

**JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE**

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement,” “Agreement” or “Settlement Agreement”) is made and entered into by and between Geovanni Vazquez, “Plaintiff Vazquez”) and Dorothea Bowens (“Plaintiff Bowens”) (together, “Plaintiffs”) individually, on behalf of all others similarly situated, and on behalf of the State of California with respect to Aggrieved Employees (as defined herein) pursuant to the Private Attorneys General Act, and Carpinteria LLC dba Atherton Park Post-Acute (“Defendant Carpinteria”), Trestles LLC dba City Creek Post Acute (erroneously sued as Trestles LLC dba City Creek Post Acute/City Creek Care Center) (“Defendant Trestles LLC”), Kalesta Healthcare Group, LLC (“Defendant Kalesta”), Hamoa LLC dba Valley Skilled Nursing Center, Three Arch LLC dba The Villas at Saratoga, Newport LLC dba Almond Vista Healthcare Center, Napili Bay LLC dba Los Banos Post-Acute, and Coronado Bay LLC dba Harvest Crossing Post Acute as defendants and (together, “Defendants”) (collectively, Plaintiffs and Defendants are referred to as the “Parties” and individually they are referred to as “Party”).

This Joint Stipulation of Class Action and PAGA Settlement and Release shall be binding on Plaintiffs, Settlement Class Members (as defined herein), the State of California with respect to Aggrieved Employees (as defined herein) and on Defendants, subject to the terms and conditions hereof and the approval of the Court.

**RECITALS**

1. On September 7, 2023, Plaintiff Vazquez provided notice by electronic upload to the Labor and Workforce Development Agency and written notice by certified mail to Defendant Carpinteria of his intent to pursue civil penalties under California Labor Code section 2698 et seq. (“PAGA”) for Defendants Carpinteria and Defendant Calcare, Inc.’s alleged violations of the California Labor Code (“Vazquez PAGA Notice”). A true and correct copy of the Vazquez PAGA Notice is attached hereto as “**EXHIBIT A.**”

2. On September 7, 2022, Plaintiff Vazquez filed a Class Action Complaint for Damages, thereby commencing a putative class action entitled *Geovanni Vazquez v. Calcare, Inc.; Carpinteria LLC* in the Superior Court of California for the County of Placer, Case No. S-CV-0049068 (“Vazquez Action”) against Defendants Calcare, Inc. and Carpinteria LLC (erroneously named as “Carpinterica LLC”) for

1 alleged violations of the California Labor Code.

2 3. On May 10, 2023, Plaintiff Bowens provided notice by electronic upload to the Labor and  
3 Workforce Development Agency and written noticed by certified mail to Defendant Trestles LLC of her  
4 intent to pursue civil penalties under PAGA for Defendant Trestles LLC’s alleged violations of the  
5 California Labor Code (“*Bowens* PAGA Notice”). A true and correct copy of the *Bowens* PAGA Notice  
6 is attached hereto as “**EXHIBIT B.**”

7 4. On June 27, 2023, Plaintiff Bowens filed a Class Action Complaint for Damages, thereby  
8 commencing the action entitled *Dorethea Bowens v. Trestles LLC, et al.* in the Superior Court of California  
9 for the County of Sacramento, Case No. 23CV003757 (“*Bowens* Action”) (together with “*Vazquez*  
10 Action”, the “Actions”) against Defendant Trestles LLC for alleged violations of the California Labor  
11 Code. Then on August 22, 2023, Plaintiff Bowens filed a First Amended Complaint, adding a  
12 representative claim under PAGA, and on April 26, 2024, filed an Amendment to Complaint form  
13 inserting Defendant Kalesta in place of the fictitious name of Doe 1 in the Complaint.

14 5. Plaintiffs will request leave to file a First Amended Class Action Complaint for Damages  
15 & Enforcement Under the Private Attorneys General Act, California Labor Code section 2698 et seq.  
16 (“Operative Complaint”) in the *Vazquez* Action adding Plaintiff Bowens, Defendant Kalesta, Defendant  
17 Trestles LLC, naming Hamoa LLC dba Valley Skilled Nursing Center, Three Arch LLC dba The Villas  
18 at Saratoga, Newport LLC dba Almond Vista Healthcare Center, Napili Bay LLC dba Los Banos Post-  
19 Acute, and Coronado Bay LLC dba Harvest Crossing Post Acute as additional defendants, and adding a  
20 claim for civil penalties pursuant to PAGA, on behalf of the State of California in connection with  
21 Plaintiffs and aggrieved employees.

22 6. Plaintiffs shall prepare and send an additional letter to the LWDA and Defendant  
23 Carpinteria, Defendant Kalesta, Defendant Trestles LLC, Hamoa LLC dba Valley Skilled Nursing Center,  
24 Three Arch LLC dba The Villas at Saratoga, Newport LLC dba Almond Vista Healthcare Center, Napili  
25 Bay LLC dba Los Banos Post-Acute, and Coronado Bay LLC dba Harvest Crossing Post Acute alleging  
26 against each of the Defendants enumerated in this paragraph all of the violations of the California Labor  
27 Code that were alleged in the *Vazuquez* PAGA Notice and the *Bowens* PAGA Notice and all of the  
28 violations of the California Labor Code that can be alleged based on the facts pleaded on in the Actions,

1 (“Additional PAGA Notice”). (*Vazquez* PAGA Notice, *Bowens* PAGA Notice, and Additional PAGA  
2 Notice collectively referred to as the “PAGA Notices.”)

3 7. Defendants deny all material allegations set forth in the Operative Complaint in the  
4 Actions and have asserted numerous affirmative defenses in the case. Defendants also deny that they  
5 are joint employers of any of any putative class members and deny that they are a joint enterprise.  
6 Notwithstanding, in the interest of avoiding further litigation, Defendants desire to fully and finally settle  
7 the Actions, the Released Class Claims, and the Released PAGA Claims.

8 8. Class Counsel diligently investigated the claims against Defendants, including any and  
9 all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of  
10 information, data, and documents, and review of Defendants’ employment and operations policies,  
11 practices, and procedures.

12 9. On May 9, 2024, Plaintiff Vazquez and Defendants participated in mediation with  
13 Monique Ngo-Bonnici, Esq. (the “Mediator”), a respected mediator of complex wage and hour actions.  
14 Although a settlement was not reached at the mediation, with the assistance of the Mediator’s  
15 evaluations, the Parties reached the settlement that is memorialized herein. The settlement discussions  
16 were conducted at arm’s-length, and the Settlement is the result of an informed and detailed analysis of  
17 Defendants’ potential liability and exposure in relation to the costs and risks associated with continued  
18 litigation. Based on the documents produced, as well as Class Counsel’s own independent investigation  
19 and evaluation, Class Counsel believe that the settlement with Defendants for the consideration and on  
20 the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best  
21 interest of the Class Members, the State of California, and Aggrieved Employees in light of all known  
22 facts and circumstances, including the risk of significant delay and uncertainty associated with litigation  
23 and various defenses asserted by Defendants.

24 10. The Parties expressly acknowledge that this Settlement Agreement is entered into solely  
25 for the purpose of compromising significantly disputed claims and that nothing herein is an admission  
26 of liability or wrongdoing by Defendants. If for any reason the Settlement Agreement is not approved,  
27 it will be of no force or effect, and the Parties shall be returned to their original respective positions.

