actually incurred for services

already performed as part of the administration of the Settlement as of the date the Settlement is denied approval, terminated, or otherwise not effectuated. In the event the Settlement is denied approval, terminated, or otherwise not effectuated, the Parties hereto shall be restored to their positions as though this Agreement had never been executed.

VIII. MISCELLANEOUS

47. No Admission of Liability or Wrongdoing. The Parties enter into this Agreement to resolve the disputes that have arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Agreement, Haynes does not admit, and specifically denies that: it has violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to its employees or operations. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be construed as an admission or concession by Haynes of any such violation(s) or failure(s) to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions shall not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Haynes or to establish the existence of any condition constituting a violation of, or noncompliance with, federal, state, local or other applicable law. The Parties intend this Settlement to be contingent upon the preliminary and final approval of this Agreement; and the Parties do not waive, and instead expressly reserve, their respective rights to prosecute and defend this Action as if this Agreement never existed in the event that the Settlement is not fully and finally approved as set forth herein.

48. Binding Effect of Agreement on Class Members. Upon the Effective Date, all Settlement Class Members shall be bound by this Agreement, all Settlement Class Members' released claims shall be dismissed with prejudice as against Haynes, and all released claims shall be released as against the Released Parties. In addition, unless a Class Member who receives notice of the Settlement before the deadline for opting out does opt out of the Settlement in the time and manner set forth in this Agreement, he or she shall be bound by the Court's order enjoining all Settlement Class Members from pursuing, or seeking to reopen, any released claims against the Released Parties, regardless of whether such Class Member has timely submitted a valid Claim Form.
49. Binding upon Successors and Assigns. Except as provided herein, this Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto and the Released Parties as defined herein.
50. Good Faith Settlement. This Settlement has been negotiated and entered into between the Parties through arms-length negotiations, and it is made in good faith, including within the meaning of California Code of Civil Procedure §§877 et seq. and any comparable provisions provided under the laws of any state or territory of the United States, whether statutory or judicial decision, which is equivalent or similar to such California code sections.
51. Date of Payments and Distribution. In no event shall there be any distributions or payments from the Gross Fund Amount to Class Counsel, any Class Representative, any Class Member, the LWDA, or any other person or entity until after the Effective Date.
52. Amendment or Waiver Only in Writing. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest. No rights hereunder may be waived except in writing.

53. Entire Agreement. This Agreement and any attached exhibits constitute the entire agreement between the Parties relating to the Settlement and the related transactions contemplated herein. All prior or contemporaneous agreements, understandings and statements, whether oral or written, and whether by a party or its counsel, are merged herein. No oral or written representations, warranties or inducements have been made to any party concerning this Agreement or its exhibits other than the representations, warranties, and covenants contained and memorialized in such documents.
54. Authorization to Execute Agreement and Effectuate Settlement and Agreement To Cooperate. Counsel for all Parties hereto warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement and 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 required to effectuate the terms of this Agreement. The Parties and their respective counsel shall cooperate with each other and use their best efforts to effect the implementation of this Agreement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the Court to resolve such disagreement. The person or persons signing this Agreement on behalf of Haynes represents and warrants that he or she is authorized to sign this Agreement on behalf of Haynes.
55. No Prior Assignment. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged except as set forth herein.

56. Governing Law. All terms of this Agreement and the exhibits hereto shall be governed by and interpreted according to the laws of the State of California, except to the extent that federal law requires federal law to govern.
57. Counterparts. This Agreement may be executed in one or more counterparts and by facsimile. All executed copies of this Agreement, and photocopies thereof (including facsimile copies of signature pages), shall have the same force and effect and be as legally binding and enforceable as the original.
58. Exhibits. The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. The exhibits to this Agreement are an integral part of the Agreement.
59. Construction. The Parties have reached this Agreement through formal mediation followed by extensive arms-length negotiations. This Agreement has been drafted jointly by counsel for the Parties. Hence, in any construction or interpretation of this Agreement, the Agreement shall not be construed against either party as the principal drafter of the Agreement.
60. Retention of Jurisdiction. The Court shall retain jurisdiction with respect to the interpretation, implementation and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement embodied in this Agreement and all orders and judgments entered in connection therewith.
61. No Signature Required by Class Members. Because the Settlement Class Members are so numerous, it is impossible or impractical to have each one execute this Agreement. The Class Notice and the Claim Form shall advise such persons of the binding nature of the

releases contained herein, and this Agreement shall have the same force and effect as if this Agreement were executed by each Settlement Class Member.

62. Titles and Captions of No Force. Paragraph titles or captions contained herein are inserted for convenience and ease of reference, and do not define, limit, extend, or describe the scope of the terms of the Agreement and its provisions.

63. Mutual Cooperation. The Parties hereto agree to cooperate with each other to accomplish the terms of this Agreement, including but not limited to, executing further documents and taking such other action as may reasonably be necessary to implement and effectuate the terms of this Agreement.

64. Invalid without Court Approval. This Agreement is subject to approval by the Court. In the event the Settlement is not approved, it shall be deemed null and void, of no force and effect, and the Parties represent, warrant, and covenant that in such event it shall not be admitted in the Action as evidence, or used as a basis for obtaining discovery in the Action.

IT IS SO STIPULATED AND AGREED.

Dated: 3-10, 2017

By: 
Guadalupe Salazar

Dated: 03/20/2017 2017

By: 
Judith Zarate

Dated: 3-17, 2017

By: 
Genoveva Lopez

Dated: 3/21, 2017

By: [Signature]
Altshuler Berzon LLP
Cohen Milstein Sellers & Toll PLLC
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: 3-27, 2017

By: [Signature]
Bobby O. Haynes, Sr. and Carole R. Haynes
Family Limited Partnership d/b/a/ McDonald's

Dated: March 27, 2017

By: [Signature]
Fisher and Phillips LLP
Regina Petty
Counsel for Bobby O. Haynes, Sr. and Carole R.
Haynes Family Limited Partnership d/b/a/ McDonald's
(Approved as to form only)