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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

Francisca Gonzalez, an individual, on behalf of
all others similarly situated,

Plaintiff,

v.

Freedom Properties – Hemet, LLC, a
California Limited Liability Company; and
DOES 1-50, inclusive,

Defendants.

Case Number: CVRI2000459

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

1 This Joint Stipulation of Settlement and Release of Class Action (“Stipulation”) is made and
2 entered into by Plaintiffs Francisca Gonzalez, Daisy Rangel, Ashley Johnson, Crystal Isordia, Juan Luna,
3 Marissa Zinn-Falcon, Mercedes Bracamontes, Cynthia Walsh, Linda Saavedra, Allen Foster, Amber
4 Moore, Lisbeth Ceballos, Mystica Green, Paola Gonzalez, Cherelle May, Rumarico Padilla, and Giselle
5 Ramirez (“Plaintiffs”), individually and as representatives of the Settlement Class, as defined below, and
6 Freedom Properties-Hemet, LLC (“Defendant”) (Plaintiffs and Defendant are collectively referred to
7 herein as “the Parties”). This Stipulation is subject to the approval of the Court, pursuant to California
8 Rules of Court, Rule 3.769(c), (d) and (e), and is made for the sole purpose of attempting to consummate
9 settlement of the Action on a class-wide basis subject to the following terms and conditions.

10 **I. DEFINITIONS**

11 As used in this Stipulation, the following terms shall have the meanings specified below. To the
12 extent terms or phrases used in this Stipulation are not specifically defined below, but are defined
13 elsewhere in this Stipulation, they are incorporated by reference into this definition section.

14 **1. Action.** “Action” shall mean the following civil action: *Francisca Gonzalez v. Freedom*
15 *Properties-Hemet, LLC*, Case No. CVRI2000459, filed on December 8, 2020, in the Superior Court of
16 California for the County of Riverside.

17 **2. Administrative Expenses.** “Administrative Expenses” shall include all costs and
18 expenses associated with and paid to the third-party Settlement Administrator, which shall not exceed
19 \$12,000.00.

20 **3. Claims.** “Claims” shall mean the claims asserted in the operative Complaint filed on June
21 2, 2021, which include Defendant’s alleged: (1) failure to provide compliant rest breaks and/or pay
22 missed rest period premiums; (2) failure to provide compliant meal breaks and/or pay missed meal period
23 premiums; (3) failure to pay overtime wages; (4) failure to provide complete and accurate wage
24 statements; (5) waiting time penalties; (6) failure to timely pay wages; (7) failure to reimburse all
25 necessary business expenditures; (8) Private Attorney’s General Act penalties based on the foregoing;
26 and (9) unfair business practices based on the foregoing, including claims under California Labor Code
27 sections 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and
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Wage Order No. 5, and claims under sections 17200 to 17204 of the California Business and Professions Code based on the foregoing.

4. **Class or Settlement Class.** “Class” or “Settlement Class” shall mean all California hourly, non-exempt employees who are or were employed by Defendant at any time during the Class Period, which includes approximately 626 Class Members that worked a total of approximately 46,000 workweeks.

5. **Class Attorney Fees and Expenses.** “Class Attorney Fees and Expenses” shall mean the award of Class Counsel’s attorney fees and expenses as set forth in Section IV, Paragraph 4, to be paid from the Gross Settlement Amount.

6. **Class Counsel.** “Class Counsel” shall mean Martin Sullivan of Melmed Law Group P.C.

7. **Class Member.** “Class Member” shall mean any person who is a member of the Settlement Class.

8. **Class Notice.** “Class Notice” shall mean the Notice of Proposed Class Action Settlement and Hearing Date for Court Approval, as set forth in the form of **Exhibit 1** attached hereto, or as otherwise approved by the Court, which is to be mailed to Class Members.

9. **Class Participants.** “Class Participants” shall mean any and all Class Members who do not timely Opt-Out of the Class Settlement.

10. **Class Period.** “Class Period” shall mean the period from December 8, 2016, through November 6, 2021.

11. **Class Representative.** “Class Representative” or “Class Representatives” shall mean Plaintiff Francisca Gonzalez, Daisy Rangel, Ashley Johnson, Crystal Isordia, Juan Luna, Marissa Zinn-Falcon, Mercedes Bracamontes, Cynthia Walsh, Linda Saavedra, Allen Foster, Amber Moore, Lisbeth Ceballos, Mystica Green, Paola Gonzalez, Cherelle May, Rumarico Padilla, and Giselle Ramirez.

12. **Complaint.** “Complaint” shall mean the operative Second Amended Complaint filed in Riverside County Superior Court on June 2, 2021 in the Action.

13. **Court.** “Court” shall mean the Superior Court of Riverside County.

14. **Defendant.** “Defendant” shall mean Freedom Properties-Hemet, LLC.

1 **15. Defense Counsel.** “Defense Counsel” shall mean Kathryn T. McGuigan, Sarah Zenewicz
2 and David J. Rashé of Morgan, Lewis & Bockius LLP.

3 **16. Effective Date.** “Effective Date” shall be the date when all of the following events have
4 occurred: (a) this Stipulation has been executed by all Parties and by Class Counsel and Defense Counsel;
5 (b) the Court has granted preliminary approval to the Settlement; (c) the Settlement Administrator has
6 mailed the Class Notice to the Class Members providing them with an opportunity to Opt-Out of the
7 Class Settlement; (d) the Court has held a Final Approval and Fairness Hearing and entered a final order
8 and judgment certifying the Class and approving this Stipulation; and (e) the later of the following events:
9 the expiration of the period for filing any appeal, writ, or other appellate proceeding opposing the Class
10 Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or the
11 dismissal of any appeal, writ, or other appellate proceeding opposing the Class Settlement with no right
12 to pursue further remedies or relief; or any appeal, writ, or the issuance of such other final appellate order
13 upholding the Court’s final order with no right to pursue further remedies or relief. In this regard, it is the
14 intention of the Parties that the Class Settlement shall not become effective until the Court’s order
15 approving the Class Settlement is completely final and there is no further recourse by an appellant or
16 objector who seeks to contest the Class Settlement.

17 **17. Employee’s Taxes and Required Withholding.** “Employee’s Taxes and Required
18 Withholding” shall mean the employee’s share of any and all applicable federal, state or local payroll
19 taxes, including those collected under authority of the Federal Insurance Contributions Act (“FICA”),
20 FUTA and/or SUTA on the portion of any Class Participant’s Individual Settlement Amount that
21 constitutes wages as set forth in Section VI, Paragraph 4. The Employee’s Taxes and Requirement
22 Withholdings will be withheld from and paid out of the Individual Settlement Amounts.

23 **18. Employer’s Taxes.** “Employer’s Taxes” shall mean and refer to Defendant’s share of
24 payroll taxes (e.g. UI, ETT, Social Security and Medicare taxes) that is owed on the portion of any Class
25 Participant’s Individual Settlement Amount that constitutes wages as set forth in Section VI, Paragraph
26 4. The Employer’s Taxes shall be separately paid by Defendant and shall not be paid from the Gross
27 Settlement Amount.

1 **19. Final Approval and Fairness Hearing.** “Final Approval and Fairness Hearing” shall
2 mean the final hearing held to ascertain the fairness, reasonableness, and adequacy of the Class
3 Settlement.

4 **20. Gross Settlement Amount.** “Gross Settlement Amount” means the total of \$600,000.00,
5 includes the Individual Settlement Credit, and which includes all payments contemplated by this
6 Agreement, including the Administrative Expenses, Class Attorney Fees and Expenses, Representative
7 Service Awards, Individual Settlement Payments to Class Participants and PAGA Payment. This is a
8 non-reversionary Settlement. Other than the Employer’s Taxes on the W-2 portion of the Individual
9 Settlement Payments, in no event shall Defendant be liable for more than the Gross Settlement Amount
10 of \$600,000 that results from the payments due under this Settlement.

11 **21. Hearing on Preliminary Approval.** “Hearing on Preliminary Approval” shall mean the
12 hearing held on the motion for preliminary approval of the Class Settlement.

13 **22. Individual Settlement Amount.** “Individual Settlement Amount” shall mean the total
14 amount distributed to each Class Participant, the net amount will be less the Employee’s Taxes and
15 Required Withholdings.

