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Attorneys for Plaintiff Daniel Carillo-Salazar,
individually, and on behalf of all other similarly
situated employees

SUPERIOR COURT OF STATE OF CALIFORNIA
FOR THE COUNTY ORANGE-CIVIL COMPLEX CENTER

In re WATERMARK WAGE AND HOUR
CASES

Coordination Proceedings Special Title
(C.R.C. Rule 3.550)

Included Actions:

*Daniel Carillo-Salazar v. Watermark Services
IV, LLC, et al.*
Orange County Superior Court
Case No. 30-2020-01126766-CU-OE-CXC

*Evanina Alaniz v. Watermark Retirement
Communities LLC, et al.,*
Los Angeles County Superior Court
Case No. 20STCV16386

*Katherine Greene v. Watermark Retirement
Properties, Inc., et al*
Monterey County Superior Court
Case No. 20CV002422

CASE NO.: JCCP No. 5176

Assigned for all purposes to: Judge William
Claster

Dept. CX 104

**SUPPLEMENTAL DECLARATION OF
ARMOND M. JACKSON IN SUPPORT
OF MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

Date: March 10, 2023

Time: 9:00 a.m.

Place: Department CX 104

Reservation ID: 73894745

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1 Private Attorney General Act for the alleged Labor Code violations for any overlapping defendants
2 in *Greene* during the class period of January 27, 2016 through May 31, 2022 for class claims and
3 January 17, 2019 through May 31, 2022 for PAGA claims. This understanding is based upon the
4 terms of the settlement agreement and release contained in Section 5.01 of the proposed settlement
5 agreement. (Please see Exhibit A, Section 5.01).

6 **Issue No. 2**

7 4. Other than *Greene*, and confirmed by counsel for Defendants, there are not any known
8 individual, class or PAGA actions that may be affected by this settlement.

9 **Issue No. 3**

10 5. The settlement agreement was revised to ensure distribution of the PAGA Amount to the
11 PAGA Group Members based upon number of pay periods for the PAGA Settlement Amount. (See
12 Exhibits A and B, section 3.06(f).)

13 **Issue No. 4**

14 6. The Plaintiffs will submit contemporaneous billing records for attorney's fees and costs
15 as part of its final approval motion.

16 **Issue No. 5**

17 7. The Plaintiffs will submit administrative costs as part of its final approval motion.

18 **Issue No. 6**

19 8. Plaintiffs understand no further declarations from the plaintiffs to address their requested
20 incentive payments are required at final approval.

21 **Issue No. 7**

22 9. Plaintiffs will submit a high, low, and average individual settlement payment, along with
23 plaintiffs' individual payouts as part of its final approval motion.

24 **Notice**

25 **Issue No. 1**

26 10. The dispute form was drafted and attached hereto. A true and correct copy of the Dispute
27 Form is attached hereto as **Exhibit C**.
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Issue No. 3

Issue No. 4

Issue No. 5

Issue No. 6

16. On March 1, 2023. A copy of the settlement agreement and this supplemental declaration were filed with the LWDA. A true and correct copy of the confirmation of this filing is attached hereto as **Exhibit F**.

Executed this 28th day of February 2023, in Irvine, California.

/s/ Armond M. Jackson
Armond M. Jackson

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EXHIBIT A

AEGIS LAW FIRM, PC
SAMUEL A. WONG, State Bar No. 217104
KASHIF HAQUE, State Bar No. 218672
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[Additional counsel listed on following page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

In re WATERMARK WAGE AND HOUR
CASES

Judicial Counsel Coordination Proceedings No.
JCCP 5176

Coordination Proceedings Special Title
(C.R.C. Rule 3.550)

Assigned for all Purposes to the Honorable
William Claster, Dept. CX104

Included Actions:

JOINT STIPULATION OF SETTLEMENT

*Daniel Carillo-Salazar v. Watermark Services IV,
LLC, et al.*

Orange County Superior Court
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Los Angeles County Superior Court
Case No. 20STCV16386

*Katherine Greene v. Watermark Retirement
Properties, Inc., et al*
Monterey County Superior Court
Case No. 20CV002422

1 **UNITED EMPLOYEES LAW GROUP**

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2 5500 Bolsa Avenue, Suite 201

3 Huntington Beach, California 92649

4 Telephone: (562) 256-1047

Facsimile: (562) 256-1006

5 Attorneys for Plaintiffs Daniel Carillo-Salazar and Evanina Alaniz,
6 individually and on behalf of all others similarly situated

7 **JACKSON LEWIS P.C.**

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8 Michael.Hood@jacksonlewis.com

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9 Kelli.Dreger@jacksonlewis.com

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10 Irvine, California 92618

11 Telephone: (949) 885-1360

12 Facsimile: (949) 885-1380

13 Attorneys for Defendants Watermark Retirement Communities, LLC;
14 Watermark Retirement Communities, Inc. and Watermark Services IV, LLC
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1 It is stipulated and agreed by and among the undersigned Parties, subject to the approval of
2 the Court pursuant to the California Rules of Court, that the Settlement of these Actions shall be
3 effectuated upon and subject to the following terms and conditions. Capitalized terms used herein
4 shall have the meanings set forth in Article I or as defined elsewhere in this Joint Stipulation of
5 Settlement (“Agreement” or “Settlement”).

6 This Agreement is made by and between Named Plaintiffs Daniel Carillo-Salazar and
7 Evanina Alaniz (“Named Plaintiffs”) and the Class Members, on the one hand, and Defendants
8 Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark
9 Services IV, LLC (“Defendants”) and all of their respective entities, affiliate, subsidiaries, parent
10 corporations, *et al.* as set forth herein, on the other hand. Named Plaintiffs and Defendants
11 collectively are referred to in this Agreement as “the Parties.”

12 The Parties agree that the Actions shall be, and hereby are, ended, settled, resolved, and
13 concluded by agreement of Defendants to pay the settlement amount of Two Million Four Hundred
14 Thousand Dollars (\$2,400,000.00) as provided in Section 3.06(a) below (“Gross Settlement
15 Amount”) pursuant to the terms and conditions of this Agreement and for the consideration set forth
16 herein, including but not limited to, a release of all claims by Named Plaintiffs and the Class Members
17 as set forth herein.

18 **ARTICLE I**

19 **DEFINITIONS**

20 Unless otherwise defined herein, the following terms used in this Agreement shall have the
21 meanings ascribed to them as set forth below:

22 a. “Actions” means the actions described as follows:

- 23 i. *Daniel Carillo-Salazar individually and on behalf of all others similarly*
24 *situated v. Watermark Services IV, LLC*, a Delaware corporation, *Watermark*
25 *Retirement Communities, Inc.*, an Arizona corporation, and DOES 1 through
26 50, inclusive, Case No. 30-2020-01126766-CU-OE-CXC, commenced on
27 January 27, 2020 in the Superior Court of the State of California, County of
28 Orange; and

1 ii. *Evanina Alaniz, individually and on behalf of all others similarly situated v.*
2 *Watermark Retirement Communities, LLC, Watermark Retirement*
3 *Communities, Inc., Watermark Services IV, LLC, and DOES 1 through 20,*
4 inclusive, Case No. 20STCV16386, commenced on April 29, 2020, in the
5 Superior Court of the State of California for the County of Los Angeles,
6 pending as coordinated cases captioned *Watermark Wage and Hour Cases*, in
7 the Orange County Superior Court, Judicial Counsel Coordination
8 Proceedings No. JCCP 5176.

9 b. “Agreement” means this Joint Stipulation of Settlement, including the attached
10 Exhibit(s).

11 c. “Class” means all current and former non-exempt employees who are or were
12 employed by Defendants in California at any time during the Class Period.

13 d. “Class Counsel” means the attorneys for the Class and the Class Members, who are:

14 JACKSON LAW, APC
15 Armond M. Jackson
16 2 Venture Plaza, Ste. 240
17 Irvine, CA 92618
18 Phone: (949) 281-6857
19 Fax: (949) 777-6218

20 AEGIS LAW FIRM, PC
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 e. “Class List” means a list based on Defendants’ business records that identifies each
Class Member’s name, last known home or mailing address, Social Security number or, as

1 applicable, other taxpayer identification number, dates of employment, and the number of Qualifying
2 Workweeks worked during the Class Period.

3 f. “Class Member(s)” means all members of the Class.

4 g. “Class Period” means January 27, 2016 through May 31, 2022.

5 h. “Court” means the California Superior Court for the County of Orange, where the
6 Actions are currently pending.

7 i. “Date of Finality” means the later of the following: (1) the date the Final Order is
8 signed if no objections are filed to the Settlement; (2) if objections are filed and overruled, and no
9 appeal is taken of the Final Order, sixty-five (65) days after the Final Order; (3) if an appeal or other
10 judicial review is taken from the Court’s overruling of objections to the settlement, ten (10) days
11 after the appeal is withdrawn or after an appellate decision affirming the Final Order becomes final;
12 or (4) July 1, 2023

13 j. “Defendants” means Defendants Watermark Retirement Communities, LLC;
14 Watermark Retirement Communities, Inc.; and Watermark Services IV, LLC.

15 k. “Defense Counsel” means counsel for Defendant:

16 **JACKSON LEWIS P.C.**

17 Michael A. Hood, State Bar No. 71258

18 Kelli M. Dreger, State Bar No. 267404

19 200 Spectrum Center Drive, Suite 500

20 Irvine, California 92618

21 Telephone: (562) 885-1360

22 Facsimile: (562) 885-1380

23 l. “Disposition” means the method by which the Court approves the terms of the
24 Settlement and retains jurisdiction over its enforcement, implementation, construction,
25 administration, and interpretation.

26 m. “Final Order Approving Settlement of Class Actions” or “Final Order” means the
27 final formal court order signed by the Court following the Final Fairness and Approval Hearing in
28 accordance with the terms herein, approving this Agreement.

n. “Gross Settlement Amount” means Two Million Four Hundred Thousand Dollars
(\$2,400,000.00) to be paid by Defendants as provided by this Agreement to settle these Actions. All

1 payments to the Class, administration costs, attorney's fees and costs, and Enhancement Awards,
2 pursuant to Section 3.07(a) below, shall be paid out of the Gross Settlement Amount. The employer's
3 share of payroll taxes arising from the payments made under this settlement shall be paid by
4 Defendants separate from and in addition to the Gross Settlement Amount. The Gross Settlement
5 Amount is subject to a pro rata increase pursuant to Section 3.04(e) below. No part of the Gross
6 Settlement Amount shall revert to Defendant.

7 o. "Incentive Awards" means a monetary amount of up to Ten Thousand Dollars
8 (\$10,000) for Plaintiff Daniel Carillo-Salazar and Five Thousand Dollars (\$5,000.00) for Plaintiff
9 Evanina Alaniz (\$15,000 total) subject to Court approval, in recognition of their effort and work in
10 prosecuting these Actions on behalf of Class Members, and for their general release of claims.

11 p. "Individual Settlement Payment(s)" means each Participating Class Member's
12 respective share of the Net Settlement Amount. Individual Settlement Payments will be determined
13 by the calculations provided in this Agreement.

14 q. "LWDA" means The State of California Labor and Workforce Development Agency.

15 r. "LWDA Payment" means 75% of the \$24,000 allocated to the settlement of PAGA
16 claims (or, \$18,000) which, subject to Court approval, will be paid to the LWDA pursuant to Section
17 3.07(e) of this Agreement, as provided for below.

18 s. "Motion for Final Approval" means Plaintiffs' submission of a written motion,
19 including any evidence as may be required for the Court to conduct an inquiry into the fairness of
20 the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and
21 to enter a Final Order in these Actions.

22 t. "Motion for Preliminary Approval" means Plaintiffs' submission of a written motion,
23 including any evidence as may be required for the Court to grant preliminary approval of the
24 Settlement as required by Rule 3.769 of the California Rules of Court.

25 u. "Named Plaintiffs" means Evanina Alaniz and Daniel Carillo-Salazar.

26 v. "Net Settlement Amount" means the Gross Settlement Amount less Court-approved
27 administration costs, Class Counsels' attorney's fees and costs, Enhancement Awards, and LWDA
28 Payment, pursuant to Section 3.07(a)-(f) below.

1 w. “Non-Participating Class Member(s)” means any Class Member(s) who submit to the
2 Settlement Administrator a valid and timely written request to be excluded from the Class pursuant
3 to Section 3.04(b) below.

4 x. “Notice Packet” means collectively and in a form substantially similar to, the Notice
5 of Class Action Settlement attached hereto as **Exhibit A**, the Dispute Form attached hereto as
6 **Exhibit B**, and the Objection Form attached hereto as **Exhibit C**, all subject to Court approval.

7 y. “PAGA” means the California Private Attorneys General Act of 2004, which is
8 codified in California Labor Code §§ 2698 *et seq.*

9 z. “PAGA Settlement Amount” means the portion of the Gross Settlement Amount
10 allocated to the resolution of PAGA Group Members’ claims arising under PAGA. The Parties have
11 agreed that the PAGA Settlement Amount is Twenty-Four Thousand Dollars (\$24,000), subject to
12 Court approval. Of the PAGA Settlement Amount, 75% will be considered the LWDA Payment,
13 and the remaining 25% will be distributed to PAGA Group Members.

14 aa. “PAGA Group Members” means all Class Members employed by Defendants at any
15 time between January 17, 2019 through May 31, 2022 (“PAGA Period”).

16 bb. “Participating Class Member(s)” is defined as a Class Member who does not timely
17 and validly exclude themselves from the Settlement and will therefore receive their share of the Net
18 Settlement Amount automatically without the need to return a claim form. Each Participating Class
19 Member will be paid his/her Individual Settlement Payment.

20 cc. “Preliminary Approval Date” means the date the Court preliminarily approves the
21 Settlement embodied in this Agreement.

22 dd. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of Treasury
23 Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement
24 Administrator for the benefit of Participating Class Members.

25 ee. “Qualifying Workweeks” means the number of weeks that Class Members worked
26 for Defendants as non-exempt employees during the Class Period.

27 ff. “Released Parties” means Defendants, including their parent corporation(s), direct or
28 indirect owners, affiliates (including, without limitation, Watermark Retirement Communities

Carmel, LLC), subsidiaries, divisions, predecessors, insurers, reinsurers, successors, and assigns, and their current and former employees, attorneys, officers, directors, and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries, and insurers of such plans and programs, both individually and in their business capacities at any time during the Class Period.

gg. “Response Deadline” means the deadline by which Class Members must postmark or fax to the Settlement Administrator requests for exclusion or written notices of objection. The Response Deadline will be sixty (60) calendar days after the initial mailing of the Notice Packet by the Settlement Administrator, unless the sixth (60th) calendar day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline will be extended as set forth herein if there is a re-mailing.

hh. “Settlement Administration Costs” means all costs incurred by the Settlement Administrator in administration of the Settlement, including, but not limited to, mailing of notice to the class, calculation of Individual Settlement Payments, generation of Individual Settlement Payment checks and related tax reporting forms, administration of unclaimed checks, and generation of checks to Class Counsel for attorneys’ fees and costs, to Named Plaintiffs for their Enhancement Awards, and to the LWDA. The Settlement Administration Costs shall be paid from the Gross Settlement Amount.

ii. “Settlement Administrator” means ILYM Group, Inc., which the Parties have agreed will be responsible for the administration of the Individual Settlement Payments to be made by Defendants from the Gross Settlement Amount and related matters under this Agreement.

ARTICLE II

CONTINGENT NATURE OF THE AGREEMENT

Section 2.01: Stipulation of Class Certification for Settlement Purposes

Because the Parties have stipulated to the certification of the Class with respect to all causes of action alleged in the Actions for settlement purposes only, this Agreement requires preliminary and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional

1 basis. This Agreement is contingent upon the approval and certification by the Court. If the Date of
2 Finality does not occur, the fact that the Parties were willing to stipulate for the purposes of this
3 Agreement to a Class shall have no bearing on, nor be admissible in connection with, the issue of
4 certification of the Class with respect to all causes of action alleged in the Actions. Defendants do
5 not consent to certification of the Class for any purpose other than to effectuate settlement of the
6 Actions. If the Date of Finality does not occur, or if Disposition of these Actions are not effectuated,
7 any certification of the Class as to Defendants will be vacated and Named Plaintiffs, Defendants, and
8 the Class will be returned to their positions with respect to the Actions as if the Agreement had not
9 been entered into. In the event that the Date of Finality does not occur: (a) any Court orders
10 preliminarily or finally approving certification of any class contemplated by this Agreement shall be
11 null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the
12 fact of the settlement reflected in this Agreement, the fact that Defendants did not oppose the
13 certification of a Class under this Agreement, or that the Court preliminarily approved the
14 certification of the Class, shall not be used or cited thereafter by any person or entity, including in
15 any manner whatsoever, including without limitation any contested proceeding relating to the
16 certification of any class. If the Date of Finality does not occur, this Agreement shall be deemed null
17 and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose
18 whatsoever. Defendants expressly reserve the right to challenge the propriety of class certification in
19 the Actions for any purpose, if the Date of Finality does not occur.

20 The Parties and their respective counsel shall take all steps that may be requested by the Court
21 relating to the approval and implementation of this Agreement and shall otherwise use their
22 respective best efforts to obtain Court approval and implement this Agreement. If the Court does not
23 grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree
24 to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a
25 resolution, the Parties agree to seek the assistance of mediator Steve Rottman to resolve the dispute.

26 **ARTICLE III**

27 **PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF THE SETTLEMENT**

28 The procedure for obtaining Court approval of and implementing this Agreement shall be as

1 follows:

2 **Section 3.01: Motion for Conditional Class Certification and Preliminary Approval**

3 Named Plaintiffs will bring a motion before the Court for an order conditionally certifying
4 the Class to include all claims pled in the Actions based on the preliminary approval of this
5 Agreement. The date that the Court grants preliminary approval of this Agreement will be the
6 “Preliminary Approval Date.”

7 **Section 3.02: The Settlement Administrator**

8 The Parties have chosen ILYM Group, Inc. to administer this Settlement and to act as the
9 Settlement Administrator, including but not limited to distributing and responding to inquiries about
10 the Notice Packet, determining the validity of exclusions/opt-outs, calculating the Net Settlement
11 Amount and the Individual Settlement Payments, issuing the Individual Settlement Payment checks
12 and distributing them to Participating Class Members, establishing and maintaining the QSF, and
13 issuing the payment to Class Counsel for attorneys’ fees and costs, the Incentive Award checks to
14 Named Plaintiffs, and the employer payroll taxes to the appropriate taxing authorities. The Settlement
15 Administrator shall expressly agree to all of the terms and conditions of this Agreement.

16 All costs of administering the Settlement shall be paid to the Settlement Administrator from
17 the Gross Settlement Amount. Those include, but are not limited to all costs and fees associated
18 with:

- 19 • preparing, issuing and mailing any and all notices to Class Members and/or
20 Participating Class Members;
- 21 • computing, processing, reviewing, and mailing the Individual Settlement Payments;
- 22 • preparing any tax returns and any other filings required by any governmental taxing
23 authority or agency;
- 24 • preparing any other checks, notices, reports, or filings to be prepared in the course of
25 administering disbursements from the Net Settlement Amount;
- 26 • and any other costs and fees incurred and/or charged by the Settlement Administrator
27 in connection with the execution of its duties under this Agreement (“Settlement
28 Administration Costs”).

Section 3.03: Notice to Class Members

No later than ten (10) business days after the Preliminary Approval Date, Defendants will provide the Settlement Administrator with a “Class List” in electronic format based on its business records, identifying the names of the Class Members, their last known home addresses, Social Security numbers or, as applicable, other taxpayer identification number, their dates of employment and weeks worked during the Class Period.

Within ten (10) business days of receiving a Class List from Defendants, the Settlement Administrator will send Class Members, by first-class mail, at their last known address, the Court approved Notice Packet, including notice of this Settlement and of the opportunity to opt out of the Settlement Class. The Notice Packet will include a calculation of the Class Member’s approximate share of the Net Settlement Amount. Class Members will have sixty (60) days from the date of mailing in which to postmark objections or requests for exclusion. Prior to the initial mailing, the Settlement Administrator will check all Class Member addresses against the National Change of Address database and shall update any addresses before mailing. The Settlement Administrator will skip trace and re-mail all returned, undelivered mail within five (5) days of receiving notice that a Notice Packet was undeliverable. If a Class Member’s notice is re-mailed, the Class Member shall have fifteen (15) calendar days from the re-mailing, or sixty (60) calendar days from the date of the initial mailing, whichever is later, in which to postmark objections or requests for exclusion. Class Members shall not be required to submit claim forms in order to receive a proportional share of the Net Settlement Amount.

If the Notice Packet is returned with a forwarding address, the Settlement Administrator shall re-mail the Notice Packet to the forwarding address. With respect to those Class Members whose Notice Packet is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or mass search on LexisNexis or comparable databases based on set criteria and, if another address is identified, shall mail the Notice Packet to the newly identified address. It is the intent of the parties that reasonable means be used to locate Class Members and that the Settlement Administrator be

1 given discretion to take steps in order to facilitate notice of the Settlement and delivery of the
2 Individual Settlement Payments to all Participating Class Members.