28 ///

**DEFINITIONS**

11. The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

a. “Aggrieved Employee(s)” means all current and former non-exempt, hourly-paid employees who were employed by Defendants in California at any time during the PAGA Period.

b. “Aggrieved Employee Amount” means the amount of \$37,500.00, i.e., 25% of the PAGA Amount, to be distributed to Aggrieved Employees on a *pro rata* basis based on their Workweeks during the PAGA Period.

c. “Attorneys’ Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and resolution of the Actions and all actual costs incurred and to be incurred by Class Counsel in the Actions.

d. “Class Counsel” means Arby Aiwazian, Joanna Ghosh, Brian St. John, and Maria Halwadjian of Lawyers *for* Justice, PC, and Graham Hollis, Hali M. Anderson, and Alex M. Kuner of GrahamHollis APC.

e. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include each Class Member’s last-known full name, mailing address, telephone number, Social Security Number, start and end dates employed as a non-exempt, hourly-paid employee of Defendants in California during the Class Period, and such other information as is necessary for the Settlement Administrator to calculate Workweeks (as defined herein).

f. “Class Member(s)” or “Class” means all current and former hourly-paid or non-exempt employees who worked for Defendant Carpinteria, Defendant Kalesta, Defendant Trestles and/or the five (5) other facility entities (Hamoia LLC dba Valley Skilled Nursing Center, Three Arch LLC dba The Villas at Saratoga, Newport LLC dba Almond Vista Healthcare Center, Napili Bay LLC dba Los Banos Post-Acute, and Coronado Bay LLC dba Harvest Crossing Post Acute) allegedly affiliated with Defendant Kalesta, who were not subject to an arbitration agreement, in California at any time during the Class Period. Defendants represent that the number of Class Members is approximately 604 individuals,

1 as of January 4, 2024.

2 g. “Class Notice” means the Notice of Class Action Settlement, substantially in the  
3 form attached as “EXHIBIT C” and translated into Spanish and Tagalog at “EXHIBIT D” and “E.”

4 h. “Class Period” means the time period from September 7, 2018 through July 16,  
5 2024, or, if applicable, the Alternate End Date.

6 i. “Class Representatives” or “Plaintiffs” mean Plaintiffs Geovanni Vazquez and  
7 Dorothea Bowens.

8 j. “Class Settlement” means the settlement and resolution of all Released Class  
9 Claims.

10 k. “Court” means the Superior Court of California for the County of Placer.

11 l. “Defendants” mean Defendant Carpinteria, Defendant Kalesta, Defendant Trestles  
12 Hamoa LLC dba Valley Skilled Nursing Center, Three Arch LLC dba The Villas at Saratoga, Newport  
13 LLC dba Almond Vista Healthcare Center, Napili Bay LLC dba Los Banos Post-Acute, and Coronado  
14 Bay LLC dba Harvest Crossing Post Acute.

15 m. “Defendants’ Counsel” means Grace Horoupiian and Victor Xu of Fisher Phillips  
16 LLP.

17 n. “Effective Date” means the later of (a) the date the Court grants Final Approval,  
18 if no Objections are filed, (b) the last day on which any appeal might be filed with respect to the Final  
19 Approval Order and Judgment, if no appeal is filed, or (c) the date of successful resolution of any  
20 appeal(s) with respect to Final Approval Order and Judgment – including expiration of any time to seek  
21 reconsideration or further review.

22 o. “Employer Taxes” means the employers’ share of taxes and contributions in  
23 connection with the wages portion of Individual Settlement Shares.

24 p. “Enhancement Award(s)” means the amounts to be paid to Plaintiffs in recognition  
25 of their efforts and work in prosecuting the Actions.

26 q. “Final Approval” means the determination by the Court that the Settlement is fair,  
27 reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

28 r. “Final Approval Hearing” means the hearing at which the Court will consider and

1 determine whether the Settlement should be granted Final Approval.

2 s. “Individual PAGA Payment(s)” means the *pro rata* share of the Aggrieved  
3 Employee Amount that an Aggrieved Employee may be eligible to receive for the PAGA Settlement.

4 t. “Individual Settlement Payment(s)” means the net payment of each Settlement  
5 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and  
6 withholdings with respect to the wages portion of the Individual Settlement Share.

7 u. “Individual Settlement Share” means the *pro rata* share of the Net Settlement  
8 Amount that a Class Member may be eligible to receive for the Class Settlement.

9 v. “LWDA Payment” means the amount of \$112,500.00, i.e., 75% of the PAGA  
10 Amount, that the Parties have agreed to pay to the California Labor and Workforce Development  
11 Agency (“LWDA”) for the PAGA Settlement.

12 w. “Net Settlement Amount” means the Total Settlement Amount less the Court-  
13 approved Enhancement Awards, Settlement Administration Costs, PAGA Amount, and Attorneys’ Fees  
14 and Costs.

15 x. “Objection” means a Class Member’s written objection to the Class Settlement,  
16 which must: (a) contain the case name and number of the *Vazquez* Action; (b) contain the Class Member’s  
17 full name, signature, address, telephone number, and last four (4) digits of Social Security Number; (c)  
18 contain a written statement of all grounds for the objection (d) contain copies of any papers, briefs, or  
19 other documents upon which the objection is based (should any exist); and (e) be submitted by mail to the  
20 Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

21 y. “Operative Complaint” means the First Amended Class Action Complaint for  
22 Damages & Enforcement Under the Private Attorneys General Act, California Labor Code section 2698  
23 et seq., which will be filed in the *Vazquez* Action upon stipulation of the Parties.

24 z. “PAGA Amount” means the allocation of \$150,000.00 from the Total Settlement  
25 Amount as civil penalties pursuant to the Private Attorneys General Act, California Labor Code section  
26 2698 et seq., for the settlement and resolution of the Released PAGA Claims. Seventy-five percent  
27 (75%) of the PAGA Amount, or \$112,500.00, will be paid to the LWDA (i.e., the LWDA Payment) and  
28 the remaining twenty-five percent (25%), or \$37,500.00, will be distributed to Aggrieved Employees

1 (i.e., the Aggrieved Employee Amount).

2 aa. “PAGA Period” means the time period from September 7, 2021 through July 16,  
3 2024, or, if applicable, the Alternate End Date.

4 bb. “PAGA Settlement” means the settlement and resolution of Released PAGA  
5 Claims.

6 cc. “Parties” means Plaintiffs and Defendants, collectively, and “Party” means any  
7 Plaintiff or Defendant.

8 dd. “Preliminary Approval” means entry of the Court order granting preliminary  
9 approval of the Settlement Agreement.

10 ee. “Released Class Claims” means all claims under state, federal, or local law,  
11 arising out of the claims expressly pleaded in the Actions and all other claims, such as those under the  
12 California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could have been  
13 asserted based on the facts pleaded in the Actions for: (1) failure to pay overtime wages under Labor  
14 Code sections 510, 1194, 1198; (2) failure to provide meal periods and/or pay meal period premiums  
15 under Labor Code sections 226.7, 512; (3) failure to provide rest periods and/or pay rest period  
16 premiums under Labor Code section 226.7; (4) failure to pay minimum wages under Labor Code section  
17 1194 et seq., 1197, 1197.1; (5) failure to timely pay wages upon termination under Labor Code section  
18 201, 202, 203; (6) failure to timely pay wages during employment under Labor Code sections 204, 210;  
19 (7) failure to provide accurate, itemized wage statements under Labor Code section 226; (8) failure to  
20 keep requisite payroll records under Labor Code section 1174(d); (9) failure to reimburse business  
21 expenses under Labor Code sections 2800, 2802; (10) violation of California’s unfair competition law  
22 under Business and Professions Code section 17200 et seq.; and (11) all claims for liquidated damages,  
23 penalties, interest, fees, costs based on the foregoing.