16 **23. Individual PAGA Amount.** “Individual PAGA Amount” shall mean the amount paid to
17 each PAGA Member.

18 **24. Individual Settlement Credit.** The “Individual Settlement Credit” shall mean the monies
19 already paid by Defendant to Class Members who accepted payments to individually settle the Claims
20 after this Action was filed, in the aggregate total of \$110,601.89.

21 **25. Net Settlement Amount.** “Net Settlement Amount” shall mean the Gross Settlement
22 Amount minus Administrative Expenses, Class Attorney Fees and Expenses, PAGA Payment and
23 Plaintiffs’ Representative Service Award.

24 **26. Opt-Out(s).** “Opt-Out(s)” shall mean any and all persons who timely and validly request
25 exclusion from the Class Settlement in accordance with the terms of the Class Notice and no later than
26 the Response Deadline.

27 **27. PAGA Member.** “PAGA Member” shall mean any person employed by Defendant as an
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hourly, non-exempt employee in California during the PAGA Period.

28. PAGA Payment. “PAGA Payment” means the penalties pursuant to California Labor Code sections 2698, et seq., the Labor Code Private Attorneys General Act of 2004 (“PAGA”), that the Parties have agreed is a reasonable sum to be paid in settlement of the PAGA claims included in the Action, which is \$20,000.00. The PAGA Payment is to be approved by the Court pursuant to Labor Code section 2699 and is to be distributed as follows: seventy-five percent (75%) (i.e. \$15,000.00) to the LWDA and twenty-five percent (25%) (i.e. \$5,000.00) to the PAGA Members. Class Counsel shall give timely notice of the Settlement to the LWDA under Labor Code section 2699(l)(2).

29. PAGA Period. December 29, 2019 to November 6, 2021.

30. Parties. “Parties” shall mean Plaintiffs and Defendant.

31. Plaintiffs. “Plaintiff” and “Plaintiffs” shall mean the named Plaintiffs Francisca Gonzalez, Daisy Rangel, Ashley Johnson, Crystal Isordia, Juan Luna, Marissa Zinn-Falcon, Mercedes Bracamontes, Cynthia Walsh, Linda Saavedra, Allen Foster, Amber Moore, Lisbeth Ceballos, Mystica Green, Paola Gonzalez, Cherelle May, Rumarico Padilla, and/or Giselle Ramirez.

32. Preliminary Approval Date. “Preliminary Approval Date” shall mean the date upon which the Court enters an order preliminarily approving this Stipulation.

33. Qualified Workweeks. “Qualified Workweeks” shall mean any workweek (as reflected in Defendant’s records) in which a Class Member performed work for Defendant during the Class Period.

34. Qualified Pay Periods. “Qualified Pay Periods” shall mean any pay period (as reflected in Defendant’s records) in which a PAGA Member performed work for Defendant during the PAGA Period.

35. Released Claims. “Released Claims” shall mean the “Released Class Claims” and the “Released PAGA Claims.”

36. Released Class Claims. “Released Class Claims” shall mean all claims, factual or legal theories alleged in the operative Complaint, including all claims for: (1) failure to provide compliant rest breaks; (2) failure to provide compliant meal breaks; (3) failure to pay overtime wages; (4) failure to

1 provide complete and accurate wage statements; (5) waiting time penalties; (6) failure to timely pay
2 wages; (7) failure to reimburse all necessary business expenditures; and (9) unfair business practices
3 based on the foregoing, including claims under California Labor Code sections 201, 202, 203, 204, 210,
4 226, 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and Wage Order No. 5 (f) any other
5 claims or penalties under the wage and hour laws pleaded in the Action as to the facts alleged in the
6 operative Complaint; and (h) all damages, penalties, interest and other amounts recoverable under said
7 causes of action under California and federal law, to the extent permissible, including the California
8 Labor Code as to the facts alleged in the Action, the applicable Wage Orders as to the facts alleged in the
9 operative Complaint, and the California Unfair Competition Law as to the facts alleged in the operative
10 Complaint. The period of the Release shall extend to the limits of the Class Period. The *res judicata*
11 effect of the judgment will be the same as that of the release.

12 **37. Released PAGA Claims.** “Released PAGA Claims” shall mean all claims, factual or
13 legal theories, alleged in the operative Complaint under the Private Attorney’s General Act for civil
14 penalties based on failure to provide compliant rest break, failure to provide compliant meal breaks,
15 failure to pay overtime wages, failure to provide complete and accurate wage statements, waiting time
16 penalties, failure to timely pay wages, failure to reimburse all necessary business expenditures, including
17 claims under California Labor Code sections 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1194,
18 1194.2, 1197, 1197.1, 1198, 2802, and Wage Order No. 5 based on the same.

19 **38. Released Parties.** “Released Parties” shall mean Freedom Properties-Hemet, LLC, and
20 all of its past, present and/or future parent companies, subsidiaries, employees, subsidiaries, affiliates,
21 shareholders, members, agents, predecessors, successors, assigns, and any individual or entity that could
22 be liable for any of the Released Claims.

23 **39. Representative Service Awards.** “Representative Service Awards” shall mean any
24 additional monetary payment provided to the Class Representatives for their efforts and risks on behalf
25 of the Settlement Class in this Action.

26 **40. Response Deadline.** “Response Deadline” shall mean the date 45 days following the date
27 on which the Settlement Administrator first mails Class Notice to the Class Members and is the last date
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on which Class Members may submit requests for exclusion or notice of objection to the Settlement. The Response Deadline will be extended by 14 days in the event that the Class Notice is returned by the U.S. Postal Service and a second Class Notice is mailed by the Settlement Administrator, pursuant to Section I, Paragraph 41.

41. In the event that, prior to the Response Deadline, any Class Notice mailed to a Class Member is returned as having been undelivered by the U.S. Postal Service, the Settlement Administrator shall perform a skip trace search and seek an address correction for such Class Member(s), and a second Class Notice will be sent to any new or different address obtained. Such Class Member(s) shall have until the later of the Response Deadline or 14 days after the second Class Notice was mailed in which to Opt-Out.

42. **Settlement.** “Settlement” shall mean the settlement between the Parties, which is memorialized in this Stipulation and subject to approval by the Court.

43. **Settlement Administrator.** “Settlement Administrator” shall mean CPT Group, Inc. or ILYM Group, Inc. which the Parties have agreed will be responsible for administration of the Settlement and related matters.

44. **Stipulation.** “Stipulation” shall mean this Joint Stipulation of Settlement and Release of Class Action, including any attached exhibits.

II. FACTUAL AND PROCEDURAL BACKGROUND OF ACTION

45. **Plaintiff’s Claims.** On behalf of the Class, Plaintiff alleged the following causes of action: (1) failure to provide compliant rest breaks; (2) failure to provide compliant meal breaks; (3) failure to pay overtime wages; (4) failure to provide complete and accurate wage statements; (5) waiting time penalties; (6) failure to timely pay wages; (7) failure to reimburse all necessary business expenditures; (8) Private Attorney’s General Act penalties based on the foregoing; and (9) unfair business practices based on the foregoing, including claims under California Labor Code sections 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and Wage Order No. 5, and claims under sections 17200 to 17204 of the California Business and Professions Code based on the foregoing.

46. **Discovery, Investigation, Motion Practice and Research.** Class Counsel has conducted

1 limited formal discovery and significant informal discovery during the prosecution of the Action. This
2 discovery, investigation, and prosecution has included, among other things, (a) over two dozen telephonic
3 conferences with Plaintiffs and a half dozen calls with non-Plaintiff witnesses; (b) inspection and analysis
4 of hundreds of pages of documents and other information produced by Plaintiffs and Defendant; (c)
5 analysis and calculations based on employment data related to all Class Members; (d) an analysis of the
6 legal positions taken by Defendant; (d) investigation into the viability of class treatment of the Claims
7 asserted in the Action; (e) analysis of potential class-wide damages, including information sufficient to
8 understand Defendant's potential defenses to Plaintiffs' Claims; (f) research of the applicable law with
9 respect to the Claims asserted in the Complaint and the potential defenses thereto; and (g) assembling and
10 analyzing of data for calculating damages. Plaintiffs' counsel and the Class Representatives have
11 vigorously prosecuted this case, and Defendant has vigorously contested it. The Parties have engaged in
12 sufficient investigation and discovery to assess the relative merits of the claims of the Class
13 Representatives and of Defendant's defenses to them.

