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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

COORDINATION PROCEEDING SPECIAL TITLE [RULE 3.550] **AACRES CA WAGE AND HOUR CASES** *Williams et al. v. Aacres CA, LLC et al.*, No. 34-2019-00267245-CU-OE-GDS (Superior Court of California, County of Sacramento) *Nozil v. Aacres CA, LLC et al.*, No. 19STCV38797 (Superior Court of California, County of Los Angeles)	JUDICIAL COUNCIL COORDINATION PROCEEDING No. 5092 **CLASS ACTION** **SETTLEMENT AGREEMENT** Complaint Filed: October 21, 2019 Trial Date: None Set

This Settlement Agreement is made and entered into by and between Plaintiffs Andrea Williams, Cayanne Willis-Walker, Gail Perkins, and Myriam Nozil (collectively "Plaintiffs"), on behalf of themselves and on behalf of similarly situated putative class members, the State of California, and the aggrieved employees, and Defendants Aacres CA, LLC ("Aacres") and Embassy Management, LLC ("Embassy") (collectively, "Defendants"). Plaintiffs and Defendants are collectively referred to herein as the "Parties."

PROCEDURAL HISTORY AND BACKGROUND FACTS

1. This Settlement Agreement globally resolves the coordinated action entitled *Aacres CA Wage and Hour Cases*, Case No. JCCP5092 (the "Action"). The Operative Complaints in both actions collectively allege the following wage-and-hour claims on an individual, class, and representative basis: (1) failure to pay overtime (Labor Code §§ 510 and 1198); (2) failure to provide meal periods or meal period premiums (Labor Code §§ 226.7 and 512(a)); (3) failure to provide rest breaks and rest break premiums (Labor Code § 226.7); (4) failure to pay the minimum wage (Labor Code §§ 1194, 1197, and 1197.1); (5) failure to timely pay final wages (Labor Code §§ 201, 202, and 203); (6) failure to timely pay wages during employment (Labor Code § 204); (7) failure to provide accurate wage statements (Labor Code § 226); (8) failure to maintain requisite payroll records (Labor Code § 1174(d)); (9) failure to reimburse for necessary business expenses (Labor Code §§ 2800 and 2802); (10) unfair and unlawful business practices in violation of California Business and Professions Code §§ 17200 *et seq.*; and (11) penalties pursuant to the Private Attorney General Act (Labor Code §§ 2698 *et seq.*).

2. The Parties participated in a full-day private mediation with the Honorable Jeff Winikow (Ret.) on August 5, 2022. The Action did not settle that day. The Parties continued to engage in discovery over the next year-and-a-half and reached the following settlement by way of an accepted mediator's proposal with the assistance of Judge Winikow.

3. Given the uncertainty of litigation, the Parties wish to settle all claims both individually and on behalf of the Class Members and Aggrieved Employees.

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NOW, **THEREFORE**, the Parties hereby agree to settle and resolve the Action as follows:

PRELIMINARY TERMS AND DEFINITIONS

4. "Aggrieved Employees" shall mean all former hourly-paid or non-exempt employees employed by Aacres within the State of California at any time during the PAGA Period who performed direct client support including Direct Support Professionals ("DSPs"), Lead DSPs, Nursing Assistants, Licensed Vocational Nurses, and Program Administrators in Training.

5. "Class Counsel" shall collectively mean the Parris Law Firm, Lawyers *for* Justice, PC, and Solouki | Savoy, LLP.

6. "Class Members" shall mean all former hourly-paid or non-exempt employees employed by Aacres within the State of California at any time during the Class Period who performed direct client support including Direct Support Professionals ("DSPs"), Lead DSPs, Nursing Assistants, Licensed Vocational Nurses, and Program Administrators in Training.

7. "Class Period" shall mean October 21, 2015 through July 7, 2021.

8. "Class Representatives" shall mean Plaintiffs Andrea Williams, Cayanne Willis-Walker, Gail Perkins, and Myriam Nozil.

9. "Notice" shall mean the Notice of Settlement approved by the Court to be mailed out by the Third-Party Administrator to the Class Members and Aggrieved Employees.