24 ff. “Released PAGA Claims” means all claims for civil penalties under the Private  
25 Attorneys General Act, California Labor Code section 2698 et seq. that were alleged in the PAGA  
26 Notices and Operative Complaint or that reasonably could have been alleged based on the factual  
27 allegations in the PAGA Notice and Operative Complaint, arising during the PAGA Period, against any  
28 of the Released Parties, for violations of the California Labor Code, including *inter alia* sections 201,

1 202, 203, 204, 210, 226, 226.7, 510, 512, , 558, 1174, 1194, 1197, 1197.1, 1198, 2800, and 2802, and  
2 applicable Industrial Welfare Commission Wage Orders (including, *inter alia*, No. 5-2001), for failure to  
3 pay all overtime wages due; failure to provide compliant meal periods and associated premiums; failure  
4 to provide compliant rest periods and associated premiums; failure to pay all minimum wages due;  
5 failure to pay all wages timely during employment, failure to pay all wages timely at the time of  
6 termination; failure to provide complete, accurate, or properly formatted wage statements; failure to  
7 maintain requisite payroll records; and failure to reimburse business expenses. The Released PAGA  
8 Claims also includes a release from the state of California (to the extent Plaintiff is permitted to provide  
9 such a release for the state of California for the PAGA period).

10 gg. “Released Parties” means Defendant Carpinteria, Defendant Kalesta , Defendant  
11 Trestles LLC, Hamoa LLC dba Valley Skilled Nursing Center, Three Arch LLC dba The Villas at  
12 Saratoga, Newport LLC dba Almons Vista Healthcare Center, Napili Bay LLC dba Los Banos Post-Acute,  
13 and Coronado Bay LLC dba Harvest Crossing Post Acute and any of their former and/or current parents,  
14 subsidiaries, affiliates, and any other entities that could be considered to have jointly employed the Class  
15 Members, as well as each of their officers, directors, managers, owners executives, partners, executive-  
16 level employees, shareholders, agents, attorneys’ and any other predecessors, successors, assigns or legal  
17 representatives. Defendant Calcare, Inc. is specifically and affirmatively excluded as a Released Party.

18 hh. “Request for Exclusion” means a Class Member’s written letter indicating a  
19 request to be excluded from the Class Settlement, which must: (a) contain the case name and number of  
20 the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last  
21 four (4) digits of Social Security Number; (c) contain a clear written statement indicating that the Class  
22 Member seeks exclusion from the Class Settlement; and (d) be submitted by mail to the Settlement  
23 Administrator at the specified address, postmarked on or before the Response Deadline.

24 ii. “Response Deadline” means the deadline by which Class Members must submit  
25 a Request for Exclusion, Objection, and/or Workweeks Dispute, which shall be the date that is forty-  
26 five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator,  
27 unless the 45<sup>th</sup> day falls on a Sunday or Federal holiday, in which case the Response Deadline will be  
28 extended to the next day on which the U.S. Postal Service is open; in the event that a Class Notice is re-

1 mailed to a Class Member, the Response Deadline for that Class Member shall be extended by fifteen  
2 (15) calendar days from the initial Response Deadline.

3           jj.       “Settlement Administrator” means Apex Class Action Administration or any other  
4 third-party class action settlement administrator agreed to by the Parties and approved by the Court for  
5 purposes of administering this Settlement. The Parties and their counsel each represent that they do not  
6 have any financial interest in the Settlement Administrator or otherwise have a relationship with the  
7 Settlement Administrator that could create a conflict of interest.

8           kk.       “Settlement Administration Costs” means the costs payable from the Total  
9 Settlement Amount, subject to Court approval, to the Settlement Administrator for administering this  
10 Settlement.

11           ll.       “Settlement Class Members” or “Settlement Class” means all Class Members who  
12 do not submit a timely and valid Request for Exclusion.

13           mm.       “Total Settlement Amount” means the amount of \$1,500,000.00 to be paid by  
14 Defendants in full resolution of all Released Class Claims, Released PAGA Claims, and the Actions  
15 provided for under the Class Settlement and PAGA Settlement, which includes all Attorneys’ Fees and  
16 Costs to be paid to Class Counsel, Enhancement Payments to be paid to Plaintiffs, PAGA Amount to be  
17 paid to the LWDA and Aggrieved Employees, Net Settlement Amount to be paid to the Settlement Class  
18 Members, and Settlement Administration Costs to be paid to the Settlement Administrator. The Total  
19 Settlement Amount may increase to the extent provided in Paragraph 42. The Total Settlement Amount  
20 does not include Employer Taxes; Employer Taxes will be paid by Defendant, separately and in addition  
21 to the Total Settlement Amount.

22           nn.       “Workweeks” means the number of weeks each Class Member was employed by  
23 Defendants as a non-exempt, hourly paid employee in California during the Class Period, which will be  
24 calculated by the Settlement Administrator based on the dates of employment for each Class Member,  
25 taking into account each workweek in which a Class Member worked any amount of time, provided by  
26 Defendants to the Settlement Administrator.

27           oo.       “Workweeks Dispute” means a Class Member’s written letter disputing the pre-  
28 printed information on the Class Notice as to the number of Workweeks credited to them, which must:

1 (a) contain the case name and number of the Action; (b) contain the Class Member’s full name,  
2 signature, address, telephone number, and last four (4) digits of Social Security Number; (c) clearly  
3 state that the Class Member disputes of the number of Workweeks credited to him or her and what he  
4 or she contends is the correct number to be credited to him or her; (d) attach any documentation that he  
5 or she has to support the dispute; and (e) be submitted by mail to the Settlement Administrator at the  
6 specified address, postmarked on or before the Response Deadline.

7 **CLASS CERTIFICATION**

8 12. For the purposes of this settlement only, the Parties stipulate to the certification of the  
9 Class.

10 13. The Parties agree that certification for the purpose of settlement is not an admission that  
11 certification is proper under California Code of Civil Procedure section 382. Should, for whatever  
12 reason, the Court not grant Final Approval, the Parties’ stipulation to class certification as part of the  
13 Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible  
14 in connection with, the issue of whether or not certification would be appropriate as to any of the claims  
15 asserted by Plaintiffs against Defendants in a non-settlement context.

16 **TERMS OF AGREEMENT**

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

19 14. Amendment of Complaint. To implement the terms of the Settlement, Parties have agreed  
20 that Plaintiffs will file a First Amended Class Action Complaint for Damages & Enforcement Under the  
21 Private Attorneys General Act, California Labor Code section 2698 et seq. in the *Vazquez* Action that will  
22 add PAGA as a cause of action and combine both Actions. Parties will enter into a separate stipulation  
23 seeking an order from the Court granting Plaintiff Vazquez leave to file the contemplated amended  
24 complaint and/or Plaintiff Vazquez will move the Court for leave to file the contemplated amended  
25 complaint (and Defendants will not oppose this request).