14 **47. Dispute Regarding Prior Settlements and Releases.** After Plaintiffs initiated this
15 Action, Defendant made individual offers of settlement to the Class Members in exchange for releases of
16 the Claims. Four Hundred Eight (408) Class Members accepted those settlements through which
17 Defendant has already paid a total of \$110,601.89 to Class Members to settle the Claims. Plaintiffs dispute
18 the validity of those individual settlement releases. In the interest of the resolution of this Action,
19 including the Parties' dispute regarding the validity of those prior releases, the Parties agree that the
20 \$110,601.89 already paid by Defendant will be credited to the Gross Settlement Amount.

21 **48. Allegations of the Class Representatives and Benefits of Class Settlement.** The
22 extensive document and data exchange in this matter, as well as discussions between counsel, have been
23 adequate to give the Class Representatives and Class Counsel a sound understanding of the merits of their
24 positions and to evaluate the worth of the Claims of the Class. The informal discovery conducted in this
25 Action and the information exchanged by the Parties through pre-mediation discussions are sufficient to
26 reliably assess the merits of the Parties' respective positions and to compromise the issues on a fair and
27 equitable basis.

1 Plaintiffs and Class Counsel believe that the Claims, causes of action, allegations and contentions
2 asserted in the Action have merit. However, Plaintiffs and Class Counsel recognize and acknowledge the
3 expense and delay of continued lengthy proceedings necessary to prosecute the Action against Defendant
4 through trial and through appeals. Class Counsel has taken into account the significant numerous factual
5 and legal issues raised by Defendant which create an uncertain outcome of the litigation, the risk of
6 continued litigation in complex actions such as this, as well as the difficulties and delays inherent in such
7 litigation, and the potential difficulty of obtaining certification of the Claims as well as trying the claims
8 on behalf of the Class. Class Counsel is mindful of the potential problems of proof under, and possible
9 defenses to, the Claims alleged in the Action.

10 Class Counsel believes that the Settlement set forth in this Stipulation confers substantial benefits
11 upon Plaintiffs and the Class Members and that an independent review of this Stipulation by the Court in
12 the approval process will confirm this conclusion. Based on their own independent investigation and
13 evaluation, Class Counsel has determined that the Settlement set forth in the Stipulation is in the best
14 interests of Plaintiffs and the Class Members.

15 **49. Defendant's Denials of Wrongdoing and Liability.** Defendant has denied and continues
16 to deny each and all of the allegations, Claims, and contentions alleged by Plaintiffs in the Action.
17 Defendant has expressly denied and continues to deny all charges of wrongdoing or liability against it
18 arising out of any of the conduct, statements, acts or omissions alleged in the Action. Defendant contends
19 that it complied in good faith with California and federal wage and hour laws and has dealt legally and
20 fairly with Plaintiffs and Class Members. Defendant further denies that, for any purpose other than settling
21 this Action, these claims are appropriate for class or representative treatment. Nonetheless, Defendant has
22 concluded that further proceedings in the Action would be protracted and expensive and that it is desirable
23 that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in
24 this Stipulation in order to dispose of burdensome and protracted litigation, to permit the operation of
25 Defendant's business without further expensive litigation and the distraction and diversion of its personnel
26 with respect to matters at issue in the Action. Defendant has also taken into account the uncertainty and
27 risks inherent in any litigation, especially in complex cases such as the Action. Defendant has, therefore,
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determined that it is desirable and beneficial to it that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation.

50. Intent of the Settlement. This Agreement is a compromise of disputed claims. The monies being paid as part of the Settlement are genuinely disputed and the Parties agree that the provisions of Labor Code § 206.5 are not applicable to this Settlement. The Settlement set forth herein intends to achieve the following: (1) entry of an order approving the Settlement; (2) entry of judgment of the Action; (3) discharge of Released Parties from liability for any and all of the Released Claims; and (4) discharge of Plaintiffs from liability for any and all claims arising out of the Action.

III. CONDITIONAL CLASS CERTIFICATION AND APPOINTMENT OF CLASS COUNSEL

51. The Settlement Class. For the purposes of this Stipulation and the Class Settlement of this Action only, the Parties stipulate to conditional class certification of the Settlement Class. Defendant's counsel believes this conditional certification is appropriate because the Released Claims are being compromised without need to establish the elements of those claims on which liability turns.

52. Appointment of Class Counsel. For purposes of this Stipulation and subject to the Court's approval, the Parties hereby stipulate to the appointment of Class Counsel as counsel for the Class and the effectuation of the Class Settlement pursuant to this Stipulation.

53. Appointment of Class Representatives. For purposes of this Stipulation and subject to the Court's approval, the Parties hereby stipulate to the appointment of Plaintiffs as Class Representatives for the Class.

54. Nullification of Conditional Certification. In the event that the Court denies Preliminary or Final Approval of this Settlement Agreement with prejudice, it fails to become effective, or it is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendant from obtaining a complete resolution of the claims as described herein, the conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural. None of the Parties will be deemed to have waived any claims, objections, defenses or

arguments in the Action, including with respect to the issue of class certification or manageability.

IV. CLASS SETTLEMENT CONSIDERATION

55. Gross Settlement Amount. The Parties agree to settle this Action for Defendant's payment of the Gross Settlement Amount of \$600,000.00, inclusive of the Individual Settlement Credit. There shall be no reversion to Defendant.

56. Representative Service Award for Plaintiffs. Plaintiffs may petition the Court to approve an aggregate Representative Service Award in an amount up to \$35,000.00 for their efforts on behalf of the Settlement Class in this Action, including assisting in the investigation and consulting with Class Counsel and providing crucial documents to Class Counsel. Defendant shall not oppose any request by Plaintiffs for an aggregate Representative Service Award provided that the aggregate request does not exceed \$35,000. Any Representative Service Award approved by the Court shall be paid to Plaintiffs from the Gross Settlement Amount and shall be in addition to any distribution to which each Plaintiff is otherwise entitled as a Class Participant and, if applicable, a PAGA Member. The Representative Service Award shall not be considered wages, and the Settlement Administrator shall issue Plaintiffs an IRS Form 1099 reflecting such payment. Plaintiffs shall be responsible for the payment of any and all taxes with respect to their Representative Service Award and shall hold Defendant harmless from any and all liability with regard thereto. In the event the Court reduces or does not approve any requested Representative Service Award, no Plaintiff shall have the right to revoke the Settlement, and it will remain binding, nor will any Plaintiff seek, request, or demand an increase to the Gross Settlement Amount on the basis of any reduction or denial of a Representative Service Award. Plaintiffs have agreed to divide the aggregate service award among themselves as follows:

Francisca Gonzalez: \$5,000

Daisy Rangel: \$1,875

Ashley Johnson: \$1,875

Crystal Isordia: \$1,875

Juan Luna: \$1,875

Marissa Zinn-Falcon: \$1,875

Mercedes Bracamontes: \$1,875

Cynthia Walsh: \$1,875

Linda Saavedra: \$1,875

Allen Foster: \$1,875

Amber Moore: \$1,875

Lisbeth Ceballos: \$1,875

Mystica Green: \$1,875

Paola Gonzalez: \$1,875

Cherelle May: \$1,875

Rumarico Padilla: \$1,875

Giselle Ramirez: \$1,875

To the extent the Court reduces the aggregate service award, the individual service awards shall be reduced proportionally among each named Plaintiff.

57. Payment to Class Participants From Net Settlement Amount. Each Class Participant shall be eligible to receive an Individual Settlement Amount payment, which is a pro-rata share of the Net Settlement Amount based on Qualified Workweeks during the Class Period and is calculated in accordance with Section VI, Paragraph 4.