3 If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records
4 and notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly
5 status report provided to the Parties.

6 In the event a Class Member's Notice Packet remains undeliverable sixty (60) calendar days
7 after the Notice Packet was initially mailed, the Settlement Administrator will not mail the Class
8 Member's Individual Settlement Payment. The Settlement Administrator will hold the Class
9 Member's Individual Settlement Payment during the check cashing period on behalf of the Class
10 Member. If at the conclusion of the check cashing period the Class Member's Notice Packet and
11 Individual Settlement Payment remain undeliverable and/or unclaimed and uncashed, the Settlement
12 Administrator will distribute the funds from unclaimed/uncashed checks in accordance with the
13 procedures set forth in Section 3.07(g) below.

14 No later than twenty (20) court days prior to the Final Fairness and Approval Hearing, the
15 Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration
16 attesting to completion of the notice process, including any attempts to obtain valid mailing addresses
17 for and re-sending of any returned Notice Packets, as well as the number of valid requests for
18 exclusion and objections that the Settlement Administrator received.

19 **Section 3.04: Responses to Notice**

20 **a. Class Member Disputes**

21 If any Class Member disagrees with Defendants' records as to the number of their Qualifying
22 Workweeks during the Class Period or pay periods worked during the PAGA Period as reflected in
23 the Notice Packet, the Class Member shall set forth in writing the number of Qualifying Workweeks
24 and/or pay periods he/she claims to have worked during the Class Period and/or PAGA Period and
25 submit such writing to the Settlement Administrator by the Response Deadline, along with any
26 supporting documentation. The Notice Packet shall contain a Dispute Form substantially in the form
27 attached hereto as **Exhibit B**. The Notice of Class Action Settlement will also provide a method for
28 the Class Member to challenge the employment data on which their Individual Settlement Payment

1 is based. The Settlement Administrator shall contact the Parties regarding the dispute and the Parties
2 will work in good faith to resolve it. If the Parties are unable to resolve the dispute, the Settlement
3 Administrator will be the final arbiter of the Qualifying Workweeks and/or pay periods worked for
4 each Class Member during the Class Period and/or PAGA Period based on the information provided
5 to it.

6 **b. Requests for Exclusion from Class**

7 In order for any Class Member to validly exclude himself or herself from the Class and this
8 Settlement (*i.e.*, to validly opt out), a written request for exclusion must be signed by the Class
9 Member or their authorized representative, and must be sent to the Settlement Administrator,
10 postmarked no later than the Response Deadline (or fifteen (15) days after the Settlement
11 Administrator re-mails the Notice to the Class Member, whichever is later) (“Exclusion Request”).
12 The Notice Packet shall contain instructions on how to validly exclude himself or herself from the
13 Class and this Settlement (*i.e.*, opt out), including the language to be used in a request for exclusion.
14 The date of the initial mailing of the Notice Packet, and the date the signed request for exclusion was
15 postmarked, shall be conclusively determined according to the records of the Settlement
16 Administrator. Any Class Member who timely and validly requests exclusion from the Class and this
17 Settlement will not be entitled to any Individual Settlement Payment, will not be bound by the terms
18 and conditions of this Agreement, and will not have any right to object, appeal, or comment thereon.

19 Any Class Member who fails to timely submit a valid request for exclusion shall
20 automatically be deemed a Class Member whose rights and claims with respect to the issues raised
21 in the Actions are determined by the Court’s Final Order Approving Settlement of Class Actions,
22 and by the other rulings in the Actions. Thus, said Class Member’s rights to pursue any claims
23 covered by the Actions and/or released in this Agreement will be extinguished.

24 **c. Objections to Settlement**

25 For any Class Member to object to this Agreement, or any term of it, the person making the
26 objection must not submit a request for exclusion (*i.e.*, must not opt out), and should send to the
27 Settlement Administrator, postmarked or faxed no later than the Response Deadline (or fifteen (15)
28 days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later),

1 a written statement of the grounds of objection, signed by the objecting Class Member or their
2 attorney, along with all supporting papers. The Notice Packet shall contain an Objection Form
3 substantially in the form attached hereto as **Exhibit C**. The date of the initial mailing of the Notice
4 Packet, and the date the signed objection was postmarked, shall be conclusively determined
5 according to the records of the Settlement Administrator. The Settlement Administrator shall send
6 any objections it receives to Defense Counsel and Class Counsel within three (3) business days of
7 receipt. Class Members may also appear at the final approval hearing to object. The Court retains
8 final authority with respect to the consideration and admissibility of any Class Member objections.

9 **d. Encouragement of Class Members**

10 The Parties to this Agreement and the counsel representing such Parties shall not, directly or
11 indirectly, through any person, encourage or solicit any Class Member to exclude him or herself from
12 this Settlement (opt out), or to object to it. However, Class Counsel may respond to inquiries from
13 Class Members.

14 **e. Right of Plaintiff to Adjust Gross Settlement Amount**

15 Defendants have estimated that there were 241,725.47 Qualifying Workweeks from January
16 27, 2016 through December 31, 2021. If the number of Qualifying Workweeks increases by 10% or
17 more, as of the end of the Class Period (May 31, 2022), there will be a pro rata adjustment to the Net
18 Settlement Amount by the same proportion as the increase (e.g., if the number of workweeks
19 increases by 11%, the Net Settlement Amount shall increase 1%). In the event this clause is triggered
20 on or before May 31, 2022, Defendants shall have the ability to shorten the Class Period, at their sole
21 discretion, at any point prior to preliminary approval to limit the number of workweeks to
22 241,725.47.

23 **f. Termination for Lack of Sufficient Participation**

24 If five percent (5%) or more of the Class Members makes a valid request to be excluded from
25 the Class, Defendants will have the right, but not the obligation, to void the Agreement within
26 fourteen (14) days of the Response Deadline. If Defendants exercise that right to void the Agreement,
27 then the Parties will have no further obligations under the Agreement, including any obligation by
28 Defendants to pay the Gross Settlement Amount, or any amounts that otherwise would have been

owed under this Agreement, except that Defendants will be responsible for paying the Settlement Administrator's reasonable fees and expenses incurred as of the date that Defendants exercise the right to void the Agreement. Defendants will notify Class Counsel, in writing via email, if they decide to exercise this right to void the Agreement.

Section 3.05: Final Fairness and Approval Hearing

On the date set forth in the Order for Preliminary Approval and Notice Packet, a Final Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement and determine whether the Court should give it final approval, and (2) consider any objections made and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the Parties shall ask the Court to grant final approval to this Agreement and shall submit to the Court a Proposed Final Order Approving Settlement of Class Actions.

Section 3.06: Settlement Payment Procedures

a. Settlement Amount

In exchange for the Released Claims set forth in this Agreement, Defendants agree to pay the Gross Settlement Amount in the amount of Two Million Four Hundred Thousand Dollars (\$2,400,000), subject to a pro rata increase under the condition set forth in Section 3.04(e). The Gross Settlement Amount includes all Individual Settlement Amounts to Participating Class Members, all administration costs, Class Counsel's attorney's fees and costs, PAGA Settlement Amount, and the Enhancement Payments.

If the settlement achieves final approval, Defendants shall not be obligated to fund the settlement earlier than the later of (a) January 2, 2023 or (b) thirty (30) days after the Court signs the Final Order. Defendants shall transfer the Gross Settlement Amount plus Defendants' share of employer-side payroll taxes, as set forth herein, into a QSF established by the Settlement Administrator either directly or by sending the funds to the Settlement Administrator to be deposited and distributed. The Settlement Administrator will use these funds to fund payment of the Individual Settlement Payments to Participating Class Members, Class Counsel's attorneys' fees and costs, the Enhancement Awards, the LWDA Payment, and the Settlement Administration Costs.

1 Within ten (10) court days after receiving Defendants' final payment, funding the Gross
2 Settlement Amount in full, the Settlement Administrator will pay the Individual Settlement Payments
3 to Participating Class Members, Class Counsel's attorneys' fees and costs, PAGA Settlement
4 Amount, the Incentive Awards, and employer and employee tax withholdings applicable to the Net
5 Settlement Amount allocated to wages. Prior to this distribution, the Settlement Administrator will
6 perform a search based on the National Change of Address Database to update and correct for any
7 known or identifiable address changes.

8 **b. Payment of Attorneys' Fees and Costs**

9 Class Counsel shall submit an application for an award of attorneys' fees of up to one-third
10 of the Gross Settlement Amount, which, based on the current Gross Settlement Amount, is Eight
11 Hundred Thousand Dollars (\$800,000.00). In the same application for an fees, Class Counsel shall
12 submit an application for actual not to exceed Thirty Thousand Dollars (\$30,000.00). Such
13 application for attorneys' fees and costs shall be heard by the Court at the Final Fairness and Approval
14 Hearing. Defendants shall not object to or oppose any such application in these amounts. Class
15 Counsel shall serve Defendants with copies of all documents submitted in support of their application
16 for an award of attorneys' fees and costs.

17 Any attorneys' fees and costs awarded to Class Counsel by the Court shall be paid from the
18 Gross Settlement Amount and shall not constitute payment to any Class Member(s). The attorneys'
19 fees and costs for Class Counsel approved by the Court shall encompass all work performed, costs,
20 and expenses related to the investigation, prosecution, and settlement of the Actions incurred through
21 the Date of Finality. To the extent that the Court approves less than the amount of attorney's fees
22 and/or costs that Class Counsel requests, the difference between the requested and awarded amounts
23 will be reallocated to the Net Settlement Amount.

24 **c. Payment of Settlement Administration Costs**

25 The Settlement Administration Costs shall be paid out of the Gross Settlement Amount and
26 shall not constitute payment to any Participating Class Member(s). The amount shall not exceed
27 Twenty-Five Thousand Dollars (\$25,000.00).
28

1 **d. Payment of Enhancement Award to Named Plaintiffs**

2 Subject to Court approval, the Named Plaintiffs shall each receive an Enhancement Award
3 of up to Ten Thousand Dollars (\$10,000) for Plaintiff Daniel Carillo-Salazar and Five Thousand
4 (\$5,000) for Plaintiff Evanina Alaniz, (\$15,000 total) the request for which Defendants will not object
5 to or oppose. The Enhancement Awards shall be paid out of the Gross Settlement Amount and shall
6 not constitute payment to any Participating Class Member(s) other than Named Plaintiffs. To the
7 extent that the Court approves less than the amount of incentive award that Class Counsel request,
8 the difference between the requested and awarded amounts will be reallocated to the Net Settlement
9 Amount.

10 Because it is the intent of the Parties that the Enhancement Awards represent payment to
11 Named Plaintiffs for their service to the Class Members, and not wages, the Settlement Administrator
12 will not withhold any taxes from the Enhancement Awards. The Enhancement Awards will be
13 reported on a Form 1099, which the Settlement Administrator will provide to Named Plaintiffs and
14 to the pertinent taxing authorities as required by law.

15 **e. Payment to the Labor and Workforce Development Agency**

16 In consideration of claims made under PAGA, Class Counsel will request that the Court
17 approve allocation of Twenty-Four Dollars (\$24,000) of the Gross Settlement Amount to these
18 claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and
19 Workforce Development Agency (“LWDA Payment”), and twenty-five percent (25%) will be paid
20 to the Net Settlement Amount for distribution to PAGA Group Members. Defendants will not oppose
21 this request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount.
22 The Court’s adjustment, if any, of the amount allocated to Named Plaintiffs’ PAGA claim in the
23 Actions, will not invalidate this Agreement.

24 **f. Payment of Individual Settlement Payments to Participating Class Members**

25 The Parties agree that the Net Settlement Amount shall be used to fund Individual Settlement
26 Payments. The Parties agree that the Net Settlement Amount shall be divided between all
27 Participating Class Members in proportion to the number of individual Qualifying Workweeks for
28 each Class Member. To calculate the amount each Class Member will receive based on their

1 individual Qualifying Workweeks, the Net Settlement Amount will be divided by the total number
2 of Qualifying Workweeks by all Class Members during the Class Period and then allocated on a pro
3 rata basis. Qualifying Workweeks will be rounded up to the next whole integer. Each Class Member's
4 approximate Individual Settlement Payment amount will be included in their Notice Packet. After
5 final approval by the Court, the Net Settlement Amount will be dispersed to Participating Class
6 Members (those who did not exclude themselves) on a pro rata basis based on the individual
7 Qualifying Workweeks worked during the Class Period by each Participating Class Member.

8 The PAGA Settlement Amount to be distributed to PAGA Group Members shall be divided
9 between all PAGA Group Members in proportion to the number of pay periods that each PAGA
10 Group Member worked during the PAGA Period. To calculate the minimum amount each PAGA
11 Group Member will receive based on their individual pay periods, 25% of the PAGA Settlement
12 Amount (or \$6,000) will be divided by the total number of pay periods worked by all PAGA Group
13 Members during the PAGA Period and then allocated on a pro rata basis. Pay periods will be rounded
14 up to the next whole integer. Each PAGA Group Member's approximate Individual PAGA
15 Settlement Payment Amount will be included in his or her Notice Packet. After final approval by the
16 Court, the PAGA Settlement Amount will be dispersed to all PAGA Group Members on a pro rata
17 basis based on the number of pay periods worked during the PAGA Period by each PAGA Group
18 Member.

19 Each Individual Settlement Payment will represent wages and penalties allocated using the
20 following formula: 50% allocated to wages and 50% allocated to penalties and interest. The PAGA
21 Settlement Amount to be distributed to PAGA Group Members are to be considered 100% penalties.
22 The amounts paid as wages shall be subject to all tax withholdings customarily made from an
23 employee's wages and all other authorized and required withholdings and shall be reported by W-2
24 forms. The employer-side taxes will be paid separate from and in addition to the Gross Settlement
25 Amount. The amounts paid as penalties and interest shall be subject to all authorized and required
26 withholdings other than the tax withholdings customarily made from employees' wages and shall be
27 reported by IRS 1099 forms.

1 No later than ten (10) business days after receiving the Gross Settlement Amount from
2 Defendants, the Settlement Administrator shall prepare and mail the checks for the Individual
3 Settlement Payments to Participating Class Members. Individual Settlement Payments paid from the
4 Net Settlement Amount allocated to wages will be reduced by applicable employer and employee
5 tax withholdings, and the Settlement Administrator will issue a Form W-2 for the wage portion of
6 the Individual Settlement Payments. The Settlement Administrator will issue a Form 1099 to the
7 extent required by law for the interest and penalty portions of the Individual Settlement Payments.
8 Participating Class Members shall have 180 days from the date their Individual Settlement Payment
9 checks are dated to cash their Settlement checks. Any checks that are not cashed upon the expiration
10 of that 180-day time period will be void, and the uncashed funds shall be paid to the State Controller
11 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

12 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
13 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
14 a mass search on LexisNexis or a comparable databases based on set criteria and, if another address
15 is identified, the Settlement Administrator shall mail the check to the newly identified address. If the
16 Settlement Administrator is unable to obtain a valid mailing address through this process, the
17 Settlement Administrator will tender the funds from the undeliverable checks to the State Controller
18 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

19 **g. No Credit Toward Benefit Plans.**

20 The Individual Settlement Payments made to Participating Class Members under this
21 Agreement, as well as any other payments made pursuant to this Agreement, will not be utilized to
22 calculate any additional benefits under any benefit plans to which any Class Members may be
23 eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase
24 plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
25 intention that this Agreement will not affect any rights, contributions, or amounts to which any Class
26 Members may be entitled under any benefit plans.

1 **ARTICLE IV**

2 **LIMITATIONS ON USE OF THIS SETTLEMENT**

3 **Section 4.01: No Admission**

4 Defendants dispute the allegations in the Actions and disputes that, but for this Settlement, a
5 Class should not have been certified in the Actions. This Agreement is entered into solely for the
6 purpose of settling highly disputed claims. Nothing in this Agreement is intended nor will be
7 construed as an admission of liability or wrongdoing by Defendants.

8 **Section 4.02: Non-Evidentiary Use**

9 Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor
10 the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or
11 deemed to be evidence for any purpose adverse to Defendants or any other of the Released Parties,
12 including but not limited to, evidence of a presumption, concession, indication, or admission by any
13 of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or
14 (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further
15 proceeding in the Actions, except for the purposes of effectuating the Settlement pursuant to this
16 Agreement or for Defendants to establish that a Class Member has resolved any of their claims
17 released through this Agreement.

18 **Section 4.03: Nullification**

19 The Parties have agreed to the certification of the Class encompassing all claims alleged in
20 the Actions for the sole purpose of effectuating this Agreement. If the Court should for any reason
21 (a) fail to certify this Class for settlement, (b) fail to approve this Settlement, (c) fail to enter the
22 Final Order, (d) the Final Order is reversed, or declared or rendered void, or (e) fail to dispose of the
23 Actions in their entirety, then (i) this Agreement shall be considered null and void; (ii) neither this
24 Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all
25 Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had
26 been neither entered into nor filed with the Court; and (iv) the fact that the Parties were willing to
27 stipulate to class certification of all causes of action pled in the Actions as part of the Settlement will
28 have no bearing on, and will not be admissible in connection with, the issue of whether the Class

1 should be certified by the Court in a non-settlement context in this Actions or any other action, and
2 in any of those events, Defendants expressly reserve the right to oppose certification of the Class.

3 In the event of a timely appeal from the Final Order, the Final Order shall be stayed and the
4 Gross Settlement Amount shall not be distributed pending the completion of the appeal.

5 **ARTICLE V**

6 **RELEASES**

7 **Section 5.01: Released Claims by Plaintiff and Settlement Class Members**

8 Other than the rights created by this Settlement Agreement upon the Effective Date, Plaintiffs
9 and each Settlement Class Member who has not provided a timely and valid Exclusion Request, shall
10 fully release and discharge the Released Parties from any and all claims, causes of action, disputes,
11 debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, penalties, and
12 damages (including but not limited to liquidated, exemplary, punitive, and statutory damages),
13 whether suspected or unsuspected, contingent or accrued, known or unknown, that have been pled
14 or could have been pled based upon the factual allegations and issues set forth in the Actions, for any
15 acts occurring during the Class Period, including, claims for failure to pay minimum wages; failure
16 to pay overtime, double time or other premium pay; failure to provide meal periods; failure to provide
17 paid rest periods; failure to provide compliant pay stubs and itemized wage statements; failure to
18 timely pay wages to terminated and resigning employees; failure to maintain accurate records; failure
19 to properly pay all wages owed at the correct time; failure to include compliant notice of the employer
20 entity; claims for alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 218.5,
21 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and
22 their subparts, and applicable IWC Wage Orders; derivative claims for civil penalties under the Labor
23 Code Attorneys General Act of 2004, Labor Code sections 2698, et seq.; derivative claims for unfair,
24 unlawful, and fraudulent business practices under the California Business and Professions Code
25 sections 17200, et seq., and/or any other unfair competition law; any other state or federal statute,
26 rule, or regulation that could have been pled based upon the factual allegations and issues set forth
27 in the Actions; and all related remedies of any nature whatsoever, including claims for restitution and
28 other equitable relief, injunctive relief, statutory damages, liquidated damages, exemplary damages,

1 punitive damages, waiting-time penalties, statutory penalties, civil penalties, attorneys' fees, costs,
2 and expenses ("Released Claims").

3 **Section 5.02: Released Claims by PAGA Group Members**

4 Upon entry of final judgment, all Aggrieved Employees release all PAGA claims based on
5 any and all Labor Code violations released in section 5.01 which occurred during the PAGA Period
6 , regardless of whether PAGA Group Members opt out of the Class Settlement.

7 **Section 5.03: Named Plaintiffs' Release of Unknown Claims**

8 Upon the date of funding the GSA, Named Plaintiffs (on behalf of themselves, and any heirs,
9 successors or assigns) waive, release, acquit, and forever discharge Defendants, the Released Parties
10 and their parent corporations, direct and indirect owners, affiliates, subsidiaries, divisions,
11 predecessors, insurers, reinsurers, successors, and assigns, and their current and former employees,
12 attorneys, officers, directors, and agents thereof, both individually and in their business capacities,
13 and their employee benefit plans and programs and the trustees, administrators, fiduciaries, and
14 insurers of such plans and programs, both individually and in their business capacities from any and
15 all claims, actions, charges, complaints, grievances, and causes of action, of any nature arising from
16 Named Plaintiffs' employment with Defendants, whether known or unknown, which exist or may
17 exist as of the Parties' execution of this Agreement.

18 Section 1542 of the California Civil Code provides as follows:

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

23 Thus, notwithstanding the provisions of section 1542, and to implement a full and complete
24 release and discharge of the Released Parties, Plaintiffs expressly acknowledge this Settlement
25 Agreement is intended to include in its effect, without limitation, all claims Plaintiffs do not know or
26 suspect to exist in their favor at the time of signing this Settlement Agreement and that this Settlement
27 Agreement contemplates the extinguishment of any such claims.