26 15. Funding and Disbursement of the Total Settlement Amount. Within fifteen (15) calendar  
27 days after the Effective Date, the Settlement Administrator will provide the Parties with an accounting  
28 estimate of the amounts to be paid by Defendants pursuant to the terms of the Settlement and establish

1 a qualified settlement account for administration of the Settlement. Within (thirty) 30 calendar days after  
2 the Effective Date, Defendants will make a one-time deposit of the Total Settlement Amount into the  
3 settlement account to be established by the Settlement Administrator. Within seven (7) calendar days of  
4 the funding of the Total Settlement Amount, the Settlement Administrator will issue payments due under  
5 the Settlement and approved by the Court, as follows: (a) Individual Settlement Payments to Settlement  
6 Class Members; (b) Individual PAGA Payments to Aggrieved Employees; (c) LWDA Payment to the  
7 LWDA; (d) Enhancement Awards to Plaintiffs; (e) Attorneys' Fees and Costs to Class Counsel; and (f)  
8 Settlement Administration Costs to itself (the Settlement Administrator). The Settlement Administrator  
9 will obtain funds from Defendants that are sufficient for the Employer Taxes that Defendants must fund  
10 separately and in addition to the Total Settlement Amount. The Settlement Administrator will also  
11 undertake filings and remittances in connection with the employee's share of taxes on the wages portion  
12 of Individual Settlement Shares and the Employer Taxes, that are necessary for administration of the  
13 Settlement.

14 16. Attorneys' Fees and Costs. Class Counsel will request and Defendant will not oppose  
15 attorneys' fees of up to 35% of the Total Settlement Amount (i.e., up to \$525,000.00 if the Total  
16 Settlement Amount is \$1,500,000.00 and reimbursement of actual costs and expenses associated with  
17 Class Counsel's litigation and settlement of the Actions, supported by declaration, in an amount not to  
18 exceed \$30,000.00, both of which will be paid from the Total Settlement Amount subject to Court  
19 approval. These amounts will cover any and all work performed and any and all costs incurred by Class  
20 Counsel in connection with the litigation and settlement of the Actions, including without limitation all  
21 work performed and costs incurred to date, and all work to be performed and all costs to be incurred in  
22 connection with obtaining the Court's approval of this Settlement Agreement, including any objections  
23 raised and any appeals necessitated by those objections. Class Counsel shall be solely and legally  
24 responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on  
25 the amounts received. With respect to the Attorneys' Fees and Costs to Class Counsel, the Settlement  
26 Administrator may purchase an annuity to utilize United States Treasuries and bonds or utilize other  
27 attorney fee deferral vehicles for Class Counsel, and any additional expenses for doing so shall be paid  
28 separately by Class Counsel and shall not be included within the Settlement Administration Costs.

1 Defendants and Defendants' Counsel shall not be liable for any expenses associated with the purchase  
2 or use of any attorney fee deferral vehicles for Class Counsel by the Settlement Administrator. Any  
3 portion of the requested Attorneys' Fees and Costs not awarded to Class Counsel shall be a part of the  
4 Net Settlement Amount for the benefit of Settlement Class Members.

5 17. Enhancement Award(s). In recognition of their efforts and work in prosecuting the  
6 Actions, Defendants agree not to oppose or impede any application or motion for Enhancement Awards  
7 to Plaintiffs in the amount of up to \$10,000.00 for each Plaintiff (\$20,000.00 total). The Enhancement  
8 Awards, which will be paid from the Total Settlement Amount subject to Court approval, will be in  
9 addition to any Individual Settlement Payment and Individual PAGA Payment (if applicable) that each  
10 Plaintiff is eligible to receive pursuant to the Settlement. The Settlement Administrator will issue an IRS  
11 Form 1099 to Plaintiffs for the Enhancement Awards, and Plaintiffs shall be solely and legally  
12 responsible for correctly characterizing this compensation for tax purposes and for paying any and all  
13 taxes on the amounts received. Should the Court not approve the Enhancement Awards to Plaintiffs, or  
14 approve it in an amount that is less than that set forth above, Plaintiffs shall not have the right to revoke  
15 this Agreement, and it will remain binding, and the difference between the amount approved by the  
16 Court (if any) and the amount allocated toward the Enhancement Awards will be part of the Net  
17 Settlement Amount for the benefit of Settlement Class Members.

18 18. Settlement Administration Costs. The Settlement Administrator will be paid for the  
19 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,  
20 which is currently estimated not to exceed Eleven Thousand Dollars (\$11,000.00). These costs, which  
21 will be paid from the Total Settlement Amount subject to Court approval, will include, *inter alia*,  
22 translating the Class Notice to Spanish and Tagalog, printing, distributing, and tracking Class Notices  
23 and other documents for the Settlement, calculating and distributing payments due under the Settlement,  
24 issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings, and  
25 remittances, providing necessary reports and declarations, and other duties and responsibilities set forth  
26 herein to process this Settlement, and as requested by the Parties. To the extent actual Settlement  
27 Administration Costs are greater than the estimated amount stated herein, such excess amount will be  
28 deducted from the Total Settlement Amount, subject to approval by the Court. Any portion of the

1 estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to  
2 fulfill payment to the Settlement Administrator to undertake the required settlement administration  
3 duties will be part of the Net Settlement Amount for the benefit of Settlement Class Members.

4 19. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of  
5 \$150,000.00 from the Total Settlement Amount will be allocated toward civil penalties under the Private  
6 Attorneys General Act, California Labor Code section 2698 et seq. (i.e., the PAGA Amount), of which  
7 seventy-five percent (75%), or \$112,500, will be paid to the LWDA (i.e., the LWDA Payment) and  
8 twenty-five percent (25%) or, \$37,500, will be distributed to Aggrieved Employees (i.e., the Aggrieved  
9 Employee Amount) on a *pro rata* basis, based on Workweeks during the PAGA Period (i.e., the Individual  
10 PAGA Payment).

11 20. Individual Settlement Share Calculations. Individual Settlement Shares will be calculated  
12 and apportioned from the Net Settlement Amount based on the Class Members' number of Workweeks  
13 during the Class Period, as follows:

14 a. After Preliminary Approval of the Settlement, the Settlement Administrator will  
15 divide the estimated Net Settlement Amount by the Workweeks of all Class Members during the Class  
16 Period to yield the "Estimated Workweek Value," and multiply each Class Member's individual  
17 Workweeks during the Class Period by the Estimated Workweek Value to yield his or her estimated  
18 Individual Settlement Share.

19 b. After Final Approval of the Settlement, the Settlement Administrator will divide  
20 the final Net Settlement Amount by the Workweeks of all Settlement Class Members during the Class  
21 Period to yield the "Final Workweek Value," and multiply each Settlement Class Member's individual  
22 Workweeks during the Class Period by the Final Workweek Value to yield his or her Individual  
23 Settlement Share.

24 21. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated  
25 and apportioned from the Aggrieved Employee Amount based on the Aggrieved Employees' number of  
26 Workweeks during the PAGA Period as follows: The Settlement Administrator will divide the  
27 Aggrieved Employee Amount, i.e., 25% of the PAGA Amount, by the total number of Workweeks of  
28 all Aggrieved Employees during the PAGA Period to yield the "PAGA Workweek Value," and multiply

1 each Aggrieved Employee's individual Workweeks during the PAGA Period by the PAGA Workweek  
2 Value to yield his or her Individual PAGA Payment.