58. Class Attorney Fees and Expenses. As part of the motion for final approval of the Class Settlement, Class Counsel may submit an application for an award of Class Attorney Fees and Expenses with the fee portion not to exceed one third of the Gross Settlement Amount (*i.e.*, \$200,000.00) and the award of recoverable and documented costs and expenses of up to an additional \$14,000.00. The Class Attorney Fees and Expenses approved by the Court shall encompass: (a) all work performed and costs and expenses incurred by, or at the direction of, any attorney purporting to represent the Settlement Class through the date of this Stipulation; (b) all work to be performed and costs to be incurred in connection with approval by the Court of the Class Settlement; (c) all work to be performed and costs and expenses, if any, incurred in connection with administering the Class Settlement through the Effective Date and dismissal of the Action, with prejudice; and (d) may be based on the Catalyst Theory, Lodestar, and/or

Common Fund Doctrine, or any other method required by the Court. Defendant agrees not to object to any such fee, cost or expense application in those amounts. As a condition of this Class Settlement, Class Counsel has agreed to pursue fees only in the manner reflected by this section. Any Class Attorney Fees and Expenses awarded by the Court shall be paid from the Gross Settlement Amount and shall not constitute payment to any Class Members. Any amount not awarded to Class Counsel for Class Attorney Fees and Expenses will be included in the Net Settlement Fund for distribution to the Participating Class Members. In the event that the Court reduces or does not approve the requested Class Attorney Fees and Expenses amount, Plaintiffs and Class Counsel shall not have the right to modify or revoke the Settlement, or to appeal such order, and the Settlement will remain binding, nor will Plaintiffs or Class Counsel seek, request, or demand an increase to the Gross Settlement Amount on that basis.

59. The Settlement Administrator's Costs and Expenses. All costs and expenses due to the Settlement Administrator in connection with its administration of this Settlement shall not exceed \$12,000.00 and shall be paid from the Gross Settlement Amount. Prior to the calculation and distribution of the Individual Settlement Amounts, the Settlement Administrator shall calculate the total Administrative Expenses through the conclusion of their services and such actual amount up to \$12,000 will be deducted from the Gross Settlement Amount prior to the final distributions of the Gross Settlement Amount. Any amount not paid to the Settlement Administrator will be included in the Net Settlement Amount.

60. No Effect on Employee Benefit Plans. Neither the Settlement nor any amounts paid under the Settlement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy or bonus program sponsored by Defendant. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendant's sponsored benefit plans, policies or bonus programs. The payments made under the terms of this Stipulation shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Defendant's benefit plan, policy or bonus program. Defendant retains the right to modify the language of its benefits plans, policies and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this

1 Stipulation are not for “weeks worked,” “weeks paid,” “weeks of service,” or any similar measuring term
2 as defined by applicable plans, policies and bonus programs for purpose of eligibility, vesting, benefit
3 accrual, or any other purpose, and that additional contributions or benefits are not required by this
4 Stipulation. the payments made hereunder are not “compensation” for purposes of determining eligibility
5 for, or benefit accrual within, any benefit plans, policies, or bonus programs, or any other plan sponsored
6 by Defendant.

7 **61. Tax Liability.** The Parties make no representations as to the tax treatment or legal effect
8 of the payments called for hereunder, and Class Participants and PAGA Members are not relying on any
9 statement or representation by the Parties in this regard. Class Participants and PAGA Members
10 understand and agree that they will be responsible for the payment of any taxes and penalties assessed
11 on the Individual Settlement Amount and Individual PAGA Payments described herein and will be solely
12 responsible for any penalties or other obligations resulting from their personal tax reporting the payments
13 hereunder.

14 **62. Circular 230 Disclaimer.** Each Party to this Stipulation including the Class Participants
15 (for purposes of this section, the “acknowledging party” and each Party to this Stipulation other than the
16 acknowledging party, an “other party”) acknowledges and agrees that: (1) no provision of this Stipulation,
17 and no written communication or disclosure between or among the Parties or their attorneys and other
18 advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be
19 construed or be relied upon as, tax advice within the meaning of United States Treasury Department
20 circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon
21 his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with
22 this Stipulation, (b) has not entered into this Stipulation based upon the recommendation of any other
23 Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication
24 or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed
25 on the acknowledging party, and (3) no attorney or adviser to any other Party has imposed any limitation
26 that protects the confidentiality of any such attorney’s or adviser’s tax strategies (regardless of whether
27 such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax
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structure of any transaction, including any transaction contemplated by this Stipulation.

V. NOTICE TO CLASS MEMBERS AND SETTLEMENT ADMINISTRATION PROCESS

63. The Settlement Administrator. The Settlement Administrator will be responsible for mailing the Class Notice (**Exhibit 1**) to Class Members, handling inquiries from Class Members concerning the Class Notice, determination of Individual Settlement Amounts and Individual PAGA Payments (as applicable), maintaining the settlement funds in an appropriate interest bearing account, preparing, administering and distributing Individual Settlement Amounts to Class Participants and the Individual PAGA Payments to PAGA Members and issuing a final report and performing such other duties as the Parties may direct. The Parties each represent they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

64. Reports from Settlement Administrator. On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and Defense Counsel updating them as to the number of validated and timely objections and Opt-Out Requests. The Settlement Administrator will serve on Class Counsel and Defense Counsel via e-mail date-stamped copies of the original Opt-Outs and objections no later than seven days after their receipt. The Settlement Administrator will provide Class Counsel with proof of mailing of the Class Notice, which the Settlement Administrator will file with the Court at the time Class Counsel files its motion in support of the Court's Final Approval and Fairness Hearing. No later than seven days prior to the Final Approval and Fairness Hearing, the Settlement Administrator will compile and deliver to Class Counsel and Defense Counsel a report with summary information regarding (a) the total amount of Individual Settlement Amounts to each Class Participant (b) the number of Class Participants to receive such payments, (c) the final number of Opt-Outs and objections; (d) the total amount of Individual PAGA Payments to the PAGA Members.

65. Notice to Class Members and PAGA Members. Notice shall be provided to Class Members in the following manner:

i) Class Database. Within 14 days after the Preliminary Approval Date, Defendant shall

1 provide the Settlement Administrator with an updated list of Class Members
2 containing names, social security numbers, dates of employment, last-known
3 addresses and phone numbers, and the amount of any Individual Settlement Credit
4 (i.e. settlement consideration already paid to the Class Member) (if any) (the
5 “Database”). The Database shall be marked “Confidential –Settlement
6 Administrator’s Eyes Only.” The Settlement Administrator shall be obligated to keep
7 the Database confidential and take reasonable and necessary precautions to maintain
8 the confidentiality of the Database, including by not distributing or using the Database
9 or any information contained therein for any purpose other than to administer this
10 Settlement.

11 ii) Mailing of Class Notice. Within 28 days following the Preliminary Approval Date,
12 the Settlement Administrator shall determine the number of Qualified Workweeks for
13 each Class Member based on the information in the Database, the number of Qualified
14 Pay Periods worked for each PAGA Member based on the information in the
15 Database, and then send each Class Member the Class Notice via first-class, United
16 States mail, which includes their estimated Individual Settlement Amount and
17 Individual PAGA Payment, their Qualified Workweeks and Qualified Pay Periods.

18 iii) Opt-Out Information In Class Notice. The Class Notice shall include an easily
19 understood statement explaining to the Class Members that, unless they elect to Opt-
20 Out of the Class Settlement, the Class Member will be a Class Participant and will
21 release and waive all Released Class Claims against the Released Parties. The Class
22 Notice shall also include an easily understood statement that PAGA Members cannot
23 opt out of the PAGA settlement if they are a PAGA Class Member and they will still
24 receive a share of the PAGA settlement even if they opt out of the Class Settlement.

25 iv) Returned Notices. In the event that, prior to the Response Deadline, any Class Notice
26 mailed to a Class Member is returned as having been undelivered by the U.S. Postal
27 Service, the Settlement Administrator shall perform a skip trace search and seek an
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1 address correction for such Class Member(s), and a second Class Notice will be sent
2 to any new or different address obtained. For those Class Members for whom a second
3 Class Notice is sent to any new or different address, the Class Member's Response
4 Deadline will be extended by 14 days.