1 **ARTICLE VI**

2 **MISCELLANEOUS PROVISIONS**

3 **Section 6.01: Amendments or Modification**

4 The terms and provisions of this Agreement may be amended or modified only by an express
5 written agreement that is signed by all the Parties (or their successors-in-interest) and their counsel,
6 and approved by the Court.

7 **Section 6.02: Assignment**

8 None of the rights, commitments, or obligations recognized under this Agreement may be
9 assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written
10 consent of each other Party and their respective counsel. The representations, warranties, covenants,
11 and agreements contained in this Agreement are for the sole benefit of the Parties under this
12 Agreement and shall not be construed to confer any right or to avail any remedy to any other person.

13 **Section 6.03: Governing Law**

14 This Agreement shall be governed, construed, and interpreted, and the rights of the Parties
15 shall be determined, in accordance with the laws of the State of California, without regard to conflicts
16 of laws.

1 **Section 6.04: No Publicity**

2 The Parties, Defense Counsel, and Class Counsel shall not issue any press release, contact
3 the press, respond to any press inquiry or have any communication with the press about the fact,
4 amount or terms of this Settlement. The Parties, Defense Counsel, and Class Counsel shall not
5 engage in any advertising or marketing relating to the settlement of these Actions in any manner that
6 identifies or that is suggestive of Defendants or the Released Parties (i.e., a manager of retirement
7 communities), including but not limited to any postings on any websites maintained by Class
8 Counsel. However, Class Counsel may identify this Settlement in court filings in other matters to
9 demonstrate their adequacy as counsel in connection with the prosecution or settlement of other class
10 actions. Nothing in this Section is intended to interfere with Class Counsel's duties and obligations
11 to faithfully discharge their duties as Class Counsel, including but not limited to, communicating
12 with Class Members regarding the Settlement.

13 **Section 6.05: Entire Agreement**

14 This Agreement, including the Exhibits referred to herein, which form an integral part hereof,
15 contains the entire understanding of the Parties with respect to the subject matter contained herein.
16 In case of any conflict between text contained in Articles I through VI of this Agreement and text
17 contained in the Exhibits to this Agreement, the former (i.e., Articles I through VI) shall be
18 controlling, unless the Exhibits are changed by or in response to a Court order. There are no
19 restrictions, promises, representations, warranties, covenants, or undertakings governing the subject
20 matter of this Agreement other than those expressly set forth or referred to herein. This Agreement
21 supersedes all prior agreements and understandings among the Parties with respect to the settlement
22 of the Actions, including correspondence between Class Counsel and Defense Counsel and drafts of
23 prior agreements or proposals.

24 **Section 6.06: Waiver of Compliance**

25 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any
26 obligation, covenant, agreement, or condition set forth in this Agreement may be expressly waived
27 in writing, to the extent permitted under applicable law, by the Party or Parties and their respective
28 counsel entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or

1 failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or
2 condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

3 **Section 6.07: Counterparts and Fax/PDF Signatures**

4 This Agreement, and any amendments hereto, may be executed in any number of counterparts
5 and any Party and/or their respective counsel may execute any such counterpart, each of which when
6 executed and delivered shall be deemed to be an original. All counterparts taken together shall
7 constitute one instrument. A fax or PDF signature on this Agreement shall be as valid as an original
8 signature.

9 **Section 6.08: Meet and Confer Regarding Disputes**

10 Should any dispute arise among the Parties or their respective counsel regarding the
11 implementation or interpretation of this Agreement, a representative of Class Counsel and a
12 representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior
13 to submitting such disputes to the Court.

14 **Section 6.09: Agreement Binding on Successors**

15 This Agreement will be binding upon, and inure to the benefit of, the successors in interest
16 of each of the Parties.

17 **Section 6.10: Cooperation in Drafting**

18 The Parties have cooperated in the negotiation and preparation of this Agreement. This
19 Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel,
20 was the drafter or participated in the drafting of this Agreement.

21 **Section 6.11: Fair and Reasonable Settlement**

22 The Parties believe that this Agreement reflects a fair, reasonable, and adequate settlement of
23 the Actions and have arrived at this Agreement through arm's-length negotiation and in the context
24 of adversarial litigation, taking into account all relevant factors, current and potential. The Parties
25 further believe that the Settlement is and is consistent with public policy, and fully complies with
26 applicable law.

1 **Section 6.12: Headings**

2 The descriptive heading of any section or paragraph of this Agreement is inserted for
3 convenience of reference only and does not constitute a part of this Agreement and shall not be
4 considered in interpreting this Agreement.

5 **Section 6.13: Notice**

6 Except as otherwise expressly provided in the Agreement, all notices, demands, and other
7 communications under this Agreement must be in writing and addressed as follows:

8 *To Named Plaintiffs and the Class:*

9 Armond M. Jackson
10 JACKSON LAW, APC
11 2 Venture Plaza, Ste. 240
12 Irvine, CA 92618
13 Phone: (949) 281-6857
14 Fax: (949) 777-6218

15 Kashif Haque
16 Samuel A. Wong
17 Jessica L. Campbell
18 Kristy Connolly
19 AEGIS LAW FIRM, PC
20 9811 Irvine Center Drive, Suite 100
21 Irvine, California 92618
22 Telephone: (949) 379-6250
23 Facsimile: (949) 379-6251

24 Walter Haines
25 UNITED EMPLOYEES LAW GROUP
26 5500 Bolsa Avenue, Suite 201
27 Huntington Beach, California 92649
28 Telephone: (562) 256-1047
 Facsimile: (562) 256-1006

 And

To Defendants:

 Michael A. Hood
 Kelli M. Dreger
 JACKSON LEWIS P.C.
 200 Spectrum Center Drive, Suite 500
 Irvine, California 92618
 Telephone: (949) 885-1360
 Facsimile: (949) 885-1380

1 **Section 6.14: Enforcement of Settlement and Continuing Court Jurisdiction**

2 To the extent consistent with class action procedure, this Agreement shall be enforceable by
3 the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court
4 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Actions or the
5 liability of the Parties resulting from the allegations of the Actions. Its sole purpose is to adopt the
6 terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall
7 retain continuing jurisdiction over this Actions and over all Parties and Class Members, to the fullest
8 extent to enforce and effectuate the terms and intent of this Agreement.

9 **Section 6.15: Mutual Full Cooperation**

10 The Parties agree fully to cooperate with each other to accomplish the terms of this
11 Agreement, including but not limited to the execution of such documents, and the taking of such
12 other action, as may reasonably be necessary to implement the terms of this Agreement. The Parties
13 to this Agreement shall use their best efforts, to effectuate and implement this Agreement and its
14 terms. In the event the Parties are unable to reach agreement on the form or content of any document
15 needed to implement the Settlement, or on any supplemental provisions that may become necessary
16 to effectuate the terms of the Settlement, the Parties agree to seek the assistance of mediator Steve
17 Rottman or the Court.

18 **Section 6.16: Authorization to Act**

19 Class Counsel warrants and represents that they are authorized by Named Plaintiffs, and
20 Defense Counsel warrants that they are authorized by Defendants, to take all appropriate action
21 required to effectuate the terms of this Agreement, except for signing documents, including but not
22 limited to this Agreement, that are required to be signed by the Parties themselves. Defendants
23 represent and warrant that the individual executing this Agreement on its behalf has the full right,
24 power, and authority to enter into this Agreement and to carry out the transactions contemplated
25 herein.

26 **Section 6.17: No Reliance on Representations**

27 The Parties have made such investigation of the facts and the law pertaining to the matters
28 described herein and to this Agreement as they deem necessary, and have not relied, and do not rely,

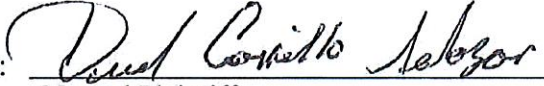
1 on any statement, promise, or representation of fact or law, made by any of the other parties, or any
2 of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted
3 rights, or with regard to the advisability of entering into and executing this Agreement, or with respect
4 to any other matters. No representations, warranties, or inducements, except as expressly set forth
5 herein, have been made to any party concerning this Agreement.

6 **EXECUTION BY PARTIES AND COUNSEL**

7 The Parties and their counsel hereby execute this Agreement.

8
9
10 Dated: 2/28/2023

DANIEL CARILLO-SALAZAR

11 By: 
12 Named Plaintiff

13
14
15 Dated: _____

EVANINA ALANIZ

16 By: _____
17 Named Plaintiff

18
19 Dated: _____
20 February 28, 2023

WATERMARK RETIREMENT
COMMUNITIES, LLC; WATERMARK
21 RETIREMENT COMMUNITIES, INC.;
WATERMARK SERVICES IV, LLC

22 By: 
(Signature)

23 David Barnes

24 (Printed Name)

25 Authorized Signatory

(Title)

1 **APPROVED AS TO FORM ONLY:**

2
3
4 Dated: _____

AEGIS LAW FIRM, PC

5
6 By: _____
Kashif Haque
7 Jessica L. Campbell
Kristy Connolly

8 Attorneys for Named Plaintiffs Evanina Alaniz
9

10
11 Dated: _____
12 February 28, 2023

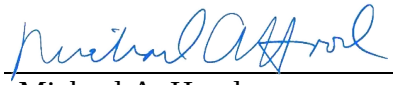
JACKSON LAW, APC

13 By: 
14 Armond M. Jackson

15 Attorneys for Plaintiff Daniel Carillo-Salazar
16

17 Dated: _____
18 February 28, 2023

JACKSON LEWIS PC

19 By: 
20 Michael A. Hood
Kelli M. Dreger

21 Attorneys for Defendants Watermark
22 Retirement Communities, Inc.; Watermark
23 Retirement Communities, LLC and Watermark
24 Services IV, LLC
25

on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of entering into and executing this Agreement, or with respect to any other matters. No representations, warranties, or inducements, except as expressly set forth herein, have been made to any party concerning this Agreement.

EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

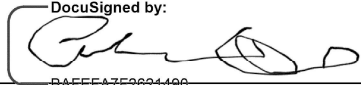
Dated: _____

DANIEL CARILLO-SALAZAR

By: _____
Named Plaintiff

Dated: 2/28/2023 | 9:48 PM PST

EVANINA ALANIZ

By:  _____
Named Plaintiff

Dated: _____

WATERMARK RETIREMENT
COMMUNITIES, LLC; WATERMARK
RETIREMENT COMMUNITIES, INC.;
WATERMARK SERVICES IV, LLC

By: _____
(Signature)

(Printed Name)

(Title)

1 **APPROVED AS TO FORM ONLY:**

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Dated: 3/1/2023

AEGIS LAW FIRM, PC

By: 

Kashif Haque
Jessica L. Campbell
Kristy Connolly

Attorneys for Named Plaintiffs Evanina Alaniz

Dated: _____

JACKSON LAW, APC

By: _____
Armond M. Jackson

Attorneys for Plaintiff Daniel Carillo-Salazar

Dated: _____

JACKSON LEWIS PC

By: _____
Michael A. Hood
Kelli M. Dreger

Attorneys for Defendants Watermark
Retirement Communities, Inc.; Watermark
Retirement Communities, LLC and Watermark
Services IV, LLC

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF ORANGE

**CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL
WAGE AND HOUR CASES, CASE NO. JCCP 5176**

A court authorized this notice. This is not a solicitation from a lawyer.

ATTENTION: IF YOU HAVE BEEN EMPLOYED BY WATERMARK SERVICES IV, LLC. AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA DURING THE PERIOD BEGINNING JANUARY 27, 2016 AND ENDING ON MAY 31, 2022, YOU ARE ENTITLED TO A SHARE OF A PROPOSED CLASS ACTION SETTLEMENT.

TO UNDERSTAND YOUR RIGHTS, PLEASE READ THIS NOTICE CAREFULLY.

A proposed class action settlement (“the Settlement”) has been reached between Plaintiffs Daniel Carillo-Salazar and Evanina Alaniz (“Plaintiffs”), on behalf of themselves and the below-defined Class Members, and Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC. (“Defendants”).

The Settlement resolves the above class action lawsuit (the “Action”) about claims related to allegations that Defendants (1) failed to pay all minimum wages; (2) failed to pay overtime wages; (3) failed to provide required rest breaks; (4) failed to provide required meal breaks; (5) failed to furnish accurate itemized wage statements; (6) failed to pay all wages due to discharged and quitting employees; (7) failed to timely pay wages during employment; (8) engaged in unfair business practices. Plaintiffs also assert a claim for civil penalties under the Private Attorneys General Act (“PAGA”) based on the foregoing alleged violations by Defendants. Defendants deny and continue to deny all of Plaintiffs’ claims, and maintain that they have complied with all applicable laws and regulations. Defendants have entered into the Settlement solely for purposes of resolving this dispute.

The Settlement provides for Individual Settlement Payments based on the number of workweeks you performed work for Defendants in California as a non-exempt employee during the period from January 27, 2016 to May 31, 2022 as well as PAGA Payments based on the pay periods you performed work for Defendants in California as a non-exempt employee during the period from January 17, 2019 to May 31, 2022.

OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
DO NOTHING	You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendant and/or the Released Parties involving the same or similar legal

	claims as the ones in the Action for the period beginning on January 27, 2016 to May 31, 2022. If you are a PAGA Group Member, you will also receive a PAGA Payment. You will be mailed a settlement check at the address where this Notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).
EXCLUDE YOURSELF	The only way for you to be part of any other lawsuit against Defendants and/or the Released Parties involving the same or similar legal claims as the ones in the Action for the period beginning on January 27, 2016 to May 31, 2022 is to submit a valid Exclusion Form to the Settlement Administrator postmarked no later than [+60 days from date of mailing] . If you submit an Exclusion Form, you will <u>not</u> receive an Individual Settlement Payment, but you will receive a PAGA Payment if you are a PAGA Group Member.
OBJECT	If you wish to object to the Settlement, you must submit a written Objection, and supporting papers, to the Settlement Administrator that is postmarked or fax stamped no later than [+60 days from date of mailing] . This option is available only if you do <u>not</u> exclude yourself. Class members may also appear at the final approval hearing to object, this hearing will take place on [Final Approval Hearing Date and location].

These rights and options, and how to exercise them, are explained in more detail in this notice.

The Court handling this case has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and the Court still has to make a final determination of those issues at the Final Approval Hearing. Settlement payments will only be issued if the Court grants final approval of the Settlement.

Additional information regarding the Settlement is available through the Settlement Administrator or Class Counsel, whose contact information is provided in this notice.

BASIC INFORMATION

1. Why did I get this notice?

On **[insert preliminary approval date]**, the Superior Court of California, County of Orange (“the Court”) preliminarily approved a class action settlement of the Action on behalf of all persons who were employed by Defendants in California as non-exempt employees (“Class Members”) during the period beginning on January 27, 2016 to May 31, 2022 (the “Class Period”). According to Defendants’ records, you are a Class Member. This notice explains the Action, the Settlement, and your legal rights.

The Action is pending as coordinated cases captioned *Watermark Wage and Hour Cases*, Case No. JCCP 5176 and is pending in the Superior Court of California for the County of Orange (the “Action”). Daniel Carillo-Salazar and Evanina Alaniz are Plaintiffs, and the companies they

sued, Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC., are the Defendants.

2. What is the Action about?

The Action generally involves claims under California’s wage and hour laws. Plaintiffs are former non-exempt employees of Defendants. They allege that Defendants did not provide proper meal or rest breaks, failed to pay minimum wages and overtime wages, failed to timely pay wages, failed to pay all wages at termination, failed to provide compliant wage statements, and unlawfully received wages, and violated California’s Business and Professions Code. As a result, Plaintiffs alleges that they and the Class Members are entitled to recover unpaid straight time and overtime wages, meal and rest period premiums, interest, and statutory and civil penalties. Defendants deny that they engaged in any wrongful conduct or violated the law in any way, and believe Plaintiffs and the Class Members were properly and timely compensated and provided proper meal and rest breaks. However, both Plaintiffs and Defendants believe the Settlement is fair, adequate, and reasonable, and that it is in the best interest of the Class Members.

3. Why is this lawsuit a class action?

In a class action, one or more people called “Plaintiff(s)” (in this case, Daniel Carillo-Salazar and Evanina Alaniz) sue on behalf of people who have similar alleged claims. All of these people are a “class” or “class members.” The Court resolves the issues for all class members, except for those who exclude themselves from the class. On **[insert date]**, the Honorable William Claster issued an order conditionally certifying the Settlement Class for purposes of settlement only.

4. Who is in the Settlement Class?

“Class Members” or “Class” means all persons employed by Defendant in the State of California at any time during the period from on January 27 2016 to May 31, 2022 as a non-exempt employee. “PAGA Group Members” means all persons employed by Defendant in the State of California at any time during the period from January 17, 2019 to May 31, 2022 as a non-exempt employee.

5. Why is there a settlement?

After conducting substantial investigation, including review of Defendants’ policies, timekeeping records, and payroll records, both sides agreed to the Settlement to avoid the cost and risk of further litigation. The Settlement does not mean that any laws were broken. Defendants deny all of the claims asserted in the Action and deny that they have violated any laws. Plaintiffs and their lawyers think the Settlement is in the best interests of all Class Members.

THE SETTLEMENT BENEFITS—WHAT YOU GET

6. What does the settlement provide?

Under the terms of the Settlement, Defendant agrees to pay a Maximum Settlement Amount of Two Million, Four Hundred Thousand Dollars (\$2,400,000.00). Deducted from this Maximum Settlement Amount will be sums approved by the Court for attorneys' fees (not to exceed \$800,000.00), or 33.33% of the Maximum Settlement Amount, attorneys' litigation costs (not to exceed \$30,000.00), a Class Representative Service Award to Plaintiff Daniel Carillo-Salazar in the amount of (\$10,000) and to Plaintiff Evanina Alaniz in the amount of (\$5,000) for their services, the PAGA Settlement Amount (i.e., a payment of Eighteen Thousand Dollars (\$18,000.00) to the State of California Labor and Workforce Development Agency for alleged penalties and a Six Thousand Dollars (\$6,000.00) *pro rata* distribution to PAGA Group Members as their PAGA Payment), and the fees and expenses of the Settlement Administrator, **ILYM Group, Inc.** (estimated not to exceed \$25,000.00), which will result in a maximum amount payable by Defendants for distribution to Class Members who do not opt out (the "Net Settlement Amount"). Defendants' share of payroll taxes will be paid separately from and in addition to the Maximum Settlement Amount. No portion of the Maximum Settlement Amount shall revert to Defendants.

The Net Settlement Amount will be distributed to Class Members who do not opt out of the Settlement ("Participating Class Members") on a *pro rata* basis, based on the number of workweeks that each Participating Class Member performed work for Defendants as a non-exempt employee in California during the Class Period ("Qualified Workweeks"). To determine a Participating Class Member's estimated settlement payment ("Individual Settlement Payment"), the Net Settlement Amount will be divided by the total number of Qualified Workweeks worked by all Participating Class Members during the Class Period, multiplied by the number of Qualified Workweeks worked by that Participating Class Member, according to the following formula:

$$\text{[Net Settlement Amount} \div \text{Total Qualified Pay Periods for all Participating Class Members]} \times \text{Participating Class Member's Individual Qualified Pay Periods} = \text{estimated Individual Settlement Payment}$$

Class Members' Individual Settlement Payments will be reduced by any required legal deductions. No benefit, including but not limited to pension benefits and/or 401(k), shall increase or accrue as a result of any payment made as a result of this Settlement.

The Parties recognize that the Class Members' Individual Settlement Payments are for wages, interest, and penalties. The Parties agree that 50% of the Individual Settlement Payments shall be reported as wages subject to all applicable tax withholdings on IRS Form W-2 and its state and local equivalents and 50% shall be reported as non-wage interest and penalties not subject to payroll tax withholdings on IRS Form 1099 and its state and local equivalents.

The Parties are neither providing tax nor legal advice, nor making representations regarding tax obligations or consequences, if any, related to any settlement amounts to be paid to the

Participating Class Members. Each Participating Class Member will assume any tax obligations or consequences that may arise from any settlement amount paid to him or her and should consult with a tax expert if he or she has any questions. Each Participating Class Member's pro rata distribution amount prior to legal deductions will be reduced by the amount of any required payroll-related deductions.

Class Members who were employed by Defendants in the State of California at any time during the PAGA Period as a non-exempt employee ("PAGA Group Members") will also receive a PAGA Payment. "PAGA Payment" means the amount payable from the PAGA Settlement Amount to each PAGA Group Member. "PAGA Settlement Amount" means the portion of the Maximum Settlement Amount allocated to the resolution of PAGA claims in the Action. The PAGA Settlement Amount is Twenty-Four Thousand Dollars (\$24,000.00). Eighteen Thousand Dollars (\$18,000.00) shall be paid by the Settlement Administrator directly to the LWDA. The remaining Six Thousand Dollars (\$6,000.00) shall be distributed to PAGA Group Members as their PAGA Payment. The "PAGA Period" is the period of time from January 17, 2019 through May 31, 2022. PAGA Payments shall be paid by the Settlement Administrator from the Maximum Settlement Amount. PAGA Payments shall be allocated as non-wage penalties not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each PAGA Group Member for their PAGA Payment. Each PAGA Group Member's PAGA Payment shall be calculated solely by the Settlement Administrator according to the following formula: Defendants shall provide the Settlement Administrator with the Total Qualified PAGA Pay Periods; the Settlement Administrator shall then (1) divide Six Thousand Dollars (\$6,000.00) by the Total Qualified PAGA Pay Periods and then (2) multiply each PAGA Group Member's number of Qualified PAGA Pay Periods by the result in (1) to obtain the amount of each PAGA Group Member's PAGA Payment. "Qualified PAGA Pay Periods" means the total number of pay periods during the PAGA Period that PAGA Group Members performed work for Defendants as a non-exempt employee.