3       22.    Settlement Awards Do Not Trigger Additional Benefits. All payments made under the  
4 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually  
5 are issued to the payee. It is expressly understood and agreed that payments made under this Settlement  
6 shall not in any way entitle Plaintiffs, Settlement Class Members, or Aggrieved Employees to additional  
7 compensation or benefits under any new or additional compensation or benefits, or any bonus, contest  
8 or other compensation or benefit plan or agreement in place during the Class Period, nor will it entitle  
9 Plaintiffs, Settlement Class Members, or Aggrieved Employees to any increased retirement, 401K  
10 benefits or matching benefits, or deferred compensation benefits. It is the intent of this Agreement that  
11 the Individual Settlement Payments and Individual PAGA Payments provided for in this Agreement are  
12 the sole payments to be made by Defendants to the Settlement Class Members and Aggrieved Employees  
13 in connection with this Agreement (notwithstanding any contrary language or agreement in any benefit  
14 or compensation plan document that might have been in effect during the Class Period).

15       23.    Notice of Proposed PAGA Settlement to LWDA. Pursuant to California Labor Code  
16 section 2699(1)(2), Class Counsel will submit a copy of this Settlement Agreement to the LWDA at the  
17 same time that it is submitted to the Court for preliminary approval.

18       24.    Delivery of the Class List. Within 21 calendar days of Preliminary Approval, Defendants  
19 will provide the Class List to the Settlement Administrator.

20       25.    Notice by First-Class U.S. Mail.

21           a.       Within 14 calendar days after receiving the Class List from Defendants, the  
22 Settlement Administrator will perform a search based on the United States Postal Service's National  
23 Change of Address Database and any other similar services available, such as provided by Experian, for  
24 information to update and correct for any known or identifiable address changes, and will mail a Class  
25 Notice in English, Spanish, and Tagalog (in the forms attached as **EXHIBITS C, D, and E** to this  
26 Settlement Agreement) to all Class Members via U.S. mail, using the most current, known mailing  
27 addresses identified by the Settlement Administrator.

28           b.       With respect to Class Notices that are returned as undeliverable on or before the

1 Response Deadline, the Settlement Administrator will search for an alternate address by way of skip-  
2 trace and re-mail the Class Notice within five (5) calendar days to an alternate address if one is located.

3 c. Dispute Regarding Workweeks. The Class Notice will include the procedure by  
4 which a Class Member may dispute the number of Workweeks allocated to him or her by submitting a  
5 timely and valid Workweeks Dispute. The date of the postmark on the return mailing envelope will be  
6 the exclusive means to determine whether a dispute has been timely submitted. Absent evidence  
7 rebutting the accuracy of Defendants’ records and data as they pertain to the number of Workweeks to  
8 be credited to a disputing Class Member, Defendants’ records will be presumed correct and  
9 determinative of the dispute. The Settlement Administrator will evaluate the information and/or  
10 documents submitted by the Class Member and the Settlement Administrator will resolve and determine  
11 the number of Workweeks that the disputing Class Member should be credited with under the  
12 Settlement. The Settlement Administrator’s decision on such disputes will be final and non-appealable.

13 26. Settlement Checks.

14 a. The Settlement Administrator will be responsible for undertaking appropriate  
15 deductions, required tax reporting, and issuing the Individual Settlement Payments by way of check to  
16 the Settlement Class Members and the Individual PAGA Payments by way of check to the Aggrieved  
17 Employees in accordance with this Settlement Agreement. When issuing payments, the Settlement  
18 Administrator may combine the Individual Settlement Payment and Individual PAGA Payment into one  
19 check if the intended recipient for both payments is one individual.

20 b. The Settlement Administrator shall remit and report the applicable portions of the  
21 payroll tax payment to the appropriate taxing authorities on a timely basis pursuant to its duties under this  
22 Agreement. Defendants agree to reasonably cooperate with the Settlement Administrator to the extent  
23 necessary to determine the amount of the payroll tax payment required

24 c. Each Individual Settlement Payment check and Individual PAGA Payment check  
25 will be valid and negotiable for 180 calendar days from the date of original issuance, and thereafter,  
26 shall be canceled. All funds remaining in connection with, and after the cancellation of checks issued  
27 to Settlement Class Members and Aggrieved Employees, shall be paid the California Controller’s  
28 Unclaimed Property Fund in the name of the Class Member thereby leaving no “unpaid residue.”

1           d.       The Settlement Administrator shall undertake amended and/or supplemental tax  
2 filings and reporting, required under applicable local, state, and federal tax laws, that are necessitated  
3 due to the cancelation of any Individual Settlement Payment or Individual PAGA Payment checks.  
4 Settlement Class Members whose Individual Settlement Payment checks are canceled shall,  
5 nevertheless, be bound by this Settlement Agreement and the Final Approval Order and Judgment will  
6 have claim preclusive impact with respect to them and all Settlement Class Members with respect to the  
7 Class Settlement. The Final Approval Order and Judgment will have claim preclusive impact on the  
8 Aggrieved Employees with respect to the PAGA Settlement irrespective of whether their Individual  
9 PAGA Payment checks are canceled.

10           27.    Procedures for Requesting Exclusion from the Class Settlement. Any Class Member  
11 wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion  
12 to the Settlement Administrator, by mail, on or before the Response Deadline. The date of the postmark  
13 on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion  
14 has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and  
15 Defendants' Counsel, the number of timely and valid Requests for Exclusion that were submitted, and  
16 also identify the individuals who submitted them, in a declaration that is to be filed with the Court in  
17 advance of the Final Approval Hearing. Any Class Member who submits a timely and valid Request  
18 for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who  
19 submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not  
20 be issued an Individual Settlement Payment. All Aggrieved Employees will be bound by the PAGA  
21 Settlement and will be issued an Individual PAGA Payment, irrespective of whether they submit a  
22 Request for Exclusion.

23           28.    Procedures for Objecting to the Class Settlement. Class Members who have not opted  
24 out of the Class Settlement (i.e., Settlement Class Members) may object to the Class Settlement. To  
25 object to the Class Settlement, Settlement Class Members must submit a timely and complete Objection  
26 to the Settlement Administrator, by mail, on or before the Response Deadline. The Objection must be  
27 signed by the Settlement Class Member and contain all information required by Section 10(w) of this  
28 Settlement Agreement. The postmark date will be deemed the exclusive means for determining that the

1 Objection is timely. At no time will any of the Parties or their counsel seek to solicit or otherwise  
2 encourage Class Members to object to the Settlement Agreement or appeal from the Final Approval  
3 Order and Judgment. Settlement Class Members may also present their objection orally at the Final  
4 Approval Hearing, irrespective of whether they submit a written Objection. The Settlement  
5 Administrator will certify jointly to Class Counsel and Defendants' Counsel the Objections that were  
6 timely submitted, and also attach them as exhibits to a declaration that is to be filed with the Court in  
7 advance of the Final Approval Hearing.

8       29. Reports by the Settlement Administrator Regarding Settlement Administration. The  
9 Settlement Administrator will provide Defendants' Counsel and Class Counsel a weekly report which  
10 certifies: (a) the number of Class Members who have submitted Workweeks Disputes; (b) the number  
11 of Class Members who have submitted timely and valid Requests for Exclusion; (c) the number of Class  
12 Members who have submitted timely and complete Objections; (d) the number of undeliverable Class  
13 Notices; and (e) the number of re-mailed Class Notices. Additionally, the Settlement Administrator will  
14 provide to counsel for both Parties any updated reports regarding the administration of the Settlement  
15 Agreement as needed or requested, and immediately notify the Parties when it receives a request from  
16 an individual or any other entity regarding inclusion in the Class and/or Settlement.