5 v) Unreturned Notices. It will be presumed that, if an envelope containing the Class
6 Notice has not been returned within 28 days of the mailing, the Class Member received
7 the Class Notice. At least 30 days prior to the Final Approval and Fairness Hearing,
8 the Settlement Administrator shall provide Class Counsel and Defense Counsel with
9 a Declaration of Due Diligence and Proof of Mailing with regard to the mailing of the
10 Class Notice and its attempts to locate Class Members. The declaration shall specify
11 the number of Class Members to whom Class Notices were sent and the number of
12 Class Members to whom Class Notices were not delivered, as well as information
13 relating to the number of Opt-Outs and objectors. Class Counsel shall file this
14 declaration with the Court.

15 **66. Qualified Workweek and Qualified Pay Period Disputes.** Class Members may dispute
16 their Qualified Workweeks and Qualified Pay Periods if they believe they worked more workweeks or
17 pay periods in the Class Period or PAGA Period. Class Members may do this by submitting information
18 to the Settlement Administrator in writing no later than the Response Deadline. The Settlement
19 Administrator will jointly work with Plaintiff and Defendant to resolve the dispute in good faith. If
20 Plaintiff and Defendant cannot agree on the Qualified Workweeks and Qualified Pay Periods to be
21 credited to that Class Member, the Court shall make the final decision based on the information presented
22 by the Class Member and Defendant.

23 **67. Opt-Out Procedure.** Class Members who do not timely Opt-Out of the Class Settlement
24 will be deemed to participate in the Class Settlement and shall become a Class Participant without having
25 to submit a claim form or take any other action. Plaintiffs are not eligible to Opt-Out of the Class
26 Settlement. PAGA Members cannot Opt-Out of the settlement of the PAGA claim.

27 i) Procedure. In order to Opt-Out of the Class Settlement, the Class Member must
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1 submit a letter or postcard to the Settlement Administrator by the Response Deadline
2 (an "Opt-Out Request"). The Opt-Out Request must state the Class Member's name,
3 address, telephone number, and signature. The Opt-Out Request should state to the
4 effect of: "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN
5 THE GONZALEZ v. FREEDOM PROPERTIES-HEMET, LLC LAWSUIT. I
6 UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT
7 CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE CLASS
8 SETTLEMENT OF THIS LAWSUIT AND WILL NOT BE RELEASING ANY
9 INDIVIDUAL CLAIMS I MIGHT HAVE." Any Opt-Out Request that is not
10 postmarked by the Response Deadline will be invalid. No later than five business days
11 after the Response Deadline, the Settlement Administrator shall provide counsel for
12 the Parties with a final list of the Class Members who have timely submitted Opt-Out
13 Requests.

14 ii) Deficient Opt-Out Requests. If the Settlement Administrator determines that an Opt-
15 Out Request submitted by a Class Member before the Response Deadline is deficient,
16 then the Settlement Administrator shall mail a deficiency letter to that Class Member
17 identifying the problem. If a Class Member submits both a dispute and an Opt-Out
18 Request, the Settlement Administrator shall make reasonable attempts to clarify as if
19 the Opt-Out Request were deficient. If the Class Member fails to cure the deficiency,
20 the Opt-Out Request shall be disregarded and the claim will be paid, and the Class
21 Member will become bound by the judgment.

22 iii) Effect of Opting Out. Class Members who submit an Opt-Out Request are not entitled
23 to object to the Settlement. Those Class Members who do not timely Opt-Out will be
24 bound by the Release of Released Class Claims set forth in Section I, Paragraph 36 of
25 this Stipulation.

26 iv) No Solicitation. The Parties will not solicit or otherwise encourage Class Members to
27 Opt-Out of the Settlement.
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1 **68. Objections.** Class Participants may object to the Settlement. Class Members who timely
2 Opt-Out and Plaintiffs may not object. If a Class Member timely submits both an objection and an Opt-
3 Out Request, the Opt-Out Request will be deemed valid and the objection will be deemed null and void.

4 i) Procedure. Any Class Participant who wishes to object to the Settlement must submit
5 a written objection to the Settlement Administrator no later than the Response
6 Deadline. The objection must include the case name and number and must set forth,
7 in clear and concise terms, a statement of the reasons why the objector believes that
8 the Court should find that the proposed Settlement is not in the best interest of the
9 Settlement Class and the reasons why the Class Settlement should not be approved,
10 including the legal and factual arguments supporting the objection and any evidence
11 that the Class Member intends to submit to the Court to support their objection. An
12 objector may also appear at the Final Approval and Fairness Hearing, in person or
13 through an attorney. The Settlement Administrator will promptly serve copies of any
14 objection on Class Counsel and Defense Counsel.

15 ii) No Solicitation. The Parties will not solicit or otherwise encourage Class Members to
16 file or serve written objections to the Settlement or appeal from the Final Approval
17 Order and Judgment.

18 iii) Fees and Costs From Objections. Defendant shall not be responsible for the fees, costs
19 or expenses incurred by Plaintiff, Class Counsel or Class Members arising from or
20 related to any objection to the Settlement or related to any appeals thereof.

21 **VI. CLASS SETTLEMENT FUNDING AND DISTRIBUTION**

22 **69. Funding of Gross Settlement Amount by Defendant.** Within 21 calendar days after the
23 Effective Date, Defendant shall deposit \$489,727.26, representing the Gross Settlement Amount less the
24 Individual Settlement Credit, into a Qualified Settlement Fund to be established by the Settlement
25 Administrator.

26 **70. Allocation of the Gross Settlement Amount.** The Gross Settlement Amount will be
27 allocated as follows:
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- 1 a. The Administrative Expenses, not to exceed \$12,000.00;
- 2 b. The Class Attorney Fees and Expenses not to exceed 1/3 of the Gross Settlement Amount
- 3 (i.e., \$200,000.00) in fees and expenses not to exceed \$14,000.00;
- 4 c. The aggregate Representative Service Award, not to exceed \$35,000.00;
- 5 d. PAGA Payment of \$20,000.00, of which \$15,000.00 shall be paid to the LWDA, \$5,000
- 6 to the PAGA Members;

7 **71. Settlement Administrator's Responsibility For Allocation and Distribution.**

8 Defendant shall have no responsibility for calculating Individual Settlement Amounts, Individual PAGA

9 Payments or any other payments made pursuant to this Stipulation, shall have no involvement in or

10 responsibility for the determination or payment of Employee's Taxes and Required Withholding, and shall

11 have no liability for any errors made with respect to such Employee's Taxes and Required Withholding.

12 Although the Settlement Administrator will calculate and pay the standard Employee's Taxes and

13 Required Withholding on the portion of the Individual Settlement Amounts constituting wages on their

14 behalf, Plaintiff, Class Participants and PAGA Members represent and understand that they shall be solely

15 responsible for any and all tax obligation associated with their respective Individual Settlement Amounts,

16 Representative Service Awards and Individual PAGA Payments.

17 **72. Distribution and Calculation of the Individual Settlement Amounts.**

- 18 a. Calculation of Individual Settlement Amounts. Individual Settlement Amounts to
- 19 be paid to Class Participants shall be paid from the Net Settlement Amount. The
- 20 portion of the Net Settlement Amount payable to each Class Participant:
- 21 i) Using the Database, the Settlement Administrator will calculate the total
- 22 Qualified Workweeks for all Class Participants. The respective Qualified
- 23 Workweeks for each Class Participants will be divided by the total Qualified
- 24 Workweeks for all Class Participants, resulting in the Payment Ratio for each
- 25 Class Participant. Each Class Participant's Payment Ratio will then be
- 26 multiplied by the Net Settlement Amount to calculate each Class Participant's
- 27 share of the Net Settlement Amount.
- 28

ii) The amount distributed to each Class Participant will be his or her Individual Settlement Amount, less any applicable Individual Settlement Credit and less Employee's Taxes and Required Withholding. Notwithstanding the foregoing, in the event that the Individual Settlement Amount less the Individual Settlement Credit is less than a one workweek share of the Net Settlement Amount, then that Class Participant's Individual Settlement Credit will be a one workweek share and no subtraction will be made for the Individual Settlement Credit.

iii) The Parties recognize and agree that the formula for allocating the proceeds from the Net Settlement Amount to the Class Participants provided herein is reasonable and that the payments is designed to provide a fair settlement to the Class Participants.

b. Tax allocation for Individual Settlement Amounts. The Individual Settlement Amounts for Class Participants will be allocated for tax purposes as 25% as wages for which each Class Participant will be issued an IRS Form W-2, and 75% shall constitute penalties, interest, and non-wage damages for which each Class Participant will be issued an IRS Form 1099.

c. Employer's Taxes. Prior to the funding of the Gross Settlement Amount, the Settlement Administrator shall calculate the total Employer's Taxes due on the wage portion of the Class Participants' Individual Settlement Amounts and issue instructions to Defendant to separately fund these tax obligations/withholdings.