10. "Operative Complaints" shall refer to the two underlying complaints in the coordinated Action: (1) putative wage-and-hour class action Complaint filed by Plaintiffs Andrea Williams, Cayanne Willis-Walker, and Gail Perkins on October 21, 2019 (Sacramento County Superior Court Case No. 34-2019-00267245-CU-OE-GDS) and (2) the Second Amended Complaint filed by Plaintiff Myriam Nozil on or around February 4, 2021 (Los Angeles County Superior Court Case No. 19STCV38797), which were coordinated as the *Aacres CA Wage and Hour Cases*, Judicial Council Coordination Proceedings No. 5092.

11. "PAGA Period" shall mean February 4, 2020 through July 7, 2021.

12. "Settlement Class" shall refer to those Class Members who do not elect to be

excluded from the Settlement.

13. "Settlement Administrator" shall refer to Phoenix Settlement Administrators.

TERMS OF SETTLEMENT

14. For purposes of the Settlement Agreement only, the Parties stipulate to certification of the following Settlement Class:

> All former Class Members, as defined above, employed by Defendant Aacres within the State of California at any time during the Class Period.

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement

15. For purpose of the Settlement Agreement only, the Parties stipulate that Plaintiffs will represent the following aggrieved employees for purposes of recovering PAGA penalties:

> All Aggrieved Employees, as defined above, employed by Defendant Aacres within the State of California at any time during the PAGA Period.

16. Defendants represented that during the Class Period there were a total of 663 Class Members working 35,317 workweeks with at least 1 unique day. There were 1,795 pay periods during the PAGA Period. If the Settlement Administrator confirms that the total number of Class Members and workweeks during the Class Period exceeds 663 or 35,317 by more than 10%, respectively, or if the total number of pay periods during the PAGA Period exceed 1,795 by more than 10%, then the Gross Settlement Amount shall increase by 10% ("Escalator Clause").

17. As consideration for the conditions, terms, and releases set forth herein, Defendants shall pay a non-reversionary maximum amount of Seven Hundred Ninety-Seven

Thousand Five Hundred Thirteen Dollars and Forty-Eight Cents ($797,513.48) (the "Gross Settlement Amount" or "GSA"), subject to increase based on the Escalator Clause above, in full and complete settlement of the Action. Defendants shall pay all employer-side payroll taxes in addition to and separately from the GSA.

18. The GSA includes:

a. All payments to the Class Members;

b. Up to Forty Thousand Dollars and Zero Cents ($40,000.00) for Plaintiffs' Class and Representative Service Award ($10,000 per Class Representative) in recognition of Plaintiffs' contributions to the Action, and their services to the Settlement Class ("Class Representative Service Award"). Even in the event that the Court reduces or does not approve the requested Class Representative Service Award, Plaintiffs shall not have the right to revoke this settlement and it will remain binding if the Court grants final approval;

c. The Class Counsel's attorneys' fees plus actual Class Counsel's costs as supported by declaration, in an amount not to exceed thirty-five percent (35%) of the GSA (in the amount of Two Hundred Eighty Thousand Dollars ($280,000) in attorneys' fees and Twenty Thousand Dollars ($20,000) in actual costs ("Class Counsel Award"). In the event the Court reduces or does not approve the requested Class Counsel Award, Plaintiffs' counsel shall not have the right to revoke this settlement, and it will remain binding if the Court grants final approval;

d. All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Ten Thousand Dollars and Zero Cents ($10,000.00);

e. Five Thousand Dollars and Zero Cents ($5,000.00) of the GSA has been set aside by the Parties as PAGA civil penalties. Per Labor Code

§ 2699(i), seventy-five percent (75%) of such penalties, or Three Thousand Seven Hundred and Fifty Dollars and Zero Cents ($3,750.00), will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%), or One Thousand Two Hundred and Fifty Dollars and Zero Cents ($1,250.00), will be payable to Aggrieved Employees as the "PAGA Amount," as described below.