17       30. Certification of Completion. Upon completion of administration of the Settlement, the  
18 Settlement Administrator will provide a written declaration under oath to certify such completion to the  
19 Court and counsel for all Parties.

20       31. Treatment of Individual Settlement Payments and Individual PAGA Payments. Each  
21 Individual Settlement Share will be allocated as follows: ten percent (10%) wages and ninety percent  
22 (90%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on  
23 an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be  
24 reported on an IRS Form-1099 by the Settlement Administrator. The Settlement Administrator will  
25 withhold the employee's share of taxes and withholdings with respect to the wages portion of the  
26 Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual  
27 Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and  
28 withholdings). Each Individual PAGA Payment will be allocated as one hundred percent (100%)

1 penalties and will be reported on an IRS Form-1099 (if applicable) by the Settlement Administrator.

2 32. Administration of Taxes by the Settlement Administrator. The Settlement Administrator  
3 will be responsible for issuing to Plaintiffs, Settlement Class Members, Aggrieved Employees, and Class  
4 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to  
5 this Settlement Agreement. The Settlement Administrator will also be responsible for forwarding all  
6 payroll taxes, contributions, and withholdings to the appropriate government authorities.

7 33. Tax Liability. Plaintiffs, Class Counsel, Defendants, and Defendants' Counsel do not  
8 intend anything contained in this Settlement Agreement, the Class Notice, or any other communications  
9 to Class Members or Aggrieved Employees regarding the Settlement to constitute advice regarding taxes  
10 or taxability, nor shall anything in this Settlement Agreement, the Class Notice, or any other  
11 communication regarding the Settlement be relied on as such. Plaintiffs, Settlement Class Members, and  
12 Aggrieved Employees understand and agree that they will be solely responsible for correctly  
13 characterizing any compensation received by them under the Settlement on their personal income tax  
14 returns and paying any and all taxes due for any and all amounts paid to them under the Settlement.

15 34. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR  
16 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS  
17 SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER  
18 PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT  
19 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR  
20 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS  
21 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE  
22 OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF  
23 UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS  
24 AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS,  
25 HER OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING  
26 TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT  
27 ENTERED INTO THIS SETTLEMENT AGREEMENT BASED UPON THE RECOMMENDATION  
28 OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND

1 (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY  
2 ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY  
3 BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO  
4 ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE  
5 CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES  
6 (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON  
7 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX  
8 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED  
9 BY THIS SETTLEMENT AGREEMENT.

10 35. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant  
11 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,  
12 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause  
13 of action or right herein released and discharged.

14 36. Releases of Claims.

15 a. Class Settlement Release. Upon the Effective Date and full funding of the Total  
16 Settlement Amount, Plaintiffs and all Class Members who do not submit a timely and valid Request for  
17 Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released,  
18 settled, compromised, relinquished, and discharged the Released Parties of and from all Released Class  
19 Claims.

20 37. PAGA Settlement Release. Upon the Effective Date and full funding of the Total  
21 Settlement Amount, Plaintiffs, the State of California with respect to Aggrieved Employees, and  
22 Aggrieved Employees will be deemed to have fully, finally, and forever released, settled, compromised,  
23 relinquished, and discharged the Released Parties of and from all Released PAGA Claims pertaining to  
24 Plaintiffs and the Aggrieved Employees.

25 38. General Release of Claims by Plaintiff. In addition to the above releases of claims, upon  
26 the Effective Date and full funding of the Total Settlement Amount, Plaintiffs will be deemed to have  
27 fully released and discharged the Released Parties of and from all claims arising from their employment  
28 with Defendants, separation of employment from Defendants, and any acts that have or could have been

1 asserted in any legal action or proceeding against Defendants, whether known or unknown, arising under  
2 any federal, state, or local law, or statute, including, *inter alia*, those arising under the California Labor  
3 Code, Fair Labor Standards Act, Americans with Disabilities Act, Title VII of the Civil Rights Act of  
4 1964, Employee Retirement Income Security Act, National Labor Relations Act, California Corporations  
5 Code, California Business and Professions Code, California Fair Employment and Housing Act,  
6 California Constitution (all as amended), and law of contract and tort, as well as for discrimination,  
7 harassment, retaliation, wrongful termination, lost wages, benefits, other employment compensation,  
8 emotional distress, medical expenses, other economic and non-economic damages, attorney fees, and  
9 costs, arising on or before the date of execution of the Settlement Agreement. With respect to those claims  
10 released by Plaintiffs in an individual capacity, Plaintiffs acknowledge and waive any and all rights and  
11 benefits available under California Civil Code section 1542, which provides:

12 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR  
13 OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR  
14 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.

15 39. Plaintiffs understand and agree that claims or facts in addition to or different from those  
16 which are now known or believed by Plaintiffs to exist may hereafter be discovered. It is Plaintiffs'  
17 intention to settle fully and release all claims Plaintiffs now have against the Released Parties, whether  
18 known or unknown, suspected or unsuspected, upon the Effective Date and full funding of the Total  
19 Settlement Amount. Notwithstanding the above, this general release by Plaintiffs shall not extend to  
20 claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may  
21 not be released by law. Duties of the Parties with Respect to Obtaining Preliminary Approval of the  
22 Settlement. Upon execution of this Settlement Agreement, Plaintiff shall promptly obtain a hearing date  
23 for Plaintiff's motion for preliminary approval of the Settlement, and submit this Settlement Agreement  
24 to the Court in support of said motion. Defendants agree not to oppose the motion for preliminary  
25 approval of the Settlement consistent with this Settlement Agreement. Said motion shall apply to the  
26 Court for the entry of an order ("Preliminary Approval Order"), which shall be mutually agreed upon  
27 by the Parties, seeking the following:

- 28 a. Conditionally certifying the Class for settlement purposes only;

- 1           b.     Granting Preliminary Approval of the Settlement;
- 2           c.     Preliminarily appointing Plaintiffs as representative of the Class;
- 3           d.     Preliminarily appointing Class Counsel as counsel for the Class;
- 4           e.     Approving, as to form and content, the mutually-agreed upon and proposed Class
- 5 Notice and directing its mailing to the Class by U.S. Mail;
- 6           f.     Approving the manner and method for Class Members to request exclusion from
- 7 or object to the Class Settlement as contained herein and within the Class Notice; and
- 8           g.     Scheduling a Final Approval Hearing at which the Court will determine whether
- 9 the Settlement should be finally approved as fair, reasonable, and adequate.