73. Distribution and Calculation of the Individual PAGA Payments.

a. Payment to the LWDA. The Settlement Administrator shall remit 75% of the PAGA Payment to the State of California.

b. Calculation of Individual PAGA Payments. The Settlement Administrator shall distribute the remaining 25% of the PAGA Payment to the PAGA Members:

i) Using the Database, the Settlement Administrator will calculate the total

1 Qualified Pay Periods for all PAGA Members. The respective Qualified Pay
2 Periods for each PAGA Member will be divided by the total Qualified Pay
3 Periods for all PAGA Members, resulting in the Payment Ratio for each PAGA
4 Member. Each PAGA Member Payment Ratio will then be multiplied by the
5 25% PAGA Payment fund to calculate each PAGA Member's share of the
6 25% PAGA Payment fund.

- 7 c. Tax allocation for Individual PAGA Payments. 100% of the Individual PAGA
8 Payment to each PAGA Member shall be treated as non-wages and penalties for
9 which and IRS Form 1099 will be issued.

10
11 **74. Uncashed Checks.**

12 a. Any funds associated with Individual Settlement Payment and
13 Individual PAGA Payment checks that have not been cashed within 180 days will
14 become void and the monies with the uncashed check will be distributed to a *cy*
15 *pres* recipient, the Village Scholarship Fund, a tax-exempt 501(c)(3) organization
16 that is for the benefit of individuals similarly situated to the Class Members (a
17 scholarship fund for the benefit of employees of Defendant), consistent with the
18 policy of *cy pres* set forth in California Code of Civil Procedure § 384(a).
19 Defendant represents that it and its owners do not control, manage, or have any
20 financial interest in the Village Scholarship Fund.

21 b. In the event that the Court does not approve the *cy pres*, the Individual Settlement
22 Payment and Individual PAGA Payments checks not cashed within 180 days will be voided and
23 the monies shall be distributed to the Controller of the State of California to be held pursuant to
24 the Unclaimed Property Law, California Civil Code § 1500 et seq., for the benefit of those Class
25 Participants and PAGA Members who did not cash their checks until such time that they claim
26 their property. The Parties agree that this disposition results in no "unpaid residue" under
27 California Civil Procedure Code § 384, as the entire Net Settlement Amount and will be paid out
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1 to Class Participants, whether or not they all cash their Individual Settlement Payment.

2 **75. Time for Distributions.** The Settlement Administrator shall distribute to the LWDA,
3 Class Counsel, Plaintiffs, Class Participants and PAGA Members the amounts due under this Stipulation
4 no later than 30 days after the Effective Date.

5 **VII. NULLIFICATION OF THIS STIPULATION**

6 **76. Non-Approval of the Stipulation.** If (a) the Court should for any reason deny approval
7 of this Stipulation in the form agreed to by the Parties with prejudice, or (b) the Court should for any
8 reason fail to enter a judgment with prejudice of the Action, or (c) the approval of the Class Settlement
9 and judgment is reversed, modified or declared or rendered void, then the Class Settlement and
10 conditional class certification shall be considered null and void, and neither the Class Settlement,
11 conditional class certification, nor any of the related negotiations or proceedings, shall be of any force or
12 effect, and all Parties to the Class Settlement shall stand in the same position, without prejudice, as if the
13 Class Settlement had been neither entered into nor filed with the Court. Notwithstanding the foregoing,
14 the Parties may attempt in good faith to cure any perceived defects in the Stipulation to facilitate approval.

15 **77. Parties' Rights to Void Class Settlement.** Defendant may withdraw from Settlement if:
16 (a) 3% or more of the Class Members Opt-Out of the Settlement (Defendant pays any administrative costs
17 incurred by the Administrator prior to the withdrawal date); (b) the Settlement is construed in such a
18 fashion that Defendant is required to pay more than the Gross Settlement Amount (excluding employer
19 side payroll taxes); (c) the Court does not certify the Settlement Class or does not certify a class releasing
20 the claims set forth in this Stipulation or otherwise makes an order inconsistent with any of the terms of
21 this Stipulation; (d) Plaintiffs or their counsel breach any term of the Stipulation; or (e) the LWDA or any
22 other state or government agency seeks to intervene in the action and/or commence an enforcement action.

23 **78. Invalidation.** Invalidation of any material portion of the Class Settlement shall invalidate
24 the Class Settlement in its entirety, unless the Parties shall subsequently agree in writing that the
25 remaining provisions of the Class Settlement are to remain in full force and effect.

26 **79. Stay Upon Appeal.** In the event of a timely appeal from the approval of the Class
27 Settlement and judgment, the judgment shall be stayed, and Defendant shall not be obligated to fund the
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1 Gross Settlement Amount or take any other actions required by this Stipulation until all appeal rights have
2 been exhausted by operation of law.

3 **VIII. MOTION FOR COURT APPROVAL**

4 **80. Preliminary Approval.** Class Counsel will submit this Stipulation to the Court along with
5 a Motion for Preliminary Approval of the Class Settlement. Each party shall cooperate to present the
6 Class Settlement to the Court for preliminary approval in a timely fashion, which shall include Class
7 Counsel providing the Motion for Preliminary Approval and supporting papers to Defense Counsel for
8 review and comment at least five (5) business days prior to filing. The Court's preliminary approval of
9 the Class Settlement shall be embodied in an order substantially in the form attached hereto as **Exhibit**
10 **2.**

11 **81. Final Approval.** The Final Approval and Fairness Hearing shall be held before the Court.
12 At the Final Approval and Fairness Hearing, Plaintiffs shall move the Court for the entry of the final order
13 certifying the Class for settlement purposes only and approving the Class Settlement as being fair,
14 reasonable and adequate to the Class Participants within the meaning of California Rules of Court, Rule
15 3.769(c), (d) and (e) and for the entry of a final judgment of the Action consistent with the terms of the
16 Class Settlement and California Rule of Court 3.769(h). Class Counsel and Defense Counsel shall submit
17 to the Court such pleadings and/or evidence as may be required for the Court's determination. Class
18 Counsel shall provide the Motion for Final Approval and supporting papers to Defense Counsel for review
19 and comment at least five (5) business days prior to filing.

20 **IX. RELEASES AND WAIVERS**

21 **82. Release of Claims by Class Participants.** Upon the Effective Date, in exchange for the
22 consideration set forth in this Agreement, Plaintiffs and each Class Participant release the Released
23 Parties, and each of them, from any and all Released Claims for the Class Period. It is the desire of the
24 Parties and the Class Participants to fully, finally, and forever settle, compromise, and discharge the
25 Released Claims. Each Class Participant will be bound to the release of Released Claims as a result of
26 the Class Settlement and to the terms of the final judgment and the satisfaction of such judgment. Class
27 Participants will be deemed to have acknowledged and agreed that their claims for wages and/or penalties
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1 in the Action are disputed, and that their Individual Settlement Amount constitute payment of all sums
2 allegedly due to them. Class Members will be deemed to have acknowledged and agreed that California
3 Labor Code section 206.5 is not applicable to the Individual Settlement Amount.

4 **83. Release of PAGA Claims.** Upon the Effective Date, in exchange for the consideration
5 set forth in this Agreement, Plaintiffs, the State of California, and the PAGA Members release the
6 Released Parties, and each of them, from any and all Released PAGA Claims for the PAGA Period.