7. What is my approximate Individual Settlement Payment?

According to payroll records maintained by Defendants, the total number of weeks you worked in California for Defendants as a non-exempt employee during the Class Period is [REDACTED]. The total number of pay periods you worked in California for Defendants as a non-exempt employee during the PAGA Period is [REDACTED].

Based on information provided above, anticipated court-approved deductions, and preliminary calculations Qualified Workweeks, it is estimated your share of the settlement will be \$[REDACTED], less applicable taxes and withholdings. This amount includes your share of the PAGA Group Payment, which is estimated to be \$[REDACTED].

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 11, below, of any changes to your mailing address for timely payment.

Disputing Your Payment Amount

To the extent any Participating Class Member or PAGA Group Member disputes any aspect of his or her payment, number of Qualified Workweeks, or number of Qualified PAGA Pay Periods, that Participating Class Member or PAGA Group Member may complete the enclosed Dispute Form and mail it to the Settlement Administrator along with any documents or other information that supports your belief that the information set forth is incorrect. Defendants' records will be presumed determinative.

8. What am I giving up in exchange for the settlement benefits?

In exchange for the consideration provided, and upon the Settlement Administrator's receipt of the total Maximum Settlement Amount from Defendants, Plaintiffs and each Participating Class Member who does not submit a valid Exclusion Form (defined in response to Question 11 below) will release all claims for civil penalties that could have been sought by the Labor Commissioner and all claims alleged in the Complaint, including but not limited to (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods (4) failure to permit rest breaks (5) failure to provide accurate itemized wage statements (6) failure to pay all wages due upon separation of employment (7) violation of California Business and Professions Code §§17200, *et seq.*, based on the preceding claims against Defendants, including their parent corporation(s), direct or indirect owners, affiliates (including, without limitation, Watermark Retirement Communities Carmel, LLC), subsidiaries, divisions, predecessors, insurers, reinsurers, successors, and assigns, and their current and former employees, attorneys, officers, directors, and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries, and insurers of such plans and programs, both individually and in their business capacities at any time during the Class Period (the "Released Parties"). The PAGA Group Member will release PAGA claims regardless of whether they opt-out.

HOW TO GET A SETTLEMENT PAYMENT

9. How do I get a settlement payment?

You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendants and/or the Released Parties involving the same or similar legal claims as the ones in the Action arising during the Class Period. You will be mailed a settlement check at the address where this notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).

Additionally, if you are a PAGA Group Member, you will also receive a PAGA Payment, regardless of whether you submit an Exclusion Form. Your Individual Settlement Payment and PAGA Payment will be issued in one check.

10. When will I get my check?

Checks will be mailed to Participating Class Members and PAGA Group Members eligible to receive benefits under the Settlement after the Court grants “final approval” of the Settlement. If the judge approves the settlement after a hearing on **[insert date]** (see “The Court’s Final Approval Hearing” below), there may be appeals. If there are any appeals, resolving them could take some time, so please be patient.

If the Court approves the settlement and if you do not opt out, your individual payment is expected to be distributed after Defendants make payment to the Settlement Administrator. Defendants shall fund the settlement no earlier than the later of (a) January 2, 2023 or (b) thirty (30) days after the Court signs the Final Order to make the full payment to the Settlement Administrator.

Please also be advised that you will only have 180 days from the date that the check is issued to cash it. If you do not cash your check within 180 days of the date of its mailing, your check shall be voided, and your share of the settlement proceeds will be distributed by the Settlement Administrator to the California State Controller’s Office Unclaimed Property Fund in your name.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I ask the Court to exclude me from the Settlement Class?

If you do not wish to participate in the Settlement, you must complete and send a timely Exclusion Form. The Exclusion Form must be completed, signed, dated and mailed by First Class U.S. Mail, or the equivalent, postmarked no later than **[+60 days from date of mailing]** to:

INSERT SETTLEMENT ADMIN INFO

Exclusion Forms that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective, unless otherwise ordered by the Court. If you do not submit a valid and timely Exclusion Form on or before **[+60 days from date of mailing]**, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement is approved by the Court.

12. If I exclude myself, can I get anything from the settlement?

Not unless you are also a PAGA Group Member. If you exclude yourself now you will not get anything from the Settlement unless you are a PAGA Group Member. If you ask to be excluded, you will not get an Individual Settlement Payment and you will not be bound by the Settlement, but you will still receive a PAGA Payment if you are a PAGA Group Member.

13. If I don’t exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue Defendants for the Released Claims arising during the Class Period. You must exclude yourself from the Settlement Class to start or continue your own lawsuit.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court has appointed the following lawyers to serve as Class Counsel for the Class Members:

JACKSON LAW, APC
Armond M. Jackson
2 Venture Plaza, Suite 240
Irvine, CA 92618
Phone: (949) 281-6857
Fax: (949) 777-6218

Samuel A. Wong
Kashif Haque
Jessica L. Campbell
Kristy R. Connolly
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, CA 92618
Tel: 949-379-6250
kconnolly@aegislawfirm.com

UNITED EMPLOYEES LAW GROUP
Walter Haines
5500 Bolsa Avenue, Suite 201
Huntington Beach, California 92649
Telephone: (562) 256-1047
Facsimile: (562) 256-1006

15. How will the costs of the lawsuit and the settlement be paid?

Subject to court approval, Class Counsel has requested one-third (33 1/3%) of the sum of the Maximum Settlement Amount in attorneys' fees (currently equal to \$800,000) plus actual litigation costs and expenses (not to exceed \$30,000.00). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be returned to the Net Settlement Amount.

In addition, and subject to Court approval, Defendants also agree to pay, as part of the Maximum Settlement Amount, up to Ten Thousand Dollars (\$10,000.00) to Plaintiff Daniel Carillo-Salazar and Five Thousand Dollars (\$5,000.00) to Plaintiff Evanina Alaniz as Enhancement Awards for their participation in the Action and for taking on the risk of litigation. Subject to Court approval, Defendant also agrees to pay Eighteen Thousand Dollars (\$18,000.00) to the State of California Labor and Workforce Development Agency for alleged civil penalties. Defendant also agrees to pay, as part of the Maximum Settlement Amount, the Settlement Administrator's costs and fees associated with administering the Settlement, estimated not to exceed Twenty-Five Thousand Dollars (\$25,000.00). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be included in the Net Settlement Amount and will be

available for distribution to Participating Class Members.

OBJECTING TO THE SETTLEMENT

16. How do I object to the Settlement?

If you do not submit an Exclusion Form, you may object to the proposed Settlement, or any portion thereof, by completing a written objection (“Objection Form”). The Objection Form must be signed and mailed by regular U.S. Mail, postmarked no later than **[+60 days from date of mailing]**, to the Settlement Administrator at the following address:

[Settlement Administrator]
[insert info]

The Objection Form must (1) state your full name; (2) be signed by you; (3) state the grounds for the objection; and (4) must be postmarked by **[+60 days from date of mailing]** and returned to the Settlement Administrator at the specified address above. If you wish to appear at the Court’s Final Approval Hearing (see response to Question 17 below) and orally present your objection to the Court, you may do so whether or not you submitted an Objection Form to the Settlement Administrator. Any Class Member who submits an Objection Form or appears at the Final Approval Hearing to submit a verbal objection remains eligible to receive monetary compensation from the Settlement. A Class Member who submits an Exclusion Form may not object to the proposed Settlement.

17. What’s the difference between objecting and asking to be excluded?

Objecting is simply telling the Court you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class.

THE COURT’S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend the hearing and you may ask to speak, but you don’t have to.

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing on **[insert time/date]** in Department CX104 of the **Orange County Superior Court, located at 751 W. Santa Ana, Blvd, Santa Ana, California 92701**. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

19. Do I have to come to the hearing?

No. Class Counsel will answer any questions the judge may have. But you are welcome to come. If you submit an Objection Form to the Settlement Administrator, you do not have to come to Court to talk about it. You may also pay another lawyer to attend, but it is not required.

Class Counsel will not represent you in connection with any objection. You may appear by audio or video at the final approval hearing. Please visit the Court's website for further instructions: <https://www.occourts.org/directory/civil/complex-civil/calendar-schedule/civil-panel-schedule.html>

20. May I speak at the hearing?

If you wish to appear at the Final Approval Hearing and orally present your objection to the Court, you may do so regardless of whether or not you submitted an Objection Form. Please adhere to the latest COVID-19 courthouse protocol.

IF YOU DO NOTHING

21. What happens if I do nothing at all?

If you do nothing, you will automatically receive an Individual Settlement Payment and PAGA Payment, if applicable, as described above and you will be bound by the release of Released Claims against the Released Parties.

GETTING MORE INFORMATION

22. How do I get more information?

This notice summarizes the Settlement. More details are in the Stipulation of Class Action and PAGA Settlement, which is attached as **Exhibit X** to the Declaration of Armond M. Jackson in Support of Plaintiffs Danial Carillo-Salazar and Evanina Alaniz's Motion for Preliminary Approval of Class Action and PAGA Settlement, filed on **[INSERT DATE]**. The case is assigned to Department CX104 of the Orange County Superior Court, located at 751 W. Santa Ana, Blvd, Santa Ana, California 92701. The case file may be viewed online at <https://www.occourts.org/online-services/case-access/> and select "Civil Case & Document Access."

You may also contact Class Counsel or the Settlement Administrator for more information.

[Settlement Administrator]

[insert info]

The Settlement Administrator has set up a settlement website where you may also obtain up-to-date information on the matter including any change of the date or location of any hearings in connection with this Settlement. The settlement website URL is **XXXXXX**

Please do not contact the Court for more information about the Settlement.

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EXHIBIT B

**CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL.,
WATERMARK WAGE AND HOUR CASES, CASE NO. JCCP 5176**

DISPUTE FORM

The records from Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC, indicate that you were employed as a non-exempt employee for **INSERT** workweeks during the Class Period of January 27, 2016 through May 31, 2022. Based on your total number of workweeks, your estimated Individual Settlement Payment is **\$INSERT**. Defendants' records also indicate that you were employed as a non-exempt employee for **INSERT** pay period during the PAGA Period of January 17, 2019 through May 31, 2022. Based on your total number of pay periods worked, your estimated PAGA Settlement Amount payment is **\$INSERT**.

If you believe your total number of workweeks and/or pay periods is **incorrect**, please mail this Dispute Form to the address below along with any supporting documentation evidencing the correct number of workweeks and/or pay periods worked by you for Defendants. The Settlement Administrator will make its determination after considering the records and any documentation you provide.

(Signature)

(Date)

(Print Name)

(Address)

(Telephone Number)

(City / State / Zip Code)

All Dispute Forms must be postmarked or fax stamped no later than **_____**. Mail or fax your fully completed and signed Objection Form to:

[Settlement Administrator]

Re: *Daniel Carillo-Salazar et al. v.
Watermark Services IV, LLC et al.*

[Address]

[City, State, Zip]

[Telephone Number; Fax Number]

EXHIBIT C

**CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL.,
WATERMARK WAGE AND HOUR CASES, CASE NO. JCCP 5176**

OBJECTION FORM

IF YOU WANT TO PARTICIPATE IN THE SETTLEMENT, BUT YOU **OBJECT** TO THE TERMS OF THE SETTLEMENT, YOU MUST SIGN AND COMPLETE THIS FORM ACCURATELY AND IN ITS ENTIRETY, AND YOU MUST SUBMIT THIS FORM BY FIRST CLASS U.S. MAIL OR FAX TO THE SETTLEMENT ADMINISTRATOR AT THE ADDRESS OR FAX NUMBER BELOW SO THAT IT IS POSTMARKED OR FAX STAMPED ON OR BEFORE [REDACTED].

The Court will consider your objection at the Final Approval Hearing if you submit a timely and valid written statement of objection. All of the information on this form is required. If you do not provide all of the information below, your objection will be deemed null and void. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims, unless the Court does not approve the Settlement.** You cannot object to the Settlement if you request exclusion from the Settlement.

☐ I OBJECT to the *Daniel Carillo-Salazar et al. v. Watermark Services IV, LLC et al.*, Settlement on the following grounds:

(Attach additional pages if need.)

(Signature)

(Date)

(Print Name)

(Address)

(Telephone Number)

(City / State / Zip Code)

All Objection Forms must be postmarked or fax stamped no later than [REDACTED]. Mail or fax your fully completed and signed Objection Form to:

[Settlement Administrator] Re: <i>Daniel Carillo-Salazar et al. v.</i> <i>Watermark Services IV, LLC et al.</i> [Address]

[City, State, Zip]
[Telephone Number; Fax Number]

EXHIBIT B

AEGIS LAW FIRM, PC
SAMUEL A. WONG, State Bar No. 217104
KASHIF HAQUE, State Bar No. 218672
JESSICA L. CAMPBELL, State Bar
No.280626
jcampbell@aegislawfirm.com
KRISTY CONNOLLY, State Bar No.328477
kconnolly@aegislawfirm.com
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251

JACKSON, APC

Armond M. Jackson, SBN 281547
ajackson@jacksonapc.com
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afernandez@jacksonapc.com
Anthony S. Filer Jr., SBN 337704
afiler@jacksonapc.com
2 Venture Plaza, Ste. 240
Irvine, CA 92618
Phone (949) 281-6857
Fax (949) 777-6218

[Additional counsel listed on following page]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE**

In re WATERMARK WAGE AND HOUR
CASES

Judicial Counsel Coordination Proceedings No.
JCCP 5176

Coordination Proceedings Special Title
(C.R.C. Rule 3.550)

Assigned for all Purposes to the Honorable
William Claster, Dept. CX104

Included Actions:

JOINT STIPULATION OF SETTLEMENT

*Daniel Carillo-Salazar v. Watermark Services IV,
LLC, et al.*
Orange County Superior Court
Case No. 30-2020-01126766-CU-OE-CXC

*Evanina Alaniz v. Watermark Retirement
Communities LLC, et al.,*
Los Angeles County Superior Court
Case No. 20STCV16386

*Katherine Greene v. Watermark Retirement
Properties, Inc., et al*
Monterey County Superior Court
Case No. 20CV002422

1 **UNITED EMPLOYEES LAW GROUP**

2 Walter Haines, State Bar No. 71075
3 5500 Bolsa Avenue, Suite 201
4 Huntington Beach, California 92649
5 Telephone: (562) 256-1047
6 Facsimile: (562) 256-1006

7 Attorneys for Plaintiffs Daniel Carillo-Salazar and Evanina Alaniz,
8 individually and on behalf of all others similarly situated

9 **JACKSON LEWIS P.C.**

10 Michael A. Hood, State Bar No. 71258
11 Michael.Hood@jacksonlewis.com
12 Kelli M. Dreger, State Bar No. 267404
13 Kelli.Dreger@jacksonlewis.com
14 200 Spectrum Center Drive, Suite 500
15 Irvine, California 92618
16 Telephone: (949) 885-1360
17 Facsimile: (949) 885-1380

18 Attorneys for Defendants Watermark Retirement Communities, LLC;
19 Watermark Retirement Communities, Inc. and Watermark Services IV, LLC
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Field Code Changed

Field Code Changed

1 It is stipulated and agreed by and among the undersigned Parties, subject to the approval of
2 the Court pursuant to the California Rules of Court, that the Settlement of these Actions shall be
3 effectuated upon and subject to the following terms and conditions. Capitalized terms used herein
4 shall have the meanings set forth in Article I or as defined elsewhere in this Joint Stipulation of
5 Settlement (“Agreement” or “Settlement”).

6 This Agreement is made by and between Named Plaintiffs Daniel Carillo-Salazar and
7 Evanina Alaniz (“Named Plaintiffs”) and the Class Members, on the one hand, and Defendants
8 Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark
9 Services IV, LLC (“Defendants”) and all of their respective entities, affiliate, subsidiaries, parent
10 corporations, *et al.* as set forth herein, on the other hand. Named Plaintiffs and Defendants
11 collectively are referred to in this Agreement as “the Parties.”

12 The Parties agree that the Actions shall be, and hereby are, ended, settled, resolved, and
13 concluded by agreement of Defendants to pay the settlement amount of Two Million Four Hundred
14 Thousand Dollars (\$2,400,000.00) as provided in Section 3.06(a) below (“Gross Settlement
15 Amount”) pursuant to the terms and conditions of this Agreement and for the consideration set forth
16 herein, including but not limited to, a release of all claims by Named Plaintiffs and the Class Members
17 as set forth herein.

18 ARTICLE I

19 DEFINITIONS

20 Unless otherwise defined herein, the following terms used in this Agreement shall have the
21 meanings ascribed to them as set forth below:

22 a. “Actions” means the actions described as follows:

- 23 i. *Daniel Carillo-Salazar individually and on behalf of all others similarly*
24 *situated v. Watermark Services IV, LLC*, a Delaware corporation, *Watermark*
25 *Retirement Communities, Inc.*, an Arizona corporation, and DOES 1 through
26 50, inclusive, Case No. 30-2020-01126766-CU-OE-CXC, commenced on
27 January 27, 2020 in the Superior Court of the State of California, County of
28 Orange; and

1 ii. *Evanina Alaniz, individually and on behalf of all others similarly situated v.*
2 *Watermark Retirement Communities, LLC, Watermark Retirement*
3 *Communities, Inc., Watermark Services IV, LLC, and DOES 1 through 20,*
4 inclusive, Case No. 20STCV16386, commenced on April 29, 2020, in the
5 Superior Court of the State of California for the County of Los Angeles,
6 pending as coordinated cases captioned *Watermark Wage and Hour Cases*, in
7 the Orange County Superior Court, Judicial Counsel Coordination
8 Proceedings No. JCCP 5176.

9 b. “Agreement” means this Joint Stipulation of Settlement, including the attached
10 Exhibit(s).

11 c. “Class” means all current and former non-exempt employees who are or were
12 employed by Defendants in California at any time during the Class Period.

13 d. “Class Counsel” means the attorneys for the Class and the Class Members, who are:

14 JACKSON LAW, APC
15 Armond M. Jackson
16 2 Venture Plaza, Ste. 240
17 Irvine, CA 92618
18 Phone: (949) 281-6857
19 Fax: (949) 777-6218

20 AEGIS LAW FIRM, PC
21 Kashif Haque
22 Samuel A. Wong
23 Jessica L. Campbell
24 Kristy R. Connolly
25 9811 Irvine Center Drive, Suite 100
26 Irvine, California 92618
27 Telephone: (949) 379-6250
28 Facsimile: (949) 379-6251

 UNITED EMPLOYEES LAW GROUP
 Walter Haines
 5500 Bolsa Avenue, Suite 201
 Huntington Beach, California 92649
 Telephone: (562) 256-1047
 Facsimile: (562) 256-1006

 e. “Class List” means a list based on Defendants’ business records that identifies each
Class Member’s name, last known home or mailing address, Social Security number or, as

1 applicable, other taxpayer identification number, dates of employment, and the number of Qualifying
2 Workweeks worked during the Class Period.

3 f. “Class Member(s)” means all members of the Class.

4 g. “Class Period” means January 27, 2016 through May 31, 2022.

5 h. “Court” means the California Superior Court for the County of Orange, where the
6 Actions are currently pending.

7 i. “Date of Finality” means the later of the following: (1) the date the Final Order is
8 signed if no objections are filed to the Settlement; (2) if objections are filed and overruled, and no
9 appeal is taken of the Final Order, sixty-five (65) days after the Final Order; (3) if an appeal or other
10 judicial review is taken from the Court’s overruling of objections to the settlement, ten (10) days
11 after the appeal is withdrawn or after an appellate decision affirming the Final Order becomes final;
12 or (4) July 1, 2023

13 j. “Defendants” means Defendants Watermark Retirement Communities, LLC;
14 Watermark Retirement Communities, Inc.; and Watermark Services IV, LLC.

15 k. “Defense Counsel” means counsel for Defendant:

16 **JACKSON LEWIS P.C.**

17 Michael A. Hood, State Bar No. 71258

18 Kelli M. Dreger, State Bar No. 267404

19 200 Spectrum Center Drive, Suite 500

20 Irvine, California 92618

21 Telephone: (562) 885-1360

22 Facsimile: (562) 885-1380

23 l. “Disposition” means the method by which the Court approves the terms of the
24 Settlement and retains jurisdiction over its enforcement, implementation, construction,
25 administration, and interpretation.

26 m. “Final Order Approving Settlement of Class Actions” or “Final Order” means the
27 final formal court order signed by the Court following the Final Fairness and Approval Hearing in
28 accordance with the terms herein, approving this Agreement.

n. “Gross Settlement Amount” means Two Million Four Hundred Thousand Dollars
(\$2,400,000.00) to be paid by Defendants as provided by this Agreement to settle these Actions. All

1 payments to the Class, administration costs, attorney's fees and costs, and Enhancement Awards,
2 pursuant to Section 3.07(a) below, shall be paid out of the Gross Settlement Amount. The employer's
3 share of payroll taxes arising from the payments made under this settlement shall be paid by
4 Defendants separate from and in addition to the Gross Settlement Amount. The Gross Settlement
5 Amount is subject to a pro rata increase pursuant to Section 3.04(e) below. No part of the Gross
6 Settlement Amount shall revert to Defendant.

7 o. "Incentive Awards" means a monetary amount of up to Ten Thousand Dollars
8 (\$10,000) for Plaintiff Daniel Carillo-Salazar and Five Thousand Dollars (\$5,000.00) for Plaintiff
9 Evanina Alaniz (\$15,000 total) subject to Court approval, in recognition of their effort and work in
10 prosecuting these Actions on behalf of Class Members, and for their general release of claims.

11 p. "Individual Settlement Payment(s)" means each Participating Class Member's
12 respective share of the Net Settlement Amount. Individual Settlement Payments will be determined
13 by the calculations provided in this Agreement.

14 q. "LWDA" means The State of California Labor and Workforce Development Agency.

15 r. "LWDA Payment" means 75% of the \$24,000 allocated to the settlement of PAGA
16 claims (or, \$18,000) which, subject to Court approval, will be paid to the LWDA pursuant to Section
17 3.07(e) of this Agreement, as provided for below.

18 s. "Motion for Final Approval" means Plaintiffs' submission of a written motion,
19 including any evidence as may be required for the Court to conduct an inquiry into the fairness of
20 the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and
21 to enter a Final Order in these Actions.

22 t. "Motion for Preliminary Approval" means Plaintiffs' submission of a written motion,
23 including any evidence as may be required for the Court to grant preliminary approval of the
24 Settlement as required by Rule 3.769 of the California Rules of Court.

25 u. "Named Plaintiffs" means Evanina Alaniz and Daniel Carillo-Salazar.

26 v. "Net Settlement Amount" means the Gross Settlement Amount less Court-approved
27 administration costs, Class Counsels' attorney's fees and costs, Enhancement Awards, and LWDA
28 Payment, pursuant to Section 3.07(a)-(f) below.

1 w. "Non-Participating Class Member(s)" means any Class Member(s) who submit to the
2 Settlement Administrator a valid and timely written request to be excluded from the Class pursuant
3 to Section 3.04(b) below.

4 x. "Notice Packet" means collectively and in a form substantially similar to, the Notice
5 of Class Action Settlement attached hereto as **Exhibit A** and the Dispute Form attached hereto as
6 **Exhibit B**, and the Objection Form attached hereto as Exhibit C, all subject to Court approval.

7 y. "PAGA" means the California Private Attorneys General Act of 2004, which is
8 codified in California Labor Code §§ 2698 *et seq.*

9 z. "PAGA Settlement Amount" means the portion of the Gross Settlement Amount
10 allocated to the resolution of PAGA Group Members' claims arising under PAGA. The Parties have
11 agreed that the PAGA Settlement Amount is Twenty-Four Thousand Dollars (\$24,000), subject to
12 Court approval. Of the PAGA Settlement Amount, 75% will be considered the LWDA Payment,
13 and the remaining 25% will be ~~added to the Net Settlement Amount and~~ distributed to PAGA Group
14 Members.

15 aa. "PAGA Group Members" means all Class Members employed by Defendants at any
16 time between January 17, 2019 through May 31, 2022 ("PAGA Period").

17 bb. "Participating Class Member(s)" is defined as a Class Member who does not timely
18 and validly exclude themselves from the Settlement and will therefore receive their share of the Net
19 Settlement Amount automatically without the need to return a claim form. Each Participating Class
20 Member will be paid his/her Individual Settlement Payment.

21 cc. "Preliminary Approval Date" means the date the Court preliminarily approves the
22 Settlement embodied in this Agreement.

23 dd. "Qualified Settlement Fund" or "QSF" means a fund within the meaning of Treasury
24 Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement
25 Administrator for the benefit of Participating Class Members.

26 ee. "Qualifying Workweeks" means the number of weeks that Class Members worked
27 for Defendants as non-exempt employees during the Class Period.

1 ff. "Released Parties" means Defendants, including their parent corporation(s), direct or
2 indirect owners, affiliates (including, without limitation, Watermark Retirement Communities
3 Carmel, LLC), subsidiaries, divisions, predecessors, insurers, reinsurers, successors, and assigns, and
4 their current and former employees, attorneys, officers, directors, and agents thereof, both
5 individually and in their business capacities, and their employee benefit plans and programs and the
6 trustees, administrators, fiduciaries, and insurers of such plans and programs, both individually and
7 in their business capacities at any time during the Class Period.

8 gg. "Response Deadline" means the deadline by which Class Members must postmark or
9 fax to the Settlement Administrator requests for exclusion or written notices of objection. The
10 Response Deadline will be sixty (60) calendar days after the initial mailing of the Notice Packet by
11 the Settlement Administrator, unless the sixth (60th) calendar day falls on a Sunday or federal
12 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
13 Postal Service is open. The Response Deadline will be extended as set forth herein if there is a re-
14 mailing.

15 hh. "Settlement Administration Costs" means all costs incurred by the Settlement
16 Administrator in administration of the Settlement, including, but not limited to, mailing of notice to
17 the class, calculation of Individual Settlement Payments, generation of Individual Settlement
18 Payment checks and related tax reporting forms, administration of unclaimed checks, and generation
19 of checks to Class Counsel for attorneys' fees and costs, to Named Plaintiffs for their Enhancement
20 Awards, and to the LWDA. The Settlement Administration Costs shall be paid from the Gross
21 Settlement Amount.

22 ii. "Settlement Administrator" means ILYM Group, Inc., which the Parties have agreed
23 will be responsible for the administration of the Individual Settlement Payments to be made by
24 Defendants from the Gross Settlement Amount and related matters under this Agreement.

25 ARTICLE II

26 CONTINGENT NATURE OF THE AGREEMENT

27 Section 2.01: Stipulation of Class Certification for Settlement Purposes

1 Because the Parties have stipulated to the certification of the Class with respect to all causes
2 of action alleged in the Actions for settlement purposes only, this Agreement requires preliminary
3 and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional
4 basis. This Agreement is contingent upon the approval and certification by the Court. If the Date of
5 Finality does not occur, the fact that the Parties were willing to stipulate for the purposes of this
6 Agreement to a Class shall have no bearing on, nor be admissible in connection with, the issue of
7 certification of the Class with respect to all causes of action alleged in the Actions. Defendants do
8 not consent to certification of the Class for any purpose other than to effectuate settlement of the
9 Actions. If the Date of Finality does not occur, or if Disposition of these Actions are not effectuated,
10 any certification of the Class as to Defendants will be vacated and Named Plaintiffs, Defendants, and
11 the Class will be returned to their positions with respect to the Actions as if the Agreement had not
12 been entered into. In the event that the Date of Finality does not occur: (a) any Court orders
13 preliminarily or finally approving certification of any class contemplated by this Agreement shall be
14 null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the
15 fact of the settlement reflected in this Agreement, the fact that Defendants did not oppose the
16 certification of a Class under this Agreement, or that the Court preliminarily approved the
17 certification of the Class, shall not be used or cited thereafter by any person or entity, including in
18 any manner whatsoever, including without limitation any contested proceeding relating to the
19 certification of any class. If the Date of Finality does not occur, this Agreement shall be deemed null
20 and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose
21 whatsoever. Defendants expressly reserve the right to challenge the propriety of class certification in
22 the Actions for any purpose, if the Date of Finality does not occur.

23 The Parties and their respective counsel shall take all steps that may be requested by the Court
24 relating to the approval and implementation of this Agreement and shall otherwise use their
25 respective best efforts to obtain Court approval and implement this Agreement. If the Court does not
26 grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree
27 to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a
28 resolution, the Parties agree to seek the assistance of mediator Steve Rottman to resolve the dispute.

1 **ARTICLE III**

2 **PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF THE SETTLEMENT**

3 The procedure for obtaining Court approval of and implementing this Agreement shall be as
4 follows:

5 **Section 3.01: Motion for Conditional Class Certification and Preliminary Approval**

6 Named Plaintiffs will bring a motion before the Court for an order conditionally certifying
7 the Class to include all claims pled in the Actions based on the preliminary approval of this
8 Agreement. The date that the Court grants preliminary approval of this Agreement will be the
9 “Preliminary Approval Date.”

10 **Section 3.02: The Settlement Administrator**

11 The Parties have chosen ILYM Group, Inc. to administer this Settlement and to act as the
12 Settlement Administrator, including but not limited to distributing and responding to inquiries about
13 the Notice Packet, determining the validity of exclusions/opt-outs, calculating the Net Settlement
14 Amount and the Individual Settlement Payments, issuing the Individual Settlement Payment checks
15 and distributing them to Participating Class Members, establishing and maintaining the QSF, and
16 issuing the payment to Class Counsel for attorneys’ fees and costs, the Incentive Award checks to
17 Named Plaintiffs, and the employer payroll taxes to the appropriate taxing authorities. The Settlement
18 Administrator shall expressly agree to all of the terms and conditions of this Agreement.

19 All costs of administering the Settlement shall be paid to the Settlement Administrator from
20 the Gross Settlement Amount. Those include, but are not limited to all costs and fees associated
21 with:

- 22 • preparing, issuing and mailing any and all notices to Class Members and/or
23 Participating Class Members;
- 24 • computing, processing, reviewing, and mailing the Individual Settlement Payments;
- 25 • preparing any tax returns and any other filings required by any governmental taxing
26 authority or agency;
- 27 • preparing any other checks, notices, reports, or filings to be prepared in the course of
28 administering disbursements from the Net Settlement Amount;

- and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement (“Settlement Administration Costs”).

Section 3.03: Notice to Class Members

No later than ten (10) business days after the Preliminary Approval Date, Defendants will provide the Settlement Administrator with a “Class List” in electronic format based on its business records, identifying the names of the Class Members, their last known home addresses, Social Security numbers or, as applicable, other taxpayer identification number, their dates of employment and weeks worked during the Class Period.

Within ten (10) business days of receiving a Class List from Defendants, the Settlement Administrator will send Class Members, by first-class mail, at their last known address, the Court approved Notice Packet, including notice of this Settlement and of the opportunity to opt out of the Settlement Class. The Notice Packet will include a calculation of the Class Member’s approximate share of the Net Settlement Amount. Class Members will have sixty (60) days from the date of mailing in which to postmark objections or requests for exclusion. Prior to the initial mailing, the Settlement Administrator will check all Class Member addresses against the National Change of Address database and shall update any addresses before mailing. The Settlement Administrator will skip trace and re-mail all returned, undelivered mail within five (5) days of receiving notice that a Notice Packet was undeliverable. If a Class Member’s notice is re-mailed, the Class Member shall have fifteen (15) calendar days from the re-mailing, or sixty (60) calendar days from the date of the initial mailing, whichever is later, in which to postmark objections or requests for exclusion. Class Members shall not be required to submit claim forms in order to receive a proportional share of the Net Settlement Amount.

If the Notice Packet is returned with a forwarding address, the Settlement Administrator shall re-mail the Notice Packet to the forwarding address. With respect to those Class Members whose Notice Packet is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or mass search on LexisNexis or comparable databases based on set criteria and, if another address is

1 identified, shall mail the Notice Packet to the newly identified address. It is the intent of the parties
2 that reasonable means be used to locate Class Members and that the Settlement Administrator be
3 given discretion to take steps in order to facilitate notice of the Settlement and delivery of the
4 Individual Settlement Payments to all Participating Class Members.

5 If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records
6 and notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly
7 status report provided to the Parties.

8 In the event a Class Member's Notice Packet remains undeliverable sixty (60) calendar days
9 after the Notice Packet was initially mailed, the Settlement Administrator will not mail the Class
10 Member's Individual Settlement Payment. The Settlement Administrator will hold the Class
11 Member's Individual Settlement Payment during the check cashing period on behalf of the Class
12 Member. If at the conclusion of the check cashing period the Class Member's Notice Packet and
13 Individual Settlement Payment remain undeliverable and/or unclaimed and uncashed, the Settlement
14 Administrator will distribute the funds from unclaimed/uncashed checks in accordance with the
15 procedures set forth in Section 3.07(g) below.

16 No later than twenty (20) court days prior to the Final Fairness and Approval Hearing, the
17 Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration
18 attesting to completion of the notice process, including any attempts to obtain valid mailing addresses
19 for and re-sending of any returned Notice Packets, as well as the number of valid requests for
20 exclusion and objections that the Settlement Administrator received.

21 **Section 3.04: Responses to Notice**

22 **a. Class Member Disputes**

23 If any Class Member disagrees with Defendants' records as to the number of their Qualifying
24 Workweeks during the Class Period or pay periods worked during the PAGA Period as reflected in
25 the Notice Packet, the Class Member shall set forth in writing the number of Qualifying Workweeks
26 and/or pay periods he/she claims to have worked during the Class Period and/or PAGA Period ~~they~~
27 ~~claim to have worked during the Class Period~~ and submit such writing to the Settlement
28 Administrator by the Response Deadline, along with any supporting documentation. The Notice

1 Packet shall contain a Dispute Form substantially in the form attached hereto as **Exhibit B**. The
2 Notice of Class Action Settlement will also provide a method for the Class Member to challenge the
3 employment data on which their Individual Settlement Payment is based. The Settlement
4 Administrator shall contact the Parties regarding the dispute and the Parties will work in good faith
5 to resolve it. If the Parties are unable to resolve the dispute, the Settlement Administrator will be the
6 final arbiter of the Qualifying Workweeks and/or pay periods worked for each Class Member during
7 the Class Period and/or PAGA Period based on the information provided to it, for each Class Member
8 during the Class Period based on the information provided to it.

9 **b. Requests for Exclusion from Class**

10 In order for any Class Member to validly exclude himself or herself from the Class and this
11 Settlement (*i.e.*, to validly opt out), a written request for exclusion must be signed by the Class
12 Member or their authorized representative, and must be sent to the Settlement Administrator,
13 postmarked no later than the Response Deadline (or fifteen (15) days after the Settlement
14 Administrator re-mails the Notice to the Class Member, whichever is later) (“Exclusion Request”).
15 The Notice Packet shall contain instructions on how to validly exclude himself or herself from the
16 Class and this Settlement (*i.e.*, opt out), including the language to be used in a request for exclusion.
17 The date of the initial mailing of the Notice Packet, and the date the signed request for exclusion was
18 postmarked, shall be conclusively determined according to the records of the Settlement
19 Administrator. Any Class Member who timely and validly requests exclusion from the Class and this
20 Settlement will not be entitled to any Individual Settlement Payment, will not be bound by the terms
21 and conditions of this Agreement, and will not have any right to object, appeal, or comment thereon.

22 Any Class Member who fails to timely submit a valid request for exclusion shall
23 automatically be deemed a Class Member whose rights and claims with respect to the issues raised
24 in the Actions are determined by the Court’s Final Order Approving Settlement of Class Actions,
25 and by the other rulings in the Actions. Thus, said Class Member’s rights to pursue any claims
26 covered by the Actions and/or released in this Agreement will be extinguished.

1 **c. Objections to Settlement**

2 For any Class Member to object to this Agreement, or any term of it, the person making the
3 objection must not submit a request for exclusion (*i.e.*, must not opt out), and should send to the
4 Settlement Administrator, postmarked or faxed no later than the Response Deadline (or fifteen (15)
5 days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later),
6 a written statement of the grounds of objection, signed by the objecting Class Member or their
7 attorney, along with all supporting papers. The Notice Packet shall contain an Objection Form
8 substantially in the form attached hereto as Exhibit C. The date of the initial mailing of the Notice
9 Packet, and the date the signed objection was postmarked, shall be conclusively determined
10 according to the records of the Settlement Administrator. The Settlement Administrator shall send
11 any objections it receives to Defense Counsel and Class Counsel within three (3) business days of
12 receipt. Class Members may also appear at the final approval hearing to object. The Court retains
13 final authority with respect to the consideration and admissibility of any Class Member objections.

14 **d. Encouragement of Class Members**

15 The Parties to this Agreement and the counsel representing such Parties shall not, directly or
16 indirectly, through any person, encourage or solicit any Class Member to exclude him or herself from
17 this Settlement (opt out), or to object to it. However, Class Counsel may respond to inquiries from
18 Class Members.

19 **e. Right of Plaintiff to Adjust Gross Settlement Amount**

20 Defendants have estimated that there were 241,725.47 Qualifying Workweeks from January
21 27, 2016 through December 31, 2021. If the number of Qualifying Workweeks increases by 10% or
22 more, as of the end of the Class Period (May 31, 2022), there will be a pro rata adjustment to the Net
23 Settlement Amount by the same proportion as the increase (e.g., if the number of workweeks
24 increases by 11%, the Net Settlement Amount shall increase 1%). In the event this clause is triggered
25 on or before May 31, 2022, Defendants shall have the ability to shorten the Class Period, at their sole
26 discretion, at any point prior to preliminary approval to limit the number of workweeks to
27 241,725.47.

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1 **f. Termination for Lack of Sufficient Participation**

2 If five percent (5%) or more of the Class Members makes a valid request to be excluded from
3 the Class, Defendants will have the right, but not the obligation, to void the Agreement within
4 fourteen (14) days of the Response Deadline. If Defendants exercise that right to void the Agreement,
5 then the Parties will have no further obligations under the Agreement, including any obligation by
6 Defendants to pay the Gross Settlement Amount, or any amounts that otherwise would have been
7 owed under this Agreement, except that Defendants will be responsible for paying the Settlement
8 Administrator's reasonable fees and expenses incurred as of the date that Defendants exercise the
9 right to void the Agreement. Defendants will notify Class Counsel, in writing via email, if they
10 decide to exercise this right to void the Agreement.

11 **Section 3.05: Final Fairness and Approval Hearing**

12 On the date set forth in the Order for Preliminary Approval and Notice Packet, a Final
13 Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement
14 and determine whether the Court should give it final approval, and (2) consider any objections made
15 and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the
16 Parties shall ask the Court to grant final approval to this Agreement and shall submit to the Court a
17 Proposed Final Order Approving Settlement of Class Actions.

18 **Section 3.06: Settlement Payment Procedures**

19 **a. Settlement Amount**

20 In exchange for the Released Claims set forth in this Agreement, Defendants agree to pay the
21 Gross Settlement Amount in the amount of Two Million Four Hundred Thousand Dollars
22 (\$2,400,000), subject to a pro rata increase under the condition set forth in Section 3.04(e). The Gross
23 Settlement Amount includes all Individual Settlement Amounts to Participating Class Members, all
24 administration costs, Class Counsel's attorney's fees and costs, PAGA Settlement Amount, and the
25 Enhancement Payments.

26 If the settlement achieves final approval, Defendants shall not be obligated to fund the
27 settlement earlier than the later of (a) January 2, 2023 or (b) thirty (30) days after the Court signs the
28 Final Order. Defendants shall transfer the Gross Settlement Amount plus Defendants' share of

1 employer-side payroll taxes, as set forth herein, into a QSF established by the Settlement
2 Administrator either directly or by sending the funds to the Settlement Administer to be deposited
3 and distributed. The Settlement Administrator will use these funds to fund payment of the Individual
4 Settlement Payments to Participating Class Members, Class Counsel's attorneys' fees and costs, the
5 Enhancement Awards, the LWDA Payment, and the Settlement Administration Costs.

6 Within ten (10) court days after receiving Defendants' final payment, funding the Gross
7 Settlement Amount in full, the Settlement Administrator will pay the Individual Settlement Payments
8 to Participating Class Members, Class Counsel's attorneys' fees and costs, ~~LWDA Payment~~PAGA
9 Settlement Amount, the Incentive Awards, and employer and employee tax withholdings applicable
10 to the Net Settlement Amount allocated to wages. Prior to this distribution, the Settlement
11 Administrator will perform a search based on the National Change of Address Database to update
12 and correct for any known or identifiable address changes.

13 **b. Payment of Attorneys' Fees and Costs**

14 Class Counsel shall submit an application for an award of attorneys' fees of up to one-third
15 of the Gross Settlement Amount, which, based on the current Gross Settlement Amount, is Eight
16 Hundred Thousand Dollars (\$800,000.00). In the same application for an fees, Class Counsel shall
17 submit an application for actual not to exceed Thirty Thousand Dollars (\$30,000.00). Such
18 application for attorneys' fees and costs shall be heard by the Court at the Final Fairness and Approval
19 Hearing. Defendants shall not object to or oppose any such application in these amounts. Class
20 Counsel shall serve Defendants with copies of all documents submitted in support of their application
21 for an award of attorneys' fees and costs.

22 Any attorneys' fees and costs awarded to Class Counsel by the Court shall be paid from the
23 Gross Settlement Amount and shall not constitute payment to any Class Member(s). The attorneys'
24 fees and costs for Class Counsel approved by the Court shall encompass all work performed, costs,
25 and expenses related to the investigation, prosecution, and settlement of the Actions incurred through
26 the Date of Finality. To the extent that the Court approves less than the amount of attorney's fees
27 and/or costs that Class Counsel requests, the difference between the requested and awarded amounts
28 will be reallocated to the Net Settlement Amount.

1 **c. Payment of Settlement Administration Costs**

2 The Settlement Administration Costs shall be paid out of the Gross Settlement Amount and
3 shall not constitute payment to any Participating Class Member(s). The amount shall not exceed
4 Twenty-Five Thousand Dollars (\$25,000.00).

5 **d. Payment of Enhancement Award to Named Plaintiffs**

6 Subject to Court approval, the Named Plaintiffs shall each receive an Enhancement Award
7 of up to Ten Thousand Dollars (\$10,000) for Plaintiff Daniel Carillo-Salazar and Five Thousand
8 (\$5,000) for Plaintiff Evanina Alaniz, (\$15,000 total) the request for which Defendants will not object
9 to or oppose. The Enhancement Awards shall be paid out of the Gross Settlement Amount and shall
10 not constitute payment to any Participating Class Member(s) other than Named Plaintiffs. To the
11 extent that the Court approves less than the amount of incentive award that Class Counsel request,
12 the difference between the requested and awarded amounts will be reallocated to the Net Settlement
13 Amount.

14 Because it is the intent of the Parties that the Enhancement Awards represent payment to
15 Named Plaintiffs for their service to the Class Members, and not wages, the Settlement Administrator
16 will not withhold any taxes from the Enhancement Awards. The Enhancement Awards will be
17 reported on a Form 1099, which the Settlement Administrator will provide to Named Plaintiffs and
18 to the pertinent taxing authorities as required by law.

19 **e. Payment to the Labor and Workforce Development Agency**

20 In consideration of claims made under PAGA, Class Counsel will request that the Court
21 approve allocation of Twenty-Four Dollars (\$24,000) of the Gross Settlement Amount to these
22 claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and
23 Workforce Development Agency ("LWDA Payment"), and twenty-five percent (25%) will be paid
24 to the Net Settlement Amount for distribution to PAGA Group Members. Defendants will not oppose
25 this request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount.
26 The Court's adjustment, if any, of the amount allocated to Named Plaintiffs' PAGA claim in the
27 Actions, will not invalidate this Agreement.

1 **f. Payment of Individual Settlement Payments to Participating Class Members**

2 The Parties agree that the Net Settlement Amount shall be used to fund Individual Settlement
3 Payments. The Parties agree that the Net Settlement Amount shall be divided between all
4 Participating Class Members in proportion to the number of individual Qualifying Workweeks for
5 each Class Member. To calculate the amount each Class Member will receive based on their
6 individual Qualifying Workweeks, the Net Settlement Amount will be divided by the total number
7 of Qualifying Workweeks by all Class Members during the Class Period and then allocated on a pro
8 rata basis. Qualifying Workweeks will be rounded up to the next whole integer. Each Class Member's
9 approximate Individual Settlement Payment amount will be included in their Notice Packet. After
10 final approval by the Court, the Net Settlement Amount will be dispersed to Participating Class
11 Members (those who did not exclude themselves) on a pro rata basis based on the individual
12 Qualifying Workweeks worked during the Class Period by each Participating Class Member.

13 The PAGA Settlement Amount to be distributed to PAGA Group Members shall be divided
14 between all PAGA Group Members in proportion to the number of pay periods that each PAGA
15 Group Member worked during the PAGA Period. To calculate the minimum amount each PAGA
16 Group Member will receive based on their individual pay periods, 25% of the PAGA Settlement
17 Amount (or \$6,000) will be divided by the total number of pay periods worked by all PAGA Group
18 Members during the PAGA Period and then allocated on a pro rata basis. Pay periods will be rounded
19 up to the next whole integer. Each PAGA Group Member's approximate Individual PAGA
20 Settlement Payment Amount will be included in his or her Notice Packet. After final approval by the
21 Court, the PAGA Settlement Amount will be dispersed to all PAGA Group Members on a pro rata
22 basis based on the number of pay periods worked during the PAGA Period by each PAGA Group
23 Member.

24
25 Each Individual Settlement Payment will represent wages and penalties allocated using the
26 following formula: 50% allocated to wages and 50% allocated to penalties and interest. The PAGA
27 Settlement Amount to be distributed to PAGA Group Members are to be considered 100% penalties.
28 The amounts paid as wages shall be subject to all tax withholdings customarily made from an

1 employee's wages and all other authorized and required withholdings and shall be reported by W-2
2 forms. The employer-side taxes will be paid separate from and in addition to the Gross Settlement
3 Amount. The amounts paid as penalties and interest shall be subject to all authorized and required
4 withholdings other than the tax withholdings customarily made from employees' wages and shall be
5 reported by IRS 1099 forms.

6 No later than ten (10) business days after receiving the Gross Settlement Amount from
7 Defendants, the Settlement Administrator shall prepare and mail the checks for the Individual
8 Settlement Payments to Participating Class Members. Individual Settlement Payments paid from the
9 Net Settlement Amount allocated to wages will be reduced by applicable employer and employee
10 tax withholdings, and the Settlement Administrator will issue a Form W-2 for the wage portion of
11 the Individual Settlement Payments. The Settlement Administrator will issue a Form 1099 to the
12 extent required by law for the interest and penalty portions of the Individual Settlement Payments.
13 Participating Class Members shall have 180 days from the date their Individual Settlement Payment
14 checks are dated to cash their Settlement checks. Any checks that are not cashed upon the expiration
15 of that 180-day time period will be void, and the uncashed funds shall be paid to the State Controller
16 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

17 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
18 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
19 a mass search on LexisNexis or a comparable databases based on set criteria and, if another address
20 is identified, the Settlement Administrator shall mail the check to the newly identified address. If the
21 Settlement Administrator is unable to obtain a valid mailing address through this process, the
22 Settlement Administrator will tender the funds from the undeliverable checks to the State Controller
23 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

24 **g. No Credit Toward Benefit Plans.**

25 The Individual Settlement Payments made to Participating Class Members under this
26 Agreement, as well as any other payments made pursuant to this Agreement, will not be utilized to
27 calculate any additional benefits under any benefit plans to which any Class Members may be
28 eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase

1 plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
2 intention that this Agreement will not affect any rights, contributions, or amounts to which any Class
3 Members may be entitled under any benefit plans.

4 **ARTICLE IV**

5 **LIMITATIONS ON USE OF THIS SETTLEMENT**

6 **Section 4.01: No Admission**

7 Defendants dispute the allegations in the Actions and disputes that, but for this Settlement, a
8 Class should not have been certified in the Actions. This Agreement is entered into solely for the
9 purpose of settling highly disputed claims. Nothing in this Agreement is intended nor will be
10 construed as an admission of liability or wrongdoing by Defendants.

11 **Section 4.02: Non-Evidentiary Use**

12 Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor
13 the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or
14 deemed to be evidence for any purpose adverse to Defendants or any other of the Released Parties,
15 including but not limited to, evidence of a presumption, concession, indication, or admission by any
16 of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or
17 (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further
18 proceeding in the Actions, except for the purposes of effectuating the Settlement pursuant to this
19 Agreement or for Defendants to establish that a Class Member has resolved any of their claims
20 released through this Agreement.

21 **Section 4.03: Nullification**

22 The Parties have agreed to the certification of the Class encompassing all claims alleged in
23 the Actions for the sole purpose of effectuating this Agreement. If the Court should for any reason
24 (a) fail to certify this Class for settlement, (b) fail to approve this Settlement, (c) fail to enter the
25 Final Order, (d) the Final Order is reversed, or declared or rendered void, or (e) fail to dispose of the
26 Actions in their entirety, then (i) this Agreement shall be considered null and void; (ii) neither this
27 Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all
28 Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had

1 been neither entered into nor filed with the Court; and (iv) the fact that the Parties were willing to
2 stipulate to class certification of all causes of action pled in the Actions as part of the Settlement will
3 have no bearing on, and will not be admissible in connection with, the issue of whether the Class
4 should be certified by the Court in a non-settlement context in this Actions or any other action, and
5 in any of those events, Defendants expressly reserve the right to oppose certification of the Class.

6 In the event of a timely appeal from the Final Order, the Final Order shall be stayed and the
7 Gross Settlement Amount shall not be distributed pending the completion of the appeal.

8 ARTICLE V

9 RELEASES

10 **Section 5.01: Released Claims by Plaintiff and Settlement Class Members**

11 Other than the rights created by this Settlement Agreement upon the Effective Date, Plaintiffs
12 and each Settlement Class Member who has not provided a timely and valid Exclusion Request, shall
13 fully release and discharge the Released Parties from any and all claims, causes of action, disputes,
14 debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, penalties, and
15 damages (including but not limited to liquidated, exemplary, punitive, and statutory damages),
16 whether suspected or unsuspected, contingent or accrued, known or unknown, that have been pled
17 or could have been pled based upon the factual allegations and issues set forth in the Actions, for any
18 acts occurring during the Class Period, including, claims for failure to pay minimum wages; failure
19 to pay overtime, double time or other premium pay; failure to provide meal periods; failure to provide
20 paid rest periods; failure to provide compliant pay stubs and itemized wage statements; failure to
21 timely pay wages to terminated and resigning employees; failure to maintain accurate records; failure
22 to properly pay all wages owed at the correct time; failure to include compliant notice of the employer
23 entity; claims for alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 218.5,
24 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and
25 their subparts, and applicable IWC Wage Orders; derivative claims for civil penalties under the Labor
26 Code Attorneys General Act of 2004, Labor Code sections 2698, et seq.; derivative claims for unfair,
27 unlawful, and fraudulent business practices under the California Business and Professions Code
28 sections 17200, et seq., and/or any other unfair competition law; any other state or federal statute,

1 rule, or regulation that could have been pled based upon the factual allegations and issues set forth
2 in the Actions; and all related remedies of any nature whatsoever, including claims for restitution and
3 other equitable relief, injunctive relief, statutory damages, liquidated damages, exemplary damages,
4 punitive damages, waiting-time penalties, statutory penalties, civil penalties, attorneys' fees, costs,
5 and expenses ("Released Claims").

6 **Section 5.02: Released Claims by PAGA Group Members**

7 Upon entry of final judgment, all Aggrieved Employees release all PAGA claims based on
8 any and all Labor Code violations released in section 5.01 which occurred during the PAGA Period
9 , regardless of whether PAGA Group Members opt out of the Class Settlement.

10 **Section 5.03: Named Plaintiffs' Release of Unknown Claims**

11 Upon the date of funding the GSA, Named Plaintiffs (on behalf of themselves, and any heirs,
12 successors or assigns) waive, release, acquit, and forever discharge Defendants, the Released Parties
13 and their parent corporations, direct and indirect owners, affiliates, subsidiaries, divisions,
14 predecessors, insurers, reinsurers, successors, and assigns, and their current and former employees,
15 attorneys, officers, directors, and agents thereof, both individually and in their business capacities,
16 and their employee benefit plans and programs and the trustees, administrators, fiduciaries, and
17 insurers of such plans and programs, both individually and in their business capacities from any and
18 all claims, actions, charges, complaints, grievances, and causes of action, of any nature arising from
19 Named Plaintiffs' employment with Defendants, whether known or unknown, which exist or may
20 exist as of the Parties' execution of this Agreement.

21 Section 1542 of the California Civil Code provides as follows:

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

26 Thus, notwithstanding the provisions of section 1542, and to implement a full and complete
27 release and discharge of the Released Parties, Plaintiffs expressly acknowledge this Settlement
28 Agreement is intended to include in its effect, without limitation, all claims Plaintiffs do not know or

1 suspect to exist in their favor at the time of signing this Settlement Agreement and that this Settlement
2 Agreement contemplates the extinguishment of any such claims.

3 **ARTICLE VI**

4 **MISCELLANEOUS PROVISIONS**

5 **Section 6.01: Amendments or Modification**

6 The terms and provisions of this Agreement may be amended or modified only by an express
7 written agreement that is signed by all the Parties (or their successors-in-interest) and their counsel,
8 and approved by the Court.

9 **Section 6.02: Assignment**

10 None of the rights, commitments, or obligations recognized under this Agreement may be
11 assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written
12 consent of each other Party and their respective counsel. The representations, warranties, covenants,
13 and agreements contained in this Agreement are for the sole benefit of the Parties under this
14 Agreement and shall not be construed to confer any right or to avail any remedy to any other person.

15 **Section 6.03: Governing Law**

16 This Agreement shall be governed, construed, and interpreted, and the rights of the Parties
17 shall be determined, in accordance with the laws of the State of California, without regard to conflicts
18 of laws.

1 **Section 6.04: No Publicity**

2 The Parties, Defense Counsel, and Class Counsel shall not issue any press release, contact
3 the press, respond to any press inquiry or have any communication with the press about the fact,
4 amount or terms of this Settlement. The Parties, Defense Counsel, and Class Counsel shall not
5 engage in any advertising or marketing relating to the settlement of these Actions in any manner that
6 identifies or that is suggestive of Defendants or the Released Parties (i.e., a manager of retirement
7 communities), including but not limited to any postings on any websites maintained by Class
8 Counsel. However, Class Counsel may identify this Settlement in court filings in other matters to
9 demonstrate their adequacy as counsel in connection with the prosecution or settlement of other class
10 actions. Nothing in this Section is intended to interfere with Class Counsel's duties and obligations
11 to faithfully discharge their duties as Class Counsel, including but not limited to, communicating
12 with Class Members regarding the Settlement.

13 **Section 6.05: Entire Agreement**

14 This Agreement, including the Exhibits referred to herein, which form an integral part hereof,
15 contains the entire understanding of the Parties with respect to the subject matter contained herein.
16 In case of any conflict between text contained in Articles I through VI of this Agreement and text
17 contained in the Exhibits to this Agreement, the former (i.e., Articles I through VI) shall be
18 controlling, unless the Exhibits are changed by or in response to a Court order. There are no
19 restrictions, promises, representations, warranties, covenants, or undertakings governing the subject
20 matter of this Agreement other than those expressly set forth or referred to herein. This Agreement
21 supersedes all prior agreements and understandings among the Parties with respect to the settlement
22 of the Actions, including correspondence between Class Counsel and Defense Counsel and drafts of
23 prior agreements or proposals.

24 **Section 6.06: Waiver of Compliance**

25 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any
26 obligation, covenant, agreement, or condition set forth in this Agreement may be expressly waived
27 in writing, to the extent permitted under applicable law, by the Party or Parties and their respective
28 counsel entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or

1 failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or
2 condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

3 **Section 6.07: Counterparts and Fax/PDF Signatures**

4 This Agreement, and any amendments hereto, may be executed in any number of counterparts
5 and any Party and/or their respective counsel may execute any such counterpart, each of which when
6 executed and delivered shall be deemed to be an original. All counterparts taken together shall
7 constitute one instrument. A fax or PDF signature on this Agreement shall be as valid as an original
8 signature.

9 **Section 6.08: Meet and Confer Regarding Disputes**

10 Should any dispute arise among the Parties or their respective counsel regarding the
11 implementation or interpretation of this Agreement, a representative of Class Counsel and a
12 representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior
13 to submitting such disputes to the Court.

14 **Section 6.09: Agreement Binding on Successors**

15 This Agreement will be binding upon, and inure to the benefit of, the successors in interest
16 of each of the Parties.

17 **Section 6.10: Cooperation in Drafting**

18 The Parties have cooperated in the negotiation and preparation of this Agreement. This
19 Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel,
20 was the drafter or participated in the drafting of this Agreement.

21 **Section 6.11: Fair and Reasonable Settlement**

22 The Parties believe that this Agreement reflects a fair, reasonable, and adequate settlement of
23 the Actions and have arrived at this Agreement through arm's-length negotiation and in the context
24 of adversarial litigation, taking into account all relevant factors, current and potential. The Parties
25 further believe that the Settlement is and is consistent with public policy, and fully complies with
26 applicable law.

1 **Section 6.12: Headings**

2 The descriptive heading of any section or paragraph of this Agreement is inserted for
3 convenience of reference only and does not constitute a part of this Agreement and shall not be
4 considered in interpreting this Agreement.

5 **Section 6.13: Notice**

6 Except as otherwise expressly provided in the Agreement, all notices, demands, and other
7 communications under this Agreement must be in writing and addressed as follows:

8 *To Named Plaintiffs and the Class:*

9 Armond M. Jackson
10 JACKSON LAW, APC
11 2 Venture Plaza, Ste. 240
12 Irvine, CA 92618
13 Phone: (949) 281-6857
14 Fax: (949) 777-6218

15 Kashif Haque
16 Samuel A. Wong
17 Jessica L. Campbell
18 Kristy Connolly
19 AEGIS LAW FIRM, PC
20 9811 Irvine Center Drive, Suite 100
21 Irvine, California 92618
22 Telephone: (949) 379-6250
23 Facsimile: (949) 379-6251

24 Walter Haines
25 UNITED EMPLOYEES LAW GROUP
26 5500 Bolsa Avenue, Suite 201
27 Huntington Beach, California 92649
28 Telephone: (562) 256-1047
 Facsimile: (562) 256-1006

 And

To Defendants:

 Michael A. Hood
 Kelli M. Dreger
 JACKSON LEWIS P.C.
 200 Spectrum Center Drive, Suite 500
 Irvine, California 92618
 Telephone: (949) 885-1360
 Facsimile: (949) 885-1380

1 **Section 6.14: Enforcement of Settlement and Continuing Court Jurisdiction**

2 To the extent consistent with class action procedure, this Agreement shall be enforceable by
3 the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court
4 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Actions or the
5 liability of the Parties resulting from the allegations of the Actions. Its sole purpose is to adopt the
6 terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall
7 retain continuing jurisdiction over this Actions and over all Parties and Class Members, to the fullest
8 extent to enforce and effectuate the terms and intent of this Agreement.

9 **Section 6.15: Mutual Full Cooperation**

10 The Parties agree fully to cooperate with each other to accomplish the terms of this
11 Agreement, including but not limited to the execution of such documents, and the taking of such
12 other action, as may reasonably be necessary to implement the terms of this Agreement. The Parties
13 to this Agreement shall use their best efforts, to effectuate and implement this Agreement and its
14 terms. In the event the Parties are unable to reach agreement on the form or content of any document
15 needed to implement the Settlement, or on any supplemental provisions that may become necessary
16 to effectuate the terms of the Settlement, the Parties agree to seek the assistance of mediator Steve
17 Rottman or the Court.

18 **Section 6.16: Authorization to Act**

19 Class Counsel warrants and represents that they are authorized by Named Plaintiffs, and
20 Defense Counsel warrants that they are authorized by Defendants, to take all appropriate action
21 required to effectuate the terms of this Agreement, except for signing documents, including but not
22 limited to this Agreement, that are required to be signed by the Parties themselves. Defendants
23 represent and warrant that the individual executing this Agreement on its behalf has the full right,
24 power, and authority to enter into this Agreement and to carry out the transactions contemplated
25 herein.

26 **Section 6.17: No Reliance on Representations**

27 The Parties have made such investigation of the facts and the law pertaining to the matters
28 described herein and to this Agreement as they deem necessary, and have not relied, and do not rely,

on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of entering into and executing this Agreement, or with respect to any other matters. No representations, warranties, or inducements, except as expressly set forth herein, have been made to any party concerning this Agreement.

EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: _____ DANIEL CARILLO-SALAZAR

By: _____
Named Plaintiff

Dated: _____ EVANINA ALANIZ

By: _____
Named Plaintiff

Dated: _____ WATERMARK RETIREMENT
COMMUNITIES, LLC; WATERMARK
RETIREMENT COMMUNITIES, INC.;
WATERMARK SERVICES IV, LLC

By: _____
(Signature)

(Printed Name)

(Title)

1 **APPROVED AS TO FORM ONLY:**

2
3 Dated: _____

AEGIS LAW FIRM, PC

5
6 By: _____
7 Kashif Haque
8 Jessica L. Campbell
9 Kristy Connolly

10 Attorneys for Named Plaintiffs Evanina Alaniz

11 Dated: _____
12

JACKSON LAW, APC

13 By: _____
14 Armond M. Jackson

15 Attorneys for Plaintiff Daniel Carillo-Salazar

16
17 Dated: _____
18

JACKSON LEWIS PC

19 By: _____
20 Michael A. Hood
21 Kelli M. Dreger

22 Attorneys for Defendants Watermark
23 Retirement Communities, Inc.; Watermark
24 Retirement Communities, LLC and Watermark
25 Services IV, LLC

EXHIBIT C

**CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL.,
WATERMARK WAGE AND HOUR CASES, CASE NO. JCCP 5176**

DISPUTE FORM

The records from Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC, indicate that you were employed as a non-exempt employee for **INSERT** workweeks during the Class Period of January 27, 2016 through May 31, 2022. Based on your total number of workweeks, your estimated Individual Settlement Payment is **\$INSERT**. Defendants' records also indicate that you were employed as a non-exempt employee for **INSERT** pay period during the PAGA Period of January 17, 2019 through May 31, 2022. Based on your total number of pay periods worked, your estimated PAGA Settlement Amount payment is **\$INSERT**.

If you believe your total number of workweeks and/or pay periods is **incorrect**, please mail this Dispute Form to the address below along with any supporting documentation evidencing the correct number of workweeks and/or pay periods worked by you for Defendants. The Settlement Administrator will make its determination after considering the records and any documentation you provide.

(Signature)

(Date)

(Print Name)

(Address)

(Telephone Number)

(City / State / Zip Code)

All Dispute Forms must be postmarked or fax stamped no later than **_____**. Mail or fax your fully completed and signed Objection Form to:

[Settlement Administrator]

Re: *Daniel Carillo-Salazar et al. v.
Watermark Services IV, LLC et al.*

[Address]

[City, State, Zip]

[Telephone Number; Fax Number]

EXHIBIT D

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF ORANGE

**CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL
WAGE AND HOUR CASES, CASE NO. JCCP 5176**

A court authorized this notice. This is not a solicitation from a lawyer.

ATTENTION: IF YOU HAVE BEEN EMPLOYED BY WATERMARK SERVICES IV, LLC. AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA DURING THE PERIOD BEGINNING JANUARY 27, 2016 AND ENDING ON MAY 31, 2022, YOU ARE ENTITLED TO A SHARE OF A PROPOSED CLASS ACTION SETTLEMENT.

TO UNDERSTAND YOUR RIGHTS, PLEASE READ THIS NOTICE CAREFULLY.

A proposed class action settlement (“the Settlement”) has been reached between Plaintiffs Daniel Carillo-Salazar and Evanina Alaniz (“Plaintiffs”), on behalf of themselves and the below-defined Class Members, and Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC. (“Defendants”).

The Settlement resolves the above class action lawsuit (the “Action”) about claims related to allegations that Defendants (1) failed to pay all minimum wages; (2) failed to pay overtime wages; (3) failed to provide required rest breaks; (4) failed to provide required meal breaks; (5) failed to furnish accurate itemized wage statements; (6) failed to pay all wages due to discharged and quitting employees; (7) failed to timely pay wages during employment; (8) engaged in unfair business practices. Plaintiffs also assert a claim for civil penalties under the Private Attorneys General Act (“PAGA”) based on the foregoing alleged violations by Defendants. Defendants deny and continue to deny all of Plaintiffs’ claims, and maintain that they have complied with all applicable laws and regulations. Defendants have entered into the Settlement solely for purposes of resolving this dispute.

The Settlement provides for Individual Settlement Payments based on the number of workweeks you performed work for Defendants in California as a non-exempt employee during the period from January 27, 2016 to May 31, 2022 as well as PAGA Payments based on the pay periods you performed work for Defendants in California as a non-exempt employee during the period from January 17, 2019 to May 31, 2022.

OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
DO NOTHING	You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendant and/or the Released Parties involving the same or similar legal

	claims as the ones in the Action for the period beginning on January 27, 2016 to May 31, 2022. If you are a PAGA Group Member, you will also receive a PAGA Payment. You will be mailed a settlement check at the address where this Notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).
EXCLUDE YOURSELF	The only way for you to be part of any other lawsuit against Defendants and/or the Released Parties involving the same or similar legal claims as the ones in the Action for the period beginning on January 27, 2016 to May 31, 2022 is to submit a valid Exclusion Form to the Settlement Administrator postmarked no later than [+60 days from date of mailing] . If you submit an Exclusion Form, you will <u>not</u> receive an Individual Settlement Payment, but you will receive a PAGA Payment if you are a PAGA Group Member.
OBJECT	If you wish to object to the Settlement, you must submit a written Objection, and supporting papers, to the Settlement Administrator that is postmarked or fax stamped no later than [+60 days from date of mailing] . This option is available only if you do <u>not</u> exclude yourself. Class members may also appear at the final approval hearing to object, this hearing will take place on [Final Approval Hearing Date and location].

These rights and options, and how to exercise them, are explained in more detail in this notice.

The Court handling this case has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and the Court still has to make a final determination of those issues at the Final Approval Hearing. Settlement payments will only be issued if the Court grants final approval of the Settlement.

Additional information regarding the Settlement is available through the Settlement Administrator or Class Counsel, whose contact information is provided in this notice.

BASIC INFORMATION

1. Why did I get this notice?

On **[insert preliminary approval date]**, the Superior Court of California, County of Orange (“the Court”) preliminarily approved a class action settlement of the Action on behalf of all persons who were employed by Defendants in California as non-exempt employees (“Class Members”) during the period beginning on January 27, 2016 to May 31, 2022 (the “Class Period”). According to Defendants’ records, you are a Class Member. This notice explains the Action, the Settlement, and your legal rights.

The Action is pending as coordinated cases captioned *Watermark Wage and Hour Cases*, Case No. JCCP 5176 and is pending in the Superior Court of California for the County of Orange (the “Action”). Daniel Carillo-Salazar and Evanina Alaniz are Plaintiffs, and the companies they

sued, Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC., are the Defendants.

2. What is the Action about?

The Action generally involves claims under California’s wage and hour laws. Plaintiffs are former non-exempt employees of Defendants. They allege that Defendants did not provide proper meal or rest breaks, failed to pay minimum wages and overtime wages, failed to timely pay wages, failed to pay all wages at termination, failed to provide compliant wage statements, and unlawfully received wages, and violated California’s Business and Professions Code. As a result, Plaintiffs alleges that they and the Class Members are entitled to recover unpaid straight time and overtime wages, meal and rest period premiums, interest, and statutory and civil penalties. Defendants deny that they engaged in any wrongful conduct or violated the law in any way, and believe Plaintiffs and the Class Members were properly and timely compensated and provided proper meal and rest breaks. However, both Plaintiffs and Defendants believe the Settlement is fair, adequate, and reasonable, and that it is in the best interest of the Class Members.

3. Why is this lawsuit a class action?

In a class action, one or more people called “Plaintiff(s)” (in this case, Daniel Carillo-Salazar and Evanina Alaniz) sue on behalf of people who have similar alleged claims. All of these people are a “class” or “class members.” The Court resolves the issues for all class members, except for those who exclude themselves from the class. On **[insert date]**, the Honorable William Claster issued an order conditionally certifying the Settlement Class for purposes of settlement only.

4. Who is in the Settlement Class?

“Class Members” or “Class” means all persons employed by Defendant in the State of California at any time during the period from on January 27 2016 to May 31, 2022 as a non-exempt employee. “PAGA Group Members” means all persons employed by Defendant in the State of California at any time during the period from January 17, 2019 to May 31, 2022 as a non-exempt employee.

5. Why is there a settlement?

After conducting substantial investigation, including review of Defendants’ policies, timekeeping records, and payroll records, both sides agreed to the Settlement to avoid the cost and risk of further litigation. The Settlement does not mean that any laws were broken. Defendants deny all of the claims asserted in the Action and deny that they have violated any laws. Plaintiffs and their lawyers think the Settlement is in the best interests of all Class Members.

THE SETTLEMENT BENEFITS—WHAT YOU GET

6. What does the settlement provide?

Under the terms of the Settlement, Defendant agrees to pay a Maximum Settlement Amount of Two Million, Four Hundred Thousand Dollars (\$2,400,000.00). Deducted from this Maximum Settlement Amount will be sums approved by the Court for attorneys' fees (not to exceed \$800,000.00), or 33.33% of the Maximum Settlement Amount, attorneys' litigation costs (not to exceed \$30,000.00), a Class Representative Service Award to Plaintiff Daniel Carillo-Salazar in the amount of (\$10,000) and to Plaintiff Evanina Alaniz in the amount of (\$5,000) for their services, the PAGA Settlement Amount (i.e., a payment of Eighteen Thousand Dollars (\$18,000.00) to the State of California Labor and Workforce Development Agency for alleged penalties and a Six Thousand Dollars (\$6,000.00) *pro rata* distribution to PAGA Group Members as their PAGA Payment), and the fees and expenses of the Settlement Administrator, ILYM Group, Inc. (estimated not to exceed \$25,000.00), which will result in a maximum amount payable by Defendants for distribution to Class Members who do not opt out (the "Net Settlement Amount"). Defendants' share of payroll taxes will be paid separately from and in addition to the Maximum Settlement Amount. No portion of the Maximum Settlement Amount shall revert to Defendants.

The Net Settlement Amount will be distributed to Class Members who do not opt out of the Settlement ("Participating Class Members") on a *pro rata* basis, based on the number of workweeks that each Participating Class Member performed work for Defendants as a non-exempt employee in California during the Class Period ("Qualified Workweeks"). To determine a Participating Class Member's estimated settlement payment ("Individual Settlement Payment"), the Net Settlement Amount will be divided by the total number of Qualified Workweeks worked by all Participating Class Members during the Class Period, multiplied by the number of Qualified Workweeks worked by that Participating Class Member, according to the following formula:

$$\text{[Net Settlement Amount} \div \text{Total Qualified Pay Periods for all Participating Class Members]} \times \text{Participating Class Member's Individual Qualified Pay Periods} = \text{estimated Individual Settlement Payment}$$

Class Members' Individual Settlement Payments will be reduced by any required legal deductions. No benefit, including but not limited to pension benefits and/or 401(k), shall increase or accrue as a result of any payment made as a result of this Settlement.

The Parties recognize that the Class Members' Individual Settlement Payments are for wages, interest, and penalties. The Parties agree that 50% of the Individual Settlement Payments shall be reported as wages subject to all applicable tax withholdings on IRS Form W-2 and its state and local equivalents and 50% shall be reported as non-wage interest and penalties not subject to payroll tax withholdings on IRS Form 1099 and its state and local equivalents.

The Parties are neither providing tax nor legal advice, nor making representations regarding tax obligations or consequences, if any, related to any settlement amounts to be paid to the

Participating Class Members. Each Participating Class Member will assume any tax obligations or consequences that may arise from any settlement amount paid to him or her and should consult with a tax expert if he or she has any questions. Each Participating Class Member's pro rata distribution amount prior to legal deductions will be reduced by the amount of any required payroll-related deductions.

Class Members who were employed by Defendants in the State of California at any time during the PAGA Period as a non-exempt employee ("PAGA Group Members") will also receive a PAGA Payment. "PAGA Payment" means the amount payable from the PAGA Settlement Amount to each PAGA Group Member. "PAGA Settlement Amount" means the portion of the Maximum Settlement Amount allocated to the resolution of PAGA claims in the Action. The PAGA Settlement Amount is Twenty-Four Thousand Dollars (\$24,000.00). Eighteen Thousand Dollars (\$18,000.00) shall be paid by the Settlement Administrator directly to the LWDA. The remaining Six Thousand Dollars (\$6,000.00) shall be distributed to PAGA Group Members as their PAGA Payment. The "PAGA Period" is the period of time from January 17, 2019 through May 31, 2022. PAGA Payments shall be paid by the Settlement Administrator from the Maximum Settlement Amount. PAGA Payments shall be allocated as non-wage penalties not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each PAGA Group Member for their PAGA Payment. Each PAGA Group Member's PAGA Payment shall be calculated solely by the Settlement Administrator according to the following formula: Defendants shall provide the Settlement Administrator with the Total Qualified PAGA Pay Periods; the Settlement Administrator shall then (1) divide Six Thousand Dollars (\$6,000.00) by the Total Qualified PAGA Pay Periods and then (2) multiply each PAGA Group Member's number of Qualified PAGA Pay Periods by the result in (1) to obtain the amount of each PAGA Group Member's PAGA Payment. "Qualified PAGA Pay Periods" means the total number of pay periods during the PAGA Period that PAGA Group Members performed work for Defendants as a non-exempt employee.

7. What is my approximate Individual Settlement Payment?

According to payroll records maintained by Defendants, the total number of weeks you worked in California for Defendants as a non-exempt employee during the Class Period is [REDACTED]. The total number of pay periods you worked in California for Defendants as a non-exempt employee during the PAGA Period is [REDACTED].

Based on information provided above, anticipated court-approved deductions, and preliminary calculations Qualified Workweeks, it is estimated your share of the settlement will be \$[REDACTED], less applicable taxes and withholdings. This amount includes your share of the PAGA Group Payment, which is estimated to be \$[REDACTED].

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 11, below, of any changes to your mailing address for timely payment.

Disputing Your Payment Amount

To the extent any Participating Class Member or PAGA Group Member disputes any aspect of his or her payment, number of Qualified Workweeks, or number of Qualified PAGA Pay Periods, that Participating Class Member or PAGA Group Member may complete the enclosed Dispute Form and mail it to the Settlement Administrator along with any documents or other information that supports your belief that the information set forth is incorrect. Defendants' records will be presumed determinative.

8. What am I giving up in exchange for the settlement benefits?

In exchange for the consideration provided, and upon the Settlement Administrator's receipt of the total Maximum Settlement Amount from Defendants, Plaintiffs and each Participating Class Member who does not submit a valid Exclusion Form (defined in response to Question 11 below) will release all claims for civil penalties that could have been sought by the Labor Commissioner and all claims alleged in the Complaint, including but not limited to (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods (4) failure to permit rest breaks (5) failure to provide accurate itemized wage statements (6) failure to pay all wages due upon separation of employment (7) violation of California Business and Professions Code §§17200, *et seq.*, based on the preceding claims against Defendants, including their parent corporation(s), direct or indirect owners, affiliates (including, without limitation, Watermark Retirement Communities Carmel, LLC), subsidiaries, divisions, predecessors, insurers, reinsurers, successors, and assigns, and their current and former employees, attorneys, officers, directors, and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries, and insurers of such plans and programs, both individually and in their business capacities at any time during the Class Period (the "Released Parties"). The PAGA Group Member will release PAGA claims regardless of whether they opt-out.

HOW TO GET A SETTLEMENT PAYMENT

9. How do I get a settlement payment?

You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendants and/or the Released Parties involving the same or similar legal claims as the ones in the Action arising during the Class Period. You will be mailed a settlement check at the address where this notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).

Additionally, if you are a PAGA Group Member, you will also receive a PAGA Payment, regardless of whether you submit an Exclusion Form. Your Individual Settlement Payment and PAGA Payment will be issued in one check.

10. When will I get my check?

Checks will be mailed to Participating Class Members and PAGA Group Members eligible to receive benefits under the Settlement after the Court grants “final approval” of the Settlement. If the judge approves the settlement after a hearing on **[insert date]** (see “The Court’s Final Approval Hearing” below), there may be appeals. If there are any appeals, resolving them could take some time, so please be patient.

If the Court approves the settlement and if you do not opt out, your individual payment is expected to be distributed after Defendants make payment to the Settlement Administrator. Defendants shall fund the settlement no earlier than the later of (a) January 2, 2023 or (b) thirty (30) days after the Court signs the Final Order to make the full payment to the Settlement Administrator.

Please also be advised that you will only have 180 days from the date that the check is issued to cash it. If you do not cash your check within 180 days of the date of its mailing, your check shall be voided, and your share of the settlement proceeds will be distributed by the Settlement Administrator to the California State Controller’s Office Unclaimed Property Fund in your name.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I ask the Court to exclude me from the Settlement Class?

If you do not wish to participate in the Settlement, you must complete and send a timely Exclusion Form. The Exclusion Form must be completed, signed, dated and mailed by First Class U.S. Mail, or the equivalent, postmarked no later than **[+60 days from date of mailing]** to:

INSERT SETTLEMENT ADMIN INFO

Exclusion Forms that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective, unless otherwise ordered by the Court. If you do not submit a valid and timely Exclusion Form on or before **[+60 days from date of mailing]**, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement is approved by the Court.

12. If I exclude myself, can I get anything from the settlement?

Not unless you are also a PAGA Group Member. If you exclude yourself now you will not get anything from the Settlement unless you are a PAGA Group Member. If you ask to be excluded, you will not get an Individual Settlement Payment and you will not be bound by the Settlement, but you will still receive a PAGA Payment if you are a PAGA Group Member.

13. If I don’t exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue Defendants for the Released Claims arising during the Class Period. You must exclude yourself from the Settlement Class to start or continue your own lawsuit.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court has appointed the following lawyers to serve as Class Counsel for the Class Members:

JACKSON LAW, APC
Armond M. Jackson
2 Venture Plaza, Suite 240
Irvine, CA 92618
Phone: (949) 281-6857
Fax: (949) 777-6218

Samuel A. Wong
Kashif Haque
Jessica L. Campbell
Kristy R. Connolly
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, CA 92618
Tel: 949-379-6250
kconnolly@aegislawfirm.com

UNITED EMPLOYEES LAW GROUP
Walter Haines
5500 Bolsa Avenue, Suite 201
Huntington Beach, California 92649
Telephone: (562) 256-1047
Facsimile: (562) 256-1006

15. How will the costs of the lawsuit and the settlement be paid?

Subject to court approval, Class Counsel has requested one-third (33 1/3%) of the sum of the Maximum Settlement Amount in attorneys' fees (currently equal to \$800,000) plus actual litigation costs and expenses (not to exceed \$30,000.00). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be returned to the Net Settlement Amount.

In addition, and subject to Court approval, Defendants also agree to pay, as part of the Maximum Settlement Amount, up to Ten Thousand Dollars (\$10,000.00) to Plaintiff Daniel Carillo-Salazar and Five Thousand Dollars (\$5,000.00) to Plaintiff Evanina Alaniz as Enhancement Awards for their participation in the Action and for taking on the risk of litigation. Subject to Court approval, Defendant also agrees to pay Eighteen Thousand Dollars (\$18,000.00) to the State of California Labor and Workforce Development Agency for alleged civil penalties. Defendant also agrees to pay, as part of the Maximum Settlement Amount, the Settlement Administrator's costs and fees associated with administering the Settlement, estimated not to exceed Twenty-Five Thousand Dollars (\$25,000.00). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be included in the Net Settlement Amount and will be

available for distribution to Participating Class Members.

OBJECTING TO THE SETTLEMENT

16. How do I object to the Settlement?

If you do not submit an Exclusion Form, you may object to the proposed Settlement, or any portion thereof, by completing a written objection (“Objection Form”). The Objection Form must be signed and mailed by regular U.S. Mail, postmarked no later than **[+60 days from date of mailing]**, to the Settlement Administrator at the following address:

[Settlement Administrator]
[insert info]

The Objection Form must (1) state your full name; (2) be signed by you; (3) state the grounds for the objection; and (4) must be postmarked by **[+60 days from date of mailing]** and returned to the Settlement Administrator at the specified address above. If you wish to appear at the Court’s Final Approval Hearing (see response to Question 17 below) and orally present your objection to the Court, you may do so whether or not you submitted an Objection Form to the Settlement Administrator. Any Class Member who submits an Objection Form or appears at the Final Approval Hearing to submit a verbal objection remains eligible to receive monetary compensation from the Settlement. A Class Member who submits an Exclusion Form may not object to the proposed Settlement.

17. What’s the difference between objecting and asking to be excluded?

Objecting is simply telling the Court you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class.

THE COURT’S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend the hearing and you may ask to speak, but you don’t have to.

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing on **[insert time/date]** in Department CX104 of the **Orange County Superior Court, located at 751 W. Santa Ana, Blvd, Santa Ana, California 92701**. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

19. Do I have to come to the hearing?

No. Class Counsel will answer any questions the judge may have. But you are welcome to come. If you submit an Objection Form to the Settlement Administrator, you do not have to come to Court to talk about it. You may also pay another lawyer to attend, but it is not required.

Class Counsel will not represent you in connection with any objection. You may appear by audio or video at the final approval hearing. Please visit the Court's website for further instructions: <https://www.occourts.org/directory/civil/complex-civil/calendar-schedule/civil-panel-schedule.html>

20. May I speak at the hearing?

If you wish to appear at the Final Approval Hearing and orally present your objection to the Court, you may do so regardless of whether or not you submitted an Objection Form. Please adhere to the latest COVID-19 courthouse protocol.

IF YOU DO NOTHING

21. What happens if I do nothing at all?

If you do nothing, you will automatically receive an Individual Settlement Payment and PAGA Payment, if applicable, as described above and you will be bound by the release of Released Claims against the Released Parties.

GETTING MORE INFORMATION

22. How do I get more information?

This notice summarizes the Settlement. More details are in the Stipulation of Class Action and PAGA Settlement, which is attached as **Exhibit X** to the Declaration of Armond M. Jackson in Support of Plaintiffs Danial Carillo-Salazar and Evanina Alaniz's Motion for Preliminary Approval of Class Action and PAGA Settlement, filed on **[INSERT DATE]**. The case is assigned to Department CX104 of the Orange County Superior Court, located at 751 W. Santa Ana, Blvd, Santa Ana, California 92701. The case file may be viewed online at <https://www.occourts.org/online-services/case-access/> and select "Civil Case & Document Access."

You may also contact Class Counsel or the Settlement Administrator for more information.

[Settlement Administrator]

[insert info]

The Settlement Administrator has set up a settlement website where you may also obtain up-to-date information on the matter including any change of the date or location of any hearings in connection with this Settlement. The settlement website URL is **XXXXXX**

Please do not contact the Court for more information about the Settlement.

4874-5935-4924, v. 2

EXHIBIT E

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF ORANGE

**CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL
WAGE AND HOUR CASES, CASE NO. JCCP 5176**

A court authorized this notice. This is not a solicitation from a lawyer.

ATTENTION: IF YOU HAVE BEEN EMPLOYED BY WATERMARK SERVICES IV, LLC. AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA DURING THE PERIOD BEGINNING JANUARY 27, 2016 AND ENDING ON MAY 31, 2022, YOU ARE ENTITLED TO A SHARE OF A PROPOSED CLASS ACTION SETTLEMENT.

TO UNDERSTAND YOUR RIGHTS, PLEASE READ THIS NOTICE CAREFULLY.

A proposed class action settlement (“the Settlement”) has been reached between Plaintiffs Daniel Carillo-Salazar and Evanina Alaniz (“Plaintiffs”), on behalf of themselves and the below-defined Class Members, and Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC. (“Defendants”).

The Settlement resolves the above class action lawsuit (the “Action”) about claims related to allegations that Defendants (1) failed to pay all minimum wages; (2) failed to pay overtime wages; (3) failed to provide required rest breaks; (4) failed to provide required meal breaks; (5) failed to furnish accurate itemized wage statements; (6) failed to pay all wages due to discharged and quitting employees; (7) failed to timely pay wages during employment; (8) engaged in unfair business practices. Plaintiffs also assert a claim for civil penalties under the Private Attorneys General Act (“PAGA”) based on the foregoing alleged violations by Defendants. Defendants deny and continue to deny all of Plaintiffs’ claims, and maintain that they have complied with all applicable laws and regulations. Defendants have entered into the Settlement solely for purposes of resolving this dispute.

The Settlement provides for Individual Settlement Payments based on the number of workweeks you performed work for Defendants in California as a non-exempt employee during the period from January 27, 2016 to May 31, 2022 as well as PAGA Payments based on the pay periods you performed work for Defendants in California as a non-exempt employee during the period from January 17, 2019 to May 31, 2022.

OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
DO NOTHING	You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendant and/or the Released Parties involving the same or similar legal

	claims as the ones in the Action for the period beginning on January 27, 2016 to May 31, 2022. If you are a PAGA Group Member, you will also receive a PAGA Payment. You will be mailed a settlement check at the address where this Notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).
EXCLUDE YOURSELF	The only way for you to be part of any other lawsuit against Defendants and/or the Released Parties involving the same or similar legal claims as the ones in the Action for the period beginning on January 27, 2016 to May 31, 2022 is to submit a valid Exclusion Form to the Settlement Administrator postmarked no later than [+60 days from date of mailing] . If you submit an Exclusion Form, you will <u>not</u> receive an Individual Settlement Payment, but you will receive a PAGA Payment if you are a PAGA Group Member.
OBJECT	If you wish to object to the Settlement, you must submit a written Objection, and supporting papers, to the Settlement Administrator that is postmarked or fax stamped no later than [+60 days from date of mailing] . This option is available only if you do <u>not</u> exclude yourself. Class members may also appear at the final approval hearing to object, this hearing will take place on [Final Approval Hearing Date and location].

These rights and options, and how to exercise them, are explained in more detail in this notice.

The Court handling this case has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and the Court still has to make a final determination of those issues at the Final Approval Hearing. Settlement payments will only be issued if the Court grants final approval of the Settlement.

Additional information regarding the Settlement is available through the Settlement Administrator or Class Counsel, whose contact information is provided in this notice.

BASIC INFORMATION

1. Why did I get this notice?

On **[insert preliminary approval date]**, the Superior Court of California, County of Orange (“the Court”) preliminarily approved a class action settlement of the Action on behalf of all persons who were employed by Defendants in California as non-exempt employees (“Class Members”) during the period beginning on January 27, 2016 to May 31, 2022 (the “Class Period”). According to Defendants’ records, you are a Class Member. This notice explains the Action, the Settlement, and your legal rights.

The Action is pending as coordinated cases captioned *Watermark Wage and Hour Cases*, Case No. JCCP 5176 and is pending in the Superior Court of California for the County of Orange (the “Action”). Daniel Carillo-Salazar and Evanina Alaniz are Plaintiffs, and the companies they

sued, Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC., are the Defendants.

2. What is the Action about?

The Action generally involves claims under California’s wage and hour laws. Plaintiffs are former non-exempt employees of Defendants. They allege that Defendants did not provide proper meal or rest breaks, failed to pay minimum wages and overtime wages, failed to timely pay wages, failed to pay all wages at termination, failed to provide compliant wage statements, and unlawfully received wages, and violated California’s Business and Professions Code. As a result, Plaintiffs alleges that they and the Class Members are entitled to recover unpaid straight time and overtime wages, meal and rest period premiums, interest, and statutory and civil penalties. Defendants deny that they engaged in any wrongful conduct or violated the law in any way, and believe Plaintiffs and the Class Members were properly and timely compensated and provided proper meal and rest breaks. However, both Plaintiffs and Defendants believe the Settlement is fair, adequate, and reasonable, and that it is in the best interest of the Class Members.

3. Why is this lawsuit a class action?

In a class action, one or more people called “Plaintiff(s)” (in this case, Daniel Carillo-Salazar and Evanina Alaniz) sue on behalf of people who have similar alleged claims. All of these people are a “class” or “class members.” The Court resolves the issues for all class members, except for those who exclude themselves from the class. On **[insert date]**, the Honorable William Claster issued an order conditionally certifying the Settlement Class for purposes of settlement only.

4. Who is in the Settlement Class?

“Class Members” or “Class” means all persons employed by Defendant in the State of California at any time during the period from on January 27 2016 to May 31, 2022 as a non-exempt employee. “PAGA Group Members” means all persons employed by Defendant in the State of California at any time during the period from January 17, 2019 to May 31, 2022 as a non-exempt employee.

5. Why is there a settlement?

After conducting substantial investigation, including review of Defendants’ policies, timekeeping records, and payroll records, both sides agreed to the Settlement to avoid the cost and risk of further litigation. The Settlement does not mean that any laws were broken. Defendants deny all of the claims asserted in the Action and deny that they have violated any laws. Plaintiffs and their lawyers think the Settlement is in the best interests of all Class Members.

THE SETTLEMENT BENEFITS—WHAT YOU GET

6. What does the settlement provide?

Under the terms of the Settlement, Defendant agrees to pay a Maximum Settlement Amount of Two Million, Four Hundred Thousand Dollars (\$2,400,000.00). Deducted from this Maximum Settlement Amount will be sums approved by the Court for attorneys' fees (not to exceed \$800,000.00), or 33.33% of the Maximum Settlement Amount, attorneys' litigation costs (not to exceed \$30,000.00), a Class Representative Service Award to Plaintiff Daniel Carillo-Salazar in the amount of (\$10,000) and to Plaintiff Evanina Alaniz in the amount of (\$5,000) for their services, the PAGA Settlement Amount (i.e., a payment of Eighteen Thousand Dollars (\$18,000.00) to the State of California Labor and Workforce Development Agency for alleged penalties and a Six Thousand Dollars (\$6,000.00) *pro rata* distribution to PAGA Group Members as their PAGA Payment), and the fees and expenses of the Settlement Administrator, **ILYM Group, Inc.** (estimated not to exceed \$25,000.00), which will result in a maximum amount payable by Defendants for distribution to Class Members who do not opt out (the "Net Settlement Amount"). Defendants' share of payroll taxes will be paid separately from and in addition to the Maximum Settlement Amount. No portion of the Maximum Settlement Amount shall revert to Defendants.

The Net Settlement Amount will be distributed to Class Members who do not opt out of the Settlement ("Participating Class Members") on a *pro rata* basis, based on the number of workweeks that each Participating Class Member performed work for Defendants as a non-exempt employee in California during the Class Period ("Qualified Workweeks"). To determine a Participating Class Member's estimated settlement payment ("Individual Settlement Payment"), the Net Settlement Amount will be divided by the total number of Qualified Workweeks worked by all Participating Class Members during the Class Period, multiplied by the number of Qualified Workweeks worked by that Participating Class Member, according to the following formula:

$$\text{[Net Settlement Amount} \div \text{Total Qualified Pay Periods for all Participating Class Members]} \times \text{Participating Class Member's Individual Qualified Pay Periods} = \text{estimated Individual Settlement Payment}$$

Class Members' Individual Settlement Payments will be reduced by any required legal deductions. No benefit, including but not limited to pension benefits and/or 401(k), shall increase or accrue as a result of any payment made as a result of this Settlement.

The Parties recognize that the Class Members' Individual Settlement Payments are for wages, interest, and penalties. The Parties agree that 50% of the Individual Settlement Payments shall be reported as wages subject to all applicable tax withholdings on IRS Form W-2 and its state and local equivalents and 50% shall be reported as non-wage interest and penalties not subject to payroll tax withholdings on IRS Form 1099 and its state and local equivalents.

The Parties are neither providing tax nor legal advice, nor making representations regarding tax obligations or consequences, if any, related to any settlement amounts to be paid to the

Participating Class Members. Each Participating Class Member will assume any tax obligations or consequences that may arise from any settlement amount paid to him or her and should consult with a tax expert if he or she has any questions. Each Participating Class Member's pro rata distribution amount prior to legal deductions will be reduced by the amount of any required payroll-related deductions.

Class Members who were employed by Defendants in the State of California at any time during the PAGA Period as a non-exempt employee ("PAGA Group Members") will also receive a PAGA Payment. "PAGA Payment" means the amount payable from the PAGA Settlement Amount to each PAGA Group Member. "PAGA Settlement Amount" means the portion of the Maximum Settlement Amount allocated to the resolution of PAGA claims in the Action. The PAGA Settlement Amount is Twenty-Four Thousand Dollars (\$24,000.00). Eighteen Thousand Dollars (\$18,000.00) shall be paid by the Settlement Administrator directly to the LWDA. The remaining Six Thousand Dollars (\$6,000.00) shall be distributed to PAGA Group Members as their PAGA Payment. The "PAGA Period" is the period of time from January 17, 2019 through May 31, 2022. PAGA Payments shall be paid by the Settlement Administrator from the Maximum Settlement Amount. PAGA Payments shall be allocated as non-wage penalties not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each PAGA Group Member for their PAGA Payment. Each PAGA Group Member's PAGA Payment shall be calculated solely by the Settlement Administrator according to the following formula: Defendants shall provide the Settlement Administrator with the Total Qualified PAGA Pay Periods; the Settlement Administrator shall then (1) divide Six Thousand Dollars (\$6,000.00) by the Total Qualified PAGA Pay Periods and then (2) multiply each PAGA Group Member's number of Qualified PAGA Pay Periods by the result in (1) to obtain the amount of each PAGA Group Member's PAGA Payment. "Qualified PAGA Pay Periods" means the total number of pay periods during the PAGA Period that PAGA Group Members performed work for Defendants as a non-exempt employee.

~~To the extent any Participating Class Member or PAGA Group Member disputes any aspect of his or her payment, number of Qualified Workweeks, or number of Qualified PAGA Pay Periods, that Participating Class Member or PAGA Group Member may submit supporting evidence to the Settlement Administrator. Defendants' records will be presumed determinative.~~

7. What is my approximate Individual Settlement Payment?

According to payroll records maintained by Defendants, the total number of weeks you worked in California for Defendants as a non-exempt employee during the Class Period is . The total number of pay periods you worked in California for Defendants as a non-exempt employee during the PAGA Period is .

Based on information provided above, anticipated court-approved deductions, and preliminary calculations Qualified Workweeks, it is estimated your share of the settlement will be \$, less applicable taxes and withholdings. This amount includes your share of the PAGA Group Payment, which is estimated to be \$.

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is

important that you contact and inform the Settlement Administrator listed in Section 11, below, of any changes to your mailing address for timely payment.

Disputing Your Payment Amount

To the extent any Participating Class Member or PAGA Group Member disputes any aspect of his or her payment, number of Qualified Workweeks, or number of Qualified PAGA Pay Periods, that Participating Class Member or PAGA Group Member may complete the enclosed Dispute Form and mail it to the Settlement Administrator along with any documents or other information that supports your belief that the information set forth is incorrect. Defendants' records will be presumed determinative.

8. What am I giving up in exchange for the settlement benefits?

In exchange for the consideration provided, and upon the Settlement Administrator's receipt of the total Maximum Settlement Amount from Defendants, Plaintiffs and each Participating Class Member who does not submit a valid Exclusion Form (defined in response to Question 11 below) will release all claims for civil penalties that could have been sought by the Labor Commissioner and all claims alleged in the Complaint, including but not limited to (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods (4) failure to permit rest breaks (5) failure to provide accurate itemized wage statements (6) failure to pay all wages due upon separation of employment (7) violation of California Business and Professions Code §§17200, *et seq.*, based on the preceding claims against Defendants, including their parent corporation(s), direct or indirect owners, affiliates (including, without limitation, Watermark Retirement Communities Carmel, LLC), subsidiaries, divisions, predecessors, insurers, reinsurers, successors, and assigns, and their current and former employees, attorneys, officers, directors, and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries, and insurers of such plans and programs, both individually and in their business capacities at any time during the Class Period (the "Released Parties"). The PAGA Group Member will release PAGA claims regardless of whether they opt-out.

HOW TO GET A SETTLEMENT PAYMENT

9. How do I get a settlement payment?

You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendants and/or the Released Parties involving the same or similar legal claims as the ones in the Action arising during the Class Period. You will be mailed a settlement check at the address where this notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).

Additionally, if you are a PAGA Group Member, you will also receive a PAGA Payment, regardless of whether you submit an Exclusion Form. Your Individual Settlement Payment and

PAGA Payment will be issued in one check.

10. When will I get my check?

Checks will be mailed to Participating Class Members and PAGA Group Members eligible to receive benefits under the Settlement after the Court grants “final approval” of the Settlement. If the judge approves the settlement after a hearing on **[insert date]** (see “The Court’s Final Approval Hearing” below), there may be appeals. If there are any appeals, resolving them could take some time, so please be patient.

If the Court approves the settlement and if you do not opt out, your individual payment is expected to be distributed after Defendants make payment to the Settlement Administrator. Defendants shall fund the settlement no earlier than the later of (a) January 2, 2023 or (b) thirty (30) days after the Court signs the Final Order to make the full payment to the Settlement Administrator.

Please also be advised that you will only have 180 days from the date that the check is issued to cash it. If you do not cash your check within 180 days of the date of its mailing, your check shall be voided, and your share of the settlement proceeds will be distributed by the Settlement Administrator to the California State Controller’s Office Unclaimed Property Fund in your name.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I ask the Court to exclude me from the Settlement Class?

If you do not wish to participate in the Settlement, you must complete and send a timely Exclusion Form. The Exclusion Form must be completed, signed, dated and mailed by First Class U.S. Mail, or the equivalent, postmarked no later than **[+60 days from date of mailing]** to:

INSERT SETTLEMENT ADMIN INFO

Exclusion Forms that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective, unless otherwise ordered by the Court. If you do not submit a valid and timely Exclusion Form on or before **[+60 days from date of mailing]**, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement is approved by the Court.

12. If I exclude myself, can I get anything from the settlement?

Not unless you are also a PAGA Group Member. If you exclude yourself now you will not get anything from the Settlement unless you are a PAGA Group Member. If you ask to be excluded, you will not get an Individual Settlement Payment and you will not be bound by the Settlement, but you will still receive a PAGA Payment if you are a PAGA Group Member.

13. If I don’t exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue Defendants for the Released Claims arising during the Class Period. You must exclude yourself from the Settlement Class to start or continue your own lawsuit.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court has appointed the following lawyers to serve as Class Counsel for the Class Members:

JACKSON LAW, APC
Armond M. Jackson
2 Venture Plaza, Suite 240
Irvine, CA 92618
Phone: (949) 281-6857
Fax: (949) 777-6218

Samuel A. Wong
Kashif Haque
Jessica L. Campbell
Kristy R. Connolly
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, CA 92618
Tel: 949-379-6250
kconnolly@aegislawfirm.com

UNITED EMPLOYEES LAW GROUP
Walter Haines
5500 Bolsa Avenue, Suite 201
Huntington Beach, California 92649
Telephone: (562) 256-1047
Facsimile: (562) 256-1006

15. How will the costs of the lawsuit and the settlement be paid?

Subject to court approval, Class Counsel has requested one-third (33 1/3%) of the sum of the Maximum Settlement Amount in attorneys' fees (currently equal to \$800,000) plus actual litigation costs and expenses (not to exceed \$30,000.00). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be returned to the Net Settlement Amount.

In addition, and subject to Court approval, Defendants also agree to pay, as part of the Maximum Settlement Amount, up to Ten Thousand Dollars (\$10,000.00) to Plaintiff Daniel Carillo-Salazar and Five Thousand Dollars (\$5,000.00) to Plaintiff Evanina Alaniz as Enhancement Awards for their participation in the Action and for taking on the risk of litigation. Subject to Court approval, Defendant also agrees to pay Eighteen Thousand Dollars (\$18,000.00) to the State of California Labor and Workforce Development Agency for alleged civil penalties. Defendant

also agrees to pay, as part of the Maximum Settlement Amount, the Settlement Administrator's costs and fees associated with administering the Settlement, estimated not to exceed Twenty-Five Thousand Dollars (\$25,000.00). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be included in the Net Settlement Amount and will be available for distribution to Participating Class Members.

OBJECTING TO THE SETTLEMENT

16. How do I object to the Settlement?

If you do not submit an Exclusion Form, you may object to the proposed Settlement, or any portion thereof, by completing a written objection ("Objection Form"). The Objection Form must be signed and mailed by regular U.S. Mail, postmarked no later than **[+60 days from date of mailing]**, to the Settlement Administrator at the following address:

[Settlement Administrator]
[insert info]

The Objection Form must (1) state your full name; (2) be signed by you; (3) state the grounds for the objection; and (4) must be postmarked by **[+60 days from date of mailing]** and returned to the Settlement Administrator at the specified address above. If you wish to appear at the Court's Final Approval Hearing (see response to Question 17 below) and orally present your objection to the Court, you may do so whether or not you submitted an Objection Form to the Settlement Administrator. Any Class Member who submits an Objection Form or appears at the Final Approval Hearing to submit a verbal objection remains eligible to receive monetary compensation from the Settlement. A Class Member who submits an Exclusion Form may not object to the proposed Settlement.

17. What's the difference between objecting and asking to be excluded?

Objecting is simply telling the Court you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend the hearing and you may ask to speak, but you don't have to.

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing on **[insert time/date]** in Department CX104 of the **Orange County Superior Court, located at 751 W. Santa Ana, Blvd, Santa Ana, California 92701**. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

19. Do I have to come to the hearing?

No. Class Counsel will answer any questions the judge may have. But you are welcome to come. If you submit an Objection Form to the Settlement Administrator, you do not have to come to Court to talk about it. You may also pay another lawyer to attend, but it is not required. Class Counsel will not represent you in connection with any objection. You may appear by audio or video at the final approval hearing. Please visit the Court's website for further instructions: <https://www.occourts.org/directory/civil/complex-civil/calendar-schedule/civil-panel-schedule.html>

20. May I speak at the hearing?

If you wish to appear at the Final Approval Hearing and orally present your objection to the Court, you may do so regardless of whether or not you submitted an Objection Form. Please adhere to the latest COVID-19 courthouse protocol.

IF YOU DO NOTHING

21. What happens if I do nothing at all?

If you do nothing, you will automatically receive an Individual Settlement Payment and PAGA Payment, if applicable, as described above and you will be bound by the release of Released Claims against the Released Parties.

GETTING MORE INFORMATION

22. How do I get more information?

This notice summarizes the Settlement. More details are in the Stipulation of Class Action and PAGA Settlement, which is attached as **Exhibit X** to the Declaration of Armond M. Jackson in Support of Plaintiffs Danial Carillo-Salazar and Evanina Alaniz's Motion for Preliminary Approval of Class Action and PAGA Settlement, filed on **[INSERT DATE]**. The case is assigned to Department CX104 of the Orange County Superior Court, located at 751 W. Santa Ana, Blvd, Santa Ana, California 92701. The case file may be viewed online at <https://www.occourts.org/online-services/case-access/> and select "Civil Case & Document Access."

You may also contact Class Counsel or the Settlement Administrator for more information.

[Settlement Administrator]

[insert info]

The Settlement Administrator has set up a settlement website where you may also obtain up-to-date information on the matter including any change of the date or location of any hearings in connection with this Settlement. The settlement website URL is **XXXXXX**

Please do not contact the Court for more information about the Settlement.

EXHIBIT F