10           40.    Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After  
11 the Response Deadline, and with the Court’s permission, a hearing will be conducted on Plaintiffs’  
12 motion for final approval of the Settlement (i.e., the Final Approval Hearing), to determine whether  
13 Final Approval of the Settlement should be granted, along with the amounts properly payable for  
14 Individual Settlement Payments, Individual PAGA Payments, LWDA Payment, Attorneys’ Fees and  
15 Costs, Enhancement Awards, and Settlement Administration Costs. By way of said motion, Plaintiffs  
16 will apply for the entry of the mutually-agreed-upon proposed order and judgment (“Final Approval  
17 Order and Judgment”), which will provide for, in substantial part, the following:

- 18           a.     Approval of the Settlement as fair, reasonable, and adequate, and directing
- 19 consummation of its terms and provisions;
- 20           b.     Certification of the Settlement Class;
- 21           c.     Appointment of Plaintiffs as representatives of the Settlement Class;
- 22           d.     Appointment of Class Counsel as counsel for the Settlement Class;
- 23           e.     Approval of the application for Attorneys’ Fees and Costs to Class Counsel;
- 24           f.     Approval of the application for Enhancement Awards to Plaintiffs;
- 25           g.     Directing Defendants to fund all amounts due under the Settlement Agreement
- 26 and ordered by the Court; and
- 27           h.     Entering judgment in this Action, while maintaining continuing jurisdiction to
- 28 implement the Settlement, in conformity with California Rules of Court, rule 3.769 and the Settlement

1 Agreement.

2 41. Effects of Termination of the Settlement. In the event that the Settlement Agreement is  
3 not approved by the Court, such a development shall have the following effects:

4 a. The Settlement Agreement and all negotiations, statements, and proceedings  
5 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored  
6 to their respective positions in the Actions prior to the execution of the Settlement Agreement;

7 b. Neither this Settlement Agreement, nor any ancillary documents, actions,  
8 statements, or filings in furtherance of the Settlement (including all matters associated with the mediation)  
9 shall be offered into evidence in the Actions or any other action for any purpose whatsoever; and

10 c. Any documents generated to bring the Settlement into effect, will be null and  
11 void, and any order entered by the Court in furtherance of this Settlement Agreement will likewise be  
12 treated as void from the beginning.

13 42. Escalator Clause. Defendants represent that, during the period from September 7, 2018  
14 through July 16, 2024, there are 127,582 Workweeks for the Class Members. If it is determined that the  
15 total number of Workweeks exceed 127,582 by more than ten percent (10%) (i.e. exceeds 140,340)  
16 during the Class Period, at Defendants’ option either: (a) the Total Settlement Amount will be increased  
17 on a *pro rata* basis equal to the percentage increase in the number of Workweeks above 140,340  
18 Workweeks (e.g., if the number of Workweeks increases by 11% to 141,616 Workweeks, the Total  
19 Settlement Amount will increase by 1%), or, (b) the Class Release Period will end as of the date the ten  
20 percent (10%) threshold was reached (i.e., the date on which the Workweeks total reached 140,340) and  
21 such date shall be referred to as the “Alternate End Date.” In the event that Defendant chooses to end  
22 the Class Period on the Alternative End Date, then, the PAGA Period will also end on the Alternate End  
23 Date. Defendants must confirm whether this Clause has been triggered before Plaintiffs file their  
24 Motion for Preliminary Approval.

25 43. Defendant’s Right to Withdraw From and Terminate the Settlement: If ten percent (10%)  
26 or more of the Class Members (rounded to the next whole number) elect not to participate in the  
27 Settlement, Defendants may, in their sole discretion, unilaterally withdraw from and terminate the  
28 Settlement no later than five (5) business days prior to the date of the Final Approval Hearing. If

1 Defendants exercise their right to withdraw from and terminate the Agreement, Defendants shall be  
2 responsible for all Settlement Administration Costs incurred to the date of rescission.

3 44. Continuing Jurisdiction. After entry of judgment pursuant to the Settlement, the Court  
4 will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and Section  
5 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the interpretation and  
6 enforcement of the terms of the Settlement, (b) settlement administration matters, and (c) such post-  
7 judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

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

11 46. Limitation on Publicity. Prior to preliminary approval, Plaintiffs and Class Counsel agree  
12 not to issue press releases and engage in any publicity regarding the Settlement, except as shall be  
13 contractually required to effectuate the terms of the Settlement and respond to inquiries received from  
14 Class Members and PAGA Employees. However, for the limited purpose of allowing Class Counsel to  
15 prove their experience and adequacy as class counsel in other actions, Class Counsel may reference the  
16 Settlement in the Actions for such purposes. Furthermore, Plaintiffs and Class Counsel will undertake  
17 any and all disclosures and submissions required to be made to the LWDA in conformity with PAGA.

18 47. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the  
19 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements  
20 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code section  
21 1625 and California Code of Civil Procedure section 1856(a), and any other provisions of state or federal  
22 law, which provide that a written agreement is to be construed according to its terms and may not be  
23 varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written  
24 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement. This  
25 Settlement Agreement contains the entire agreement between the Parties relating to the settlement and  
26 transaction contemplated hereby, and all prior or contemporaneous agreements, understandings,  
27 representations, and statements, whether oral or written and whether by a Party or such Party's legal  
28 counsel, are merged herein.

1           48.    Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in the  
2 Actions (including, and not limited to, the deadline to bring the Actions to trial under California Code  
3 of Civil Procedure section 583.310), except such proceedings necessary to implement and complete the  
4 Settlement Agreement, pending the Final Approval Hearing to be conducted by the Court.

5           49.    Amendment and Waiver. The Parties may not waive, amend, or modify any provision of  
6 this Settlement Agreement except by written agreement signed by counsel for the Parties, and subject  
7 to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement  
8 will not constitute a waiver of any other provision.

9           50.    Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and  
10 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement  
11 Agreement and to take all appropriate actions required or permitted to be taken by such Parties pursuant  
12 to this Settlement Agreement to effectuate its terms and to execute any other documents required to  
13 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have  
14 full authority to enter into this Settlement Agreement, and further intend that this Settlement Agreement  
15 will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to  
16 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality  
17 provisions that otherwise might apply under state or federal law.

18           51.    Signatories. It is agreed that because the members of the Class are so numerous, it is  
19 impossible or impractical to have each Class Member execute this Settlement Agreement. The Class  
20 Notice will advise all Class Members of the binding nature of the Class Settlement as to the Settlement  
21 Class Members, and the release shall have the same force and effect as if this Settlement Agreement  
22 were executed by each Settlement Class Member.

23           52.    Binding on Successors and Assigns. This Settlement Agreement will be binding upon,  
24 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

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

27           54.    Execution and Counterparts. This Settlement Agreement is subject only to the execution  
28 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All

1 executed counterparts and each of them, including facsimile, electronic, and scanned copies of the  
2 signature page, will be deemed to be one and the same instrument.

3 55. Acknowledgment that the Settlement is Fair and Reasonable. The Parties believe this  
4 Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions, Released Class  
5 Claims, and Released PAGA Claims, and have arrived at this Settlement after arm's-length negotiations  
6 and in the context of adversarial litigation, taking into account all relevant factors, present and potential.  
7 The Parties further acknowledge that they are each represented by competent counsel and that they have  
8 had an opportunity to consult with their counsel regarding the fairness and reasonableness of this  
9 Settlement Agreement. In addition, if necessary to obtain Court approval of the Settlement, the Mediator  
10 may execute a declaration supporting the Settlement and the reasonableness of the Settlement and the  
11 Court may, in its discretion, contact the Mediator to discuss the Settlement and whether or not the  
12 Settlement is objectively fair and reasonable.

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

17 57. Cooperation. By signing this Settlement Agreement, the Parties are hereby bound by the  
18 terms herein and agree to fully cooperate to implement the Settlement.

19 58. Non-Admission of Liability. The Parties enter into this Settlement Agreement to resolve  
20 the dispute that has arisen between them and to avoid the burden, expense, and risk of continued  
21 litigation. In entering into this Settlement Agreement, Defendants do not admit, and specifically deny,  
22 that they have violated any state, federal, or local law; violated any regulations or guidelines  
23 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;  
24 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;  
25 or engaged in any other unlawful conduct with respect to its' employees. Neither this Settlement  
26 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be  
27 construed as an admission or concession by Defendants of any such violations or failures to comply with  
28 any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement

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

5 59. Captions. The captions and paragraph numbers in this Settlement Agreement are inserted  
6 for the reader’s convenience, and in no way define, limit, construe or describe the scope or intent of the  
7 provisions of this Settlement Agreement.

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

13 61. Representation by Counsel. The Parties acknowledge that they have been represented by  
14 counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that  
15 this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in  
16 full by the Parties with the assistance of their respective counsel.

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

19 To Plaintiffs and Class Counsel:

20 Arby Aiwazian, Esq.  
21 Joanna Ghosh, Esq.  
22 Maria Halwadjian  
23 **LAWYERS for JUSTICE, PC**  
450 North Brand Blvd., Suite 900  
Glendale, California 91203

24 Graham S.P. Hollis, Esq.  
25 Hali M. Anderson, Esq.  
26 Alex M. Kuner, Esq.  
27 **GRAHAMHOLLIS APC**  
3555 Fifth Avenue, Suite 200  
San Diego, California 92103

19 To Defendant:

20 Grace Y. Horoupian, Esq.  
21 Victor T. Xu, Esq.  
22 **Fisher & Phillips LLP**  
23 2050 Main Street, Suite 1000  
Irvine, California 92614

28 63. Notices. All notices, demands, and other communications to be provided concerning this

1 Settlement Agreement shall be in writing and delivered by overnight mail at the addresses set for below,  
2 or such other addresses as either Party may designate in writing from time to time:

3 64. Final Approval Order and Judgment. The Parties shall provide the Settlement  
4 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,  
5 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for  
6 sixty (60) calendar days, and this shall satisfy California Rules of Court, rule 3.771(b). No individualized  
7 notice of the Final Approval Order and Judgment to the Class will be required.

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

15 **IN WITNESS WHEREOF**, the Parties hereto knowingly and voluntarily executed this Joint  
16 Stipulation of Class and PAGA Settlement and Release between Plaintiffs and Defendants:

17 **IT IS SO AGREED.**

**PLAINTIFF GEOVANNI VAZQUEZ**

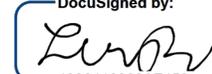
18  
19  
20 Dated: 06/04/2025, 2025

Electronically Signed:  2025-06-05 03:22:44 UTC - 71.198.241.229  
Nintex AssureSign® 6796ca33-3c6f-4ca6-a555-b2f9000a9335

Geovanni Vazquez, Plaintiff

**PLAINTIFF DOROTHEA BOWENS**

21  
22  
23 Dated: 6/5/2025, 2025

DocuSigned by:  
  
4906410863AF458...

Dorothea Bowens, Plaintiff

24  
25 ///

26 ///

27 ///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**DEFENDANT KALESTA HEALTHCARE GROUP, LLC**

Dated: May 29, 2025

DocuSigned by:  
*Ryan Williams*  
\_\_\_\_\_

Full Name: Ryan Williams  
Title: Manager  
On behalf of Kalesta Healthcare Group, LLC

**HAMOA LLC dba VALLEY SKILLED NURSING CENTER**

Dated: May 29, 2025

Signed by:  
*Braden Sweeney*  
\_\_\_\_\_

Full Name: Braden Sweeney  
Title: Administrator  
On behalf of HAMOA LLC dba VALLEY SKILLED NURSING CENTER

**THREE ARCH LLC dba THE VILLAS AT SARATOGA**

Dated: May 29, 2025

Signed by:  
*Riley Tucker*  
\_\_\_\_\_

Full Name: Riley Tucker  
Title: Administrator  
On behalf of THREE ARCH LLC dba THE VILLAS AT SARATOGA

**NEWPORT LLC dba ALMOND VISTA HEALTHCARE CENTER**

Dated: May 29, 2025

Signed by:  
*Harris Lachance*  
\_\_\_\_\_

Full Name: Harris Lachance  
Title: Administrator  
On behalf of NEWPORT LLC dba ALMOND VISTA HEALTHCARE CENTER

///

///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**NAPILI BAY LLC dba LOS BANOS POST-ACUTE**

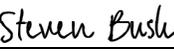
Dated: May 29, 2025

Signed by:  
  
C1B1BCA015F14DB...

Full Name: Braden Sweeney  
Title: Administrator  
On behalf of NAPILI BAY LLC dba LOS BANOS POST-ACUTE

**CORONADO BAY LLC dba HARVEST CROSSING POST ACUTE**

Dated: May 29, 2025

Signed by:  
  
08EC7B675B664B2...

Full Name: Steven Bush  
Title: Administrator  
On behalf of CORONADO BAY LLC dba HARVEST CROSSING POST ACUTE

**CARPINTERIA, LLC DBA ATHERTON PARK POST ACUTE**

Dated: May 29, 2025

Signed by:  
  
AC799AC6142B405...

Full Name: Josh Nabrotzky  
Title: Administrator  
On behalf of CARPINTERIA, LLC DBA ATHERTON PARK POST ACUTE

**TRESTLES, LLC DBA CITY CREEK POST ACUTE**

Dated: May 29, 2025

Signed by:  
  
CA95A5807F6D4DF...

Full Name: Nick Oehler  
Title: Administrator  
On behalf of TRESTLES, LLC DBA CITY CREEK POST ACUTE

///  
///  
///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**APPROVED AS TO FORM:**

**LAWYERS for JUSTICE, PC**

Dated: 06/05/2025, 2025

  
\_\_\_\_\_

Arby Aiwazian  
Joanna Ghosh  
Maria Halwadjian  
*Attorneys for Plaintiff Vazquez and Proposed Class*

**GRAHAMHOLLIS APC**

Dated: June 6, 2025

  
\_\_\_\_\_

Graham Hollis  
Hali M. Anderson  
Alex M. Kuner  
*Attorneys for Plaintiff Bowens and Proposed Class*

**FISHER PHILLIPS LLP**

Dated: June 4, 2025

\_\_\_\_\_  
Grace Horoupian  
Victor T. Xu  
*Attorneys for Defendants*

1 **APPROVED AS TO FORM:**

2

**LAWYERS for JUSTICE, PC**

3

4 Dated: \_\_\_\_\_, 2025

\_\_\_\_\_  
Arby Aiwazian  
Joanna Ghosh  
Maria Halwadjian  
*Attorneys for Plaintiff Vazquez and Proposed Class*

5

6

7

**GRAHAMHOLLIS APC**

8

9 Dated: \_\_\_\_\_, 2025

\_\_\_\_\_  
Graham Hollis  
Hali M. Anderson  
Alex M. Kuner  
*Attorneys for Plaintiff Bowens and Proposed Class*

10

11

12

13

**FISHER PHILLIPS LLP**

14 Dated: June 4, 2025

  
\_\_\_\_\_  
Grace Horoupian  
Victor T. Xu  
*Attorneys for Defendants*

15

16

17

18

19

20

21

22

23

24

25

26

27

28