7 **84. Release of Claims by Plaintiffs.** Plaintiffs, on behalf of themselves and their heirs,
8 executors, administrators, and representatives, shall and do hereby forever release, discharge and agree to
9 hold harmless the Released Parties from any and all charges, complaints, claims, liabilities, obligations,
10 promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs,
11 losses, debts and expenses (including attorney fees and costs), known or unknown, at law or in equity,
12 which they may now have or may have after the signing of this Stipulation, arising out of or in any way
13 connected with their employment with Defendant including without limitation the Released Claims,
14 claims that were asserted or could have been asserted in the Complaint, and any and all transactions,
15 occurrences, or matters between the Parties occurring prior to the date this Stipulation is fully executed.
16 Without limiting the generality of the foregoing, this release shall include, but not be limited to, any and
17 all claims under the (a) Americans With Disabilities Act, as amended; (b) Title VII of the Civil Rights Act
18 of 1964, as amended; (c) the Civil Rights Act of 1991; (d) 42 U.S.C. § 1981, as amended; (e) the Age
19 Discrimination in Employment Act, as amended; (f) the Fair Labor Standards Act, as amended; (g) the
20 Equal Pay Act; (h) the Employee Retirement Income Security Act, as amended; (i) the Consolidated
21 Omnibus Budget Reconciliation Act; (j) the Rehabilitation Act of 1973; (k) the Family and Medical Leave
22 Act; (l) the Civil Rights Act of 1966; (m) the California Fair Employment and Housing Act; (n) the
23 California Constitution; (o) the California Labor Code; (p) the California Government Code; (q) the
24 California Civil Code; and (r) any and all other federal, state and local statutes, ordinances, regulations,
25 rules and other laws, and any and all claims based on constitutional, statutory, common law or regulatory
26 grounds as well as any other claims based on theories of wrongful or constructive discharge, breach of
27 contract or implied contract, fraud, misrepresentation, promissory estoppel or intentional and/or negligent
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1 infliction of emotional distress, or damages under any other federal, state or local statutes, ordinances,
2 regulations, rules or laws. This release is for any and all relief, no matter how denominated, including, but
3 not limited to, back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages,
4 liquidated damages, punitive damages, damages for pain and suffering, and attorney fees and costs, and
5 Plaintiffs hereby forever release, discharge and agree to hold harmless Defendant and the Released Parties
6 from any and all claims for attorney fees and costs arising out of the matters released in this Stipulation.

7 Plaintiffs each specifically acknowledge that he or she is aware of and familiar with the provisions
8 of California Civil Code section 1542, which provides as follows:

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

14 Each Plaintiff, being aware of California Civil Code section 1542, hereby expressly waives and
15 relinquishes all rights and benefits he or she may have under California Civil Code section 1542 as well
16 as any other statutes or common law principles of a similar effect. Each Plaintiff may hereafter discover
17 facts in addition to or different from those which he or she now knows or believes to be true with respect
18 to the subject matter of all the claims referenced herein, but stipulates and agrees that, upon the Effective
19 Date, each Plaintiff shall and hereby does fully, finally and forever settle and release any and all claims
20 against the Released Parties, known or unknown, suspected or unsuspected, contingent or non-contingent,
21 that were asserted or could have been asserted upon any theory of law or equity without regard to the
22 subsequent discovery of existence of such different or additional facts.

23 **X. DUTIES OF THE PARTIES**

24 **85. Mutual Full Cooperation.** The Parties agree to cooperate fully with one another to
25 accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be limited
26 to, execution of such other documents and the taking of such other actions as may reasonably be necessary
27 to fulfill the terms of this Class Settlement. The Parties shall use their best efforts, including all efforts
28 contemplated by this Stipulation and any other efforts that may become necessary by court order or
otherwise, to effectuate this Stipulation and the terms set forth herein. As soon as practicable after

1 execution of this Stipulation, Class Counsel, with the cooperation of Defendant and Defense Counsel,
2 shall take all necessary and reasonable steps to secure the Court's final approval of this Stipulation.

3 **86. Duty to Support and Defend the Class Settlement.** The Parties agree to abide by all of
4 the terms of the Class Settlement in good faith and to support the Class Settlement fully and to use their
5 best efforts to defend this Class Settlement from any legal challenge, whether by appeal or collateral
6 attack.

7 **87. Duties Prior to Court Approval.** Class Counsel shall promptly submit this Stipulation
8 to the Court for preliminary approval and determination by the Court as to its fairness, adequacy, and
9 reasonableness. Promptly upon execution of this Stipulation, Class Counsel shall apply to the Court for
10 the entry of a preliminary order substantially in the form filed concurrently herewith as **Exhibit 2**,
11 scheduling a hearing on the question of whether the proposed Class Settlement should be approved as fair,
12 reasonable, and adequate as to the Class Members, approving as to form and content the proposed Class
13 Notice attached hereto as **Exhibit 1**, and directing the mailing of the Class Notice to Class Members.
14 While Defendant can reserve its right to object to facts or assertions made in the moving papers, Defense
15 Counsel shall file a notice of non-opposition to the granting of the motion for preliminary approval or join
16 in the motion.

17 **XI. MISCELLANEOUS PROVISIONS**

18 **87. Voiding the Stipulation.** Pending Court approval and other than as provided in Section
19 VIII herein, if any of the conditions set forth in this Stipulation are not met and satisfied, this Stipulation
20 shall, at the option of either Plaintiffs or Defendant, be ineffective, void, and of no further force and
21 effect, and shall not be used or be admissible in any subsequent proceeding, either in this Court or in any
22 other court or forum. If either Party decides to void the Settlement, then the Settlement and conditional
23 class certification shall be considered void, and neither the Settlement Agreement, conditional class
24 certification, nor any of the related negotiations or proceedings, shall be of any force or effect, and the
25 Parties shall stand in the same position, without prejudice, as if this Stipulation had been neither entered
26 into nor filed with the Court. Should either Party choose to void the Class Settlement under this paragraph,
27 such Party shall be responsible for all Settlement Administrator fees and costs actually incurred.

1 **88. Different Facts.** The Parties hereto, and each of them, acknowledge that, except for
2 matters expressly represented herein, the facts in relation to the dispute and all claims released by the
3 terms of this Stipulation may turn out to be other than or different from the facts now known by each Party
4 and/or their respective counsel, or believed by such Party or counsel to be true, and each Party therefore
5 expressly assumes the risk of the existence of different or presently unknown facts, and agrees that this
6 Stipulation shall be in all respects effective and binding despite such difference.

7 **89. No Prior Assignments.** The Parties represent, covenant, and warrant that they have not
8 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
9 any person or entity any portion of any liability, claim, demand, action, cause of action, or right herein
10 released and discharged except as set forth herein.

11 **90. Non-Admission.** Nothing in this Stipulation shall be construed as or deemed to be an
12 admission by any Party of any liability, culpability, negligence, or wrongdoing toward any other Party, or
13 any other person, and the Parties specifically disclaim any liability, culpability, negligence, or wrongdoing
14 toward each other or any other person. Each of the Parties has entered into this Stipulation with the
15 intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and
16 contingencies. Nothing herein shall constitute any admission by Defendant of wrongdoing or liability, or
17 of the truth of any factual allegations in the Action. Nothing herein shall constitute any admission by
18 Defendant regarding the merits of the Claims in this Action, including but not limited to claims for unpaid
19 wages under California and/or federal law. Nothing herein shall constitute an admission by Defendant that
20 the Action was properly brought as a class or representative action other than for settlement purposes. To
21 the contrary, Defendant has denied and continues to deny each and every material factual allegation and
22 all Claims. To this end, the Class Settlement of the Action, the negotiation and execution of this
23 Stipulation, and all acts performed or documents executed pursuant to or in furtherance of this Stipulation
24 or the Class Settlement are not, shall not be deemed to be, and may not be used as, an admission or
25 evidence of any wrongdoing or liability on the part of Defendant or of the truth of any of the factual
26 allegations in the Complaint in the Action; and are not, shall not be deemed to be, and may not be used
27 as, an admission or evidence of any fault or omission on the part of Defendant in any civil, criminal or
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administrative proceeding in any court, administrative agency or other tribunal.

91. **Media or Press.** Plaintiffs and Defendant, and their respective counsel, recognize, and accept that the Parties to this Stipulation desire that the terms of this Stipulation, the fact of the Class Settlement embodied in this Stipulation, the disposition of the Action, the Action, and all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence obtained during the course of the Action, shall not be discussed with or presented to the media or press via press release, press conference, or publication of information concerning the Settlement. However, the prohibition on publicity does not preclude plaintiff's counsel from making representations regarding adequacy of class counsel in future class and PAGA actions, nor does this in any way preclude Class Counsel from communicating with Class Members regarding the Action and Settlement.