19. Defendants shall electronically wire the GSA to the Qualified Settlement Fund established by the Settlement Administrator within ten (10) business days following the Court's order granting final approval of this Settlement Agreement ("Final Approval Order").

20. Defendants will not oppose Class Counsel's request for attorneys' fees in the total amount of thirty-five percent (35%) of the GSA (in the amount of $280,000.00 plus costs not to exceed $20,000.00. The payment of Class Counsel's attorneys' fees and costs shall be made from the GSA. The Settlement Administrator shall electronically wire the attorneys' fees and costs to Class Counsel no later than five (5) calendar days after receipt of the GSA.

21. Defendants will not oppose Plaintiffs' request for a Class Representative Service Award of Ten Thousand Dollars ($10,000.00) to each Plaintiff, totaling Forty Thousand Dollars ($40,000.00). The payment of the Class Representative Service Award shall be made from the GSA and shall be in addition to any payment Plaintiff may receive as a Class Member and/or Aggrieved Employee. The Settlement Administrator shall issue an IRS Form 1099 to each Plaintiff in connection with their Class Representative Service Award. The Settlement Administrator shall issue the Class Representative Service Award directly to Plaintiffs no later than five (5) calendar days after receipt of the GSA.

22. The Parties agree that after deducting the Class Counsel Award and the Class Representative Service Award, the PAGA Amount, and Settlement Administrator's costs from the GSA, the remaining amount shall represent the "Net Settlement Amount." The Net Settlement Amount shall be distributed pro rata to Class Members who do not submit a valid and timely opt out notice based on the number of workweeks worked by each Class Member during

the Class Period ("Class Member Payment"). The Settlement Administrator shall issue the Class Member Payments directly to the Class Members no later than five (5) calendar days after receipt of the GSA. The Parties have agreed to the appointment of Phoenix Settlement Administrators to perform the duties of the Settlement Administrator.

23. The Parties agree that Ten Thousand Dollars ($10,000.00) shall be paid out of the GSA to the Settlement Administrator for all costs associated with the administration of this Settlement.

24. **Preliminary Approval.** Upon execution of this Settlement Agreement, Plaintiffs' counsel shall apply to the Court for the entry of an Order:

A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;

B. Appointing Parris Law Firm, Lawyers *for* Justice, PC, and Solouki | Savoy, LLP as Class Counsel;

C. Appointing Plaintiffs Andrea Williams, Cayanne Willis-Walker, Gail Perkins, and Myriam Nozil to serve as Class Representatives for the Settlement Class;

D. Appointing Phoenix Settlement Administrators as the Settlement Administrator;

E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;

F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice and the Notice of Settlement Award, attached hereto as **Exhibits 1 and 2**, respectively), and directing the mailing of same; and

G. Scheduling a Final Approval hearing.

SETTLEMENT PAYMENT CALCULATION

25. The Net Settlement Amount shall be determined by deducting the following amounts from the GSA of $797,513.48 or as increased by the Escalator Clause if applicable: (1) Class Counsel's attorneys' fees, approved by the Court; (2) Class Counsel's costs, approved by the Court; (3) the Settlement Administrator's costs in the amount of $10,000.00; (4) the $40,000.00 Class Representative Service Award; and (5) Five Thousand Dollars ($5,000.00) as civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004 ("PAGA Amount").

26. Payments to all participating Class Members: The Settlement Administrator shall calculate each Class Member's individual settlement amount by dividing the Class Member's individual total number of workweeks during the Class Period as reflected in Defendants' records by the total number of workweeks worked by all Class Members during the Class Period (35,317). The resulting fractional number shall be multiplied by the Net Settlement Amount of approximately $442,513.48 if the Escalator Clause is not triggered to arrive at each "Class Member Payment."

27. Each Class Member Payment will be allocated twenty percent (20%) wages, for which an IRS Form W-2 shall be issued and traditional payroll taxes and withholdings will be made, and eighty percent (80%) interest and penalties, for which an IRS Form 1099 shall be issued and no withholdings will be made. Defendants shall pay the employer's share of the payroll taxes on any amounts allocated as wages separately and in addition to the GSA. Class Members shall be responsible for any personal income taxes owed on the amounts they receive. The Settlement Administrator shall issue appropriate tax forms with each Class Member Payment.

28. PAGA Amount: The PAGA Amount of $5,000.00 shall be distributed as follows: seventy-five percent (75%) to the Labor and Workforce Development Agency ($3,750.00) ("LWDA PAGA Amount") and twenty-five percent (25%) to the Aggrieved Employees ("Aggrieved Employee PAGA Amount"). The Aggrieved Employee PAGA Amount shall be distributed pro rata to Aggrieved Employees based on the number of pay periods individually worked by each Aggrieved Employee during the PAGA Period ("Aggrieved Employee Payment"). Each Aggrieved Employee Payment shall be calculated by dividing the Aggrieved Employee's individual total number of pay periods during the PAGA Period as reflected in Defendants' records by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period (1,795). The resulting fractional number shall be multiplied by the Aggrieved Employee PAGA Amount of $1,250.00 to arrive at each "Aggrieved Employee Payment." One hundred percent (100%) of each Aggrieved Employee Payment will be allocated as penalties for which an IRS Form 1099 shall be issued and no withholdings will be made.

29. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

30. Notwithstanding the treatment of the payments to each participating Class Member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans. Each Class Member

Payment paid to Class Members under this Settlement Agreement and each Aggrieved Employee Payment paid to Aggrieved Employees, as well as any other payments made pursuant to this Settlement Agreement made to Class Members and Aggrieved Employees, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Member may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Member or Aggrieved Employee may be entitled under any current or former benefit plans.

31. Class Members and Aggrieved Employees shall have one hundred and twenty (120) days to cash their settlement checks from the date the Settlement Administrator mails it. Any funds payable to participating Class Members whose checks were not cashed within 120 days after mailing will escheat to the California State Controller pursuant to the Unclaimed Property Law, California Civil Code § 1500 et seq., in the name of the Settlement Class member to whom the check was issued, until such time that they claim their property.

32. Neither Parties nor their counsel shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

NOTICE PROCESS

33. Within ten (10) business days after the Court's entry of an order granting preliminary approval of this Settlement Agreement, Defendants shall provide to the Settlement Administrator a Settlement Member List in a single, workable Microsoft Excel spreadsheet that includes each Class Member and Aggrieved Employee first and last name, last known mailing address, telephone number, social security number, dates of employment, workweeks during the Class Period, and pay periods during the PAGA Period. The Settlement Administrator shall confirm to counsel for the Parties within five (5) business days of receipt of the Settlement Member List the total number of Class Members, the total number of Aggrieved Employees, the total number of workweeks during the Class Period, and the total number of pay periods during

the PAGA Period reflected in the Settlement Member List.

34. Within ten (10) business days from receipt of the Settlement Member List, the Settlement Administrator shall calculate the estimated individual settlement payment for each Settlement Class member and provide its calculations to Counsel of all parties for approval.

35. Within ten (10) business days after receipt of the Settlement Member List, the Settlement Administrator shall send the Notice as approved by the Court to the Class Members and Aggrieved Employees.

36. The Settlement Administrator will use the United States Postal Service National Change of Address ("NCOA") Registry to verify the accuracy of all addresses on the Settlement Member List before the initial mailing date to ensure that the Notice is sent to all Class Members and Aggrieved Employees at the addresses most likely to result in immediate receipt of the Notice.

37. The Settlement Administrator shall use its best professional efforts, including performing a "skip trace," to track any participating Class Member's mailing returned as undeliverable, and will re-send the Notice Packet promptly, and in any event within three (3) business days of identifying updated mailing addresses through such efforts. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each participating Class Member. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) days of the mailing, the Settlement Class member and Aggrieved Employees received the Notice Packet.

DISPUTE, OPT OUT, AND OBJECTION PROCESS

38. Each Class Members' and Aggrieved Employees' unique Notice will state his or her total number of workweeks during the Class Period, total number of pay periods during the PAGA Period, estimated Aggrieved Employee Payment, and estimated pre-tax Class Member Payment. Class Members and Aggrieved Employees will have thirty (30) calendar days from the mailing of the Notice to dispute their total number of workweeks, pay periods, and payment calculations by submitting documentary evidence to the contrary to the Settlement Administrator.

39. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Class Member, (2) contain a statement that the Class Member wishes to be excluded from the Settlement; (3) be signed by the Class Member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from this settlement, except a Request for Exclusion form not containing a Class Member's telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Class Member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the settlement or have any right to object, appeal or comment thereon.

40. Class Members will have thirty (30) calendar days from the mailing of the Notice to object or opt-out of the settlement by submitting a written notice of objection or opt out to the Settlement Administrator ("Response Deadline").

41. No dispute documentation will be considered if postmarked after the 30 calendar-day period. Any disputes regarding a Class Member's and Aggrieved Employee's total workweeks will be resolved and decided by the Settlement Administrator prior to the date of mailing the Class Member Payments and Aggrieved Employee Payments, and the Settlement Administrator's decision will be final, binding, and non-appealable.

42. Class Members may opt-out of the settlement by following the directions in the Notice. Any such request must be postmarked not more than thirty (30) calendar days after the date the Notice is mailed to the Class Members. Requests to opt out that do not include all required information, or that are not submitted on a timely basis, will be deemed null, void, and ineffective. The Settlement Administrator shall provide the name(s) of each Class Member who submitted a timely and valid opt-out so that he or she is expressly excluded from the Judgment.

43. Objections to the settlement must be submitted to the Settlement Administrator

and postmarked not more than thirty (30) calendar days after the date the Notice is mailed to the Class Members. The Third-Party Administrator shall promptly forward any objections received to counsel for the Parties. Class Counsel and Counsel for Defendants shall file any responses to objections no later than fifteen (15) court days before the date of the final fairness and approval hearing. The Class Notice shall include specific instructions to Class Members for submitting objections. A Class Member who wishes to object but who fails to comply with the instructions set forth in the Class Notice shall be deemed not to have objected.

FINAL APPROVAL

Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiffs' counsel shall apply to the Court for entry of an Order:

A. Granting final approval to the Settlement Agreement and approving its terms to be fair, reasonable and adequate;

B. Approving Class Counsel's application for attorneys' fees, costs, Class Representative Service Awards, and Settlement Administration costs; and

C. Entering judgment pursuant to California Rule of Court 3.769.

RELEASE OF CLAIMS

44. **Release by Class Members.** Upon the Settlement Administrator's receipt of the full Gross Settlement Amount along with any applicable increases based on the Escalator Clause and Defendant's share of employer payroll taxes, all Plaintiffs and every member of the Settlement Class (except those who opt out) will fully release and discharge Defendants and all of their past and present parent companies, affiliates, controlling persons, subsidiaries, directors, officers, shareholders and investors, agents, attorneys, employees, and benefit plans sponsored by any such entities (collectively the "Released Parties"), as follows:

A. Settlement Class members will release all claims and causes of action, alleged or which could have reasonably been alleged based on the allegations in the Operative Complaints filed in the Aacres Wage and Hour Case, including claims for: (a) failure to pay overtime wages; (b) failure to provide all meal periods, or premium pay in lieu thereof; (c) failure to authorize and permit all rest periods, or premium pay in lieu thereof; (d) failure to pay the minimum wage; (e) failure to provide complete and accurate wage statements; (f) failure to timely pay wages during employment; (g) all claims for waiting time penalties; (h) failure to maintain requisite payroll records; (i) all claims for unfair business practices that could have been premised on the claims, causes of action or legal theories plead in the Operative Complaints; (j) all claims under the California Labor Code Private Attorneys General Act of 2004 ("PAGA") that could have been premised on the claims, causes of action or legal theories pled in the operative Complaints; and (h) all damages, penalties, interest, costs (including attorney fees) and other amounts recoverable under said claims or causes of action as to the facts and/or legal theories alleged in the Operative Complaints (collectively, the "Released Claims"). The period of the Release shall extend to the limits of the Class Period. The *res judicata* effect of the judgment will be the same as that of the Release.

B. All Aggrieved Employees (regardless of whether they opt-out) will release all claims for civil penalties under PAGA arising during the PAGA Period ("the PAGA Released Claims"). The period of the Release shall extend to the limits of the PAGA Period. The *res judicata* effect of the judgment will be the same as that of the Release.

C. In light of their Class Representative Service Awards, Plaintiffs have agreed to release, in addition to the Released Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. Plaintiffs understand that this release includes unknown claims and that they are, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

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

Specifically excluded from Plaintiff's Released Claims are any claims for workers' compensation benefits, which cannot be released as a matter of law.

NO ADMISSION

45. Nothing contained herein, nor the execution of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants, and Defendants expressly deny any such liability. The Parties hereto have entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or any other similar law, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement.

46. Plaintiffs and Class Counsel agree not to disclose or publicize the Settlement Agreement among the parties contemplated herein, the fact of the Settlement Agreement, its terms or contents, and the negotiations underlying the Settlement Agreement, in any manner or

form, directly or indirectly, to any person or entity, except Class Members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this action and the venue/case number of this action for such purposes. Class Counsel is also permitted to add the GSA amount into any aggregate settlement and verdict count without specific reference to the Action.

PARTIES' AUTHORITY

47. The signatories hereto hereby represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

MUTUAL FULL COOPERATION

48. The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including, but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein.

49. If the Court fails to approve this Settlement for any reason, including enforceability of the Releases, the Parties shall engage in reasonable efforts to resolve any issues identified by the Court, taking into consideration the terms of this Agreement. Should the Parties ultimately fail to agree on revised terms, or should the Court ultimately decline to approve this Settlement, the Settlement shall be considered void *ab initio* and shall be of no force or effect whatsoever, and shall not be referred to or utilized for any purposes whatsoever.

MODIFICATION

50. This Settlement Agreement may be amended, if so ordered by the Court in the course of obtaining preliminary approval, by stipulation and addendum of the Parties' counsel. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

ENTIRE AGREEMENT

51. This Settlement Agreement contains the entire agreement between the Parties relating to the proposed Settlement and transaction contemplated herein, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

BINDING ON ASSIGNS

52. This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

COUNTERPARTS

53. This Settlement Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Settlement Agreement, which shall be binding upon and effective as to the Parties. This Agreement may be executed and delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

COURT'S CONTINUING JURISDICTION

54. The parties consent to the jurisdiction of the Superior Court of the State of California, County of Sacramento, and to the Judge who approves the Settlement Agreement (or other Judge as may in the future be assigned the Action), and agree that the Court shall retain jurisdiction over this Action and this Settlement Agreement in order to enforce, construe, and interpret this Settlement Agreement and the settlement, to supervise all notices, the administration of the settlement and this Agreement and distribution of the GSA, and to hear, adjudicate, and resolve any disputes arising from or related to the settlement and/or this Agreement, pursuant to California Code of Civil Procedure section 664.6.

INTERIM STAY OF PROCEEDINGS

55. The Parties agree to hold all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, in abeyance pending approval of this Settlement Agreement, including the deadline for Plaintiffs to bring the Action to trial pursuant to California Code of Civil Procedure section 583.310.

SO STIPULATED AND AGREED.

Date: 5/30/2024

DocuSigned by:
Andrea Williams
DCD97E7B265C45C...
Plaintiff Andrea Williams

Date: 5/28/2024

DocuSigned by:
Cayanne W
43C6B09A35E0450...
Plaintiff Cayanne Willis-Walker

Date: 5/28/2024

DocuSigned by:
1E8FB38923E3426...
Plaintiff Gail Perkins

Date: 6/10/2024

DocuSigned by:
36E6AFFF727F438...
Plaintiff Myriam Nozil

Date: 7/17/2024

Defendant Aacres CA, LLC

By: ____________________

JASON T SORGE
Name

CFO
Title

Date: 7/17/2024

Defendant Embassy Management, LLC

By: ____________________

JASON T SORGE
Name

CFO
Title