92. **Non-Retaliation.** Defendant understands and acknowledge that it has a legal obligation not to retaliate against any Class Member who elects to participate in the Class Settlement or elects to Opt-Out of the Class Settlement. Defendant will refer any inquiries regarding this Class Settlement to the Settlement Administrator or Class Counsel and will not discourage Class Members who are employees, directly or indirectly, from making claims, opting out or objecting to the Class Settlement.

93. **Construction.** The Parties hereto agree that the terms and conditions of this Stipulation are the result of lengthy, intensive, arms-length non-collusive negotiations between the Parties and that this Stipulation is not to be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Stipulation. If any of the dates in the Stipulation fall on a weekend, bank or court holiday, the time to act shall be extended to the next business day.

94. **Governing Law.** This Stipulation is intended to and shall be governed by the laws of the State of California, without regard to conflict of law principles, in all respects, including execution, interpretation, performance, and enforcement.

95. **Notices.** Except for Class Member notices required to be made by the Settlement Administrator, any and all notices or other communications required or permitted under this Stipulation shall be in writing and shall be sufficiently given if delivered in person to the party or their counsel by U.S. certified mail, postage prepaid, e-mail, or overnight delivery addressed to the address of the party

1 appearing in this Stipulation.

2 **96. Captions and Interpretations.** Section titles or captions contained herein are inserted as
3 a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope
4 of this Stipulation or any provision thereof.

5 **97. Modification.** This Stipulation may not be changed, altered, or modified, except in
6 writing signed by counsel for the Parties and approved by the Court. This Stipulation may not be
7 discharged except by performance in accordance with its terms or by a writing signed by the counsel on
8 behalf of the Parties each represents.

9 **98. Integration Clause.** This Stipulation contains the entire agreement between the Parties
10 relating to the Class Settlement of the Action and the transactions contemplated thereby, and all prior or
11 contemporaneous agreements, understandings, representations, and statements, whether oral or written,
12 and whether by a party or such party's legal counsel, are hereby superseded. No rights under this
13 Stipulation may be waived except in writing as provided above.

14 **99. Successors and Assigns.** This Stipulation shall be binding upon and inure to the benefit
15 of the Parties and Class Participants and their respective present and former heirs, trustees, executors,
16 administrators, representatives, officers, directors, shareholders, agents, employees, insurers, attorneys,
17 accountants, auditors, advisors, consultants, pension and welfare benefit plans, fiduciaries, parent
18 companies, subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and
19 assigns.

20 **100. Corporate Signatories.** Any person executing this Stipulation or any such related
21 document on behalf of a corporate signatory or on behalf of a partnership hereby warrants and promises,
22 for the benefit of all Parties hereto, that such person has been duly authorized by such corporation or
23 partnership to execute this Stipulation or any such related document.

24 **101. Execution in Counterparts.** This Stipulation shall become effective upon its execution
25 by all of the undersigned. The Parties may execute this Stipulation in counterparts, and execution of
26 counterparts shall have the same force and effect as if all Settling Parties had signed the same instrument.

27 **102. Attorney Fees, Costs and Expenses.** Except as otherwise specifically provided for
28

herein, each party shall bear his or its own attorney fees, costs and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other party to this Stipulation.

103. Action to Enforce Agreement. In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover his or its attorney fees and costs. This Agreement is binding and enforceable and may be enforced pursuant to California Code of Civil Procedure section 664.6 and may be admitted in court for purposes of enforcing this Agreement.

104. Notice of Settlement to LWDA. Class Counsel will submit this Stipulation and proposed settlement to the Labor Workforce Development Agency ("LWDA") as required by Labor Code section 2699(I)(2) at the same time that it is submitted to the Court for preliminary approval.

IN WITNESS WHEREOF, the Parties and their counsel have executed this Stipulation on the date below their signatures or the signature of their representatives. The date of the Stipulation shall be the date of the latest signature.

Francisca Gonzalez

DocuSigned by:



Dated: 12/27/2021

Freedom Properties-Hemet, LLC

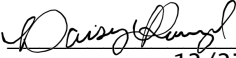
Printed: _____

Title: _____

Dated: _____

Daisy Rangel

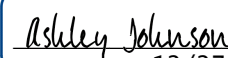
DocuSigned by:



Dated: 12/27/2021

Ashley Johnson

DocuSigned by:



Dated: 12/27/2021

Crystal Isordia

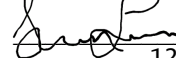
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Dated: 12/27/2021

Juan Luna

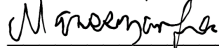
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Dated: 12/27/2021

1 Marissa Zinn-Falcon

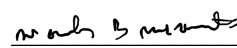
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2 

3 Dated: 12/27/2021

Mercedes Bracamontes

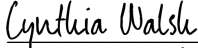
DocuSigned by:

4 

5 Dated: 12/28/2021

6 Cynthia Walsh

DocuSigned by:

7 

8 Dated: 12/27/2021

Linda Saavedra

DocuSigned by:

9 

10 Dated: 12/27/2021

11 Allen Foster

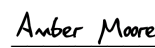
DocuSigned by:

12 

13 Dated: 12/27/2021

Amber Moore

DocuSigned by:

14 

15 Dated: 12/27/2021

16 Lisbeth Ceballos

DocuSigned by:

17 

18 Dated: 12/27/2021

Mystica Green

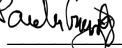
DocuSigned by:

19 

20 Dated: 12/29/2021

21 Paola Gonzalez

DocuSigned by:

22 

23 Dated: 12/28/2021

Cherelle May

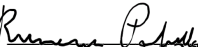
DocuSigned by:

24 

25 Dated: 12/28/2021

26 Rumarico Padilla

DocuSigned by:

27 

28 Dated: 12/29/2021

Giselle Ramirez

DocuSigned by:

29 

30 Dated: 12/27/2021

APPROVED AS TO FORM

MELMED LAW GROUP P.C.

MORGAN, LEWIS & BOCKIUS LP

31 By: 

32 Martin Sullivan

33 Attorney for Plaintiffs, the Putative Class
34 and Aggrieved Employees

By: _____

Kathryn T. McGuigan

Attorneys for Defendant Freedom Properties-
Hemet, LLC

herein, each party shall bear his or its own attorney fees, costs and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other party to this Stipulation.

103. Action to Enforce Agreement. In any suit or court action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover his or its attorney fees and costs. This Agreement is binding and enforceable and may be enforced pursuant to California Code of Civil Procedure section 664.6 and may be admitted in court for purposes of enforcing this Agreement.

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IN WITNESS WHEREOF, the Parties and their counsel have executed this Stipulation on the date below their signatures or the signature of their representatives. The date of the Stipulation shall be the date of the latest signature.

Francisca Gonzalez

Freedom Properties-Hemet, LLC



Dated: _____

Printed: Cheryl L Roskamp

Title: Manager/CEO

Dated: 12/9/2021

Daisy Rangel

Ashley Johnson

Dated: _____

Dated: _____

Crystal Isordia

Juan Luna

Dated: _____

Dated: _____

1 Marissa Zinn-Falcon

Mercedes Bracamontes

2
3 Dated: _____

Dated: _____

4
5 Cynthia Walsh

Linda Saavedra

6
7 Dated: _____

Dated: _____

8
9 Allen Foster

Amber Moore

10
11 Dated: _____

Dated: _____

12
13 Lisbeth Ceballos

Mystica Green

14
15 Dated: _____

Dated: _____

16
17 Paola Gonzalez

Cherelle May

18
19 Dated: _____

Dated: _____

20
21 Rumarico Padilla

Giselle Ramirez

22
23 Dated: _____

Dated: _____

APPROVED AS TO FORM

24
25 MELMED LAW GROUP P.C.

MORGAN, LEWIS & BOCKIUS LP

26
27 By: _____

By:  _____

28
Martin Sullivan
Attorney for Plaintiffs, the Putative Class
and Aggrieved Employees

Kathryn T. McGuigan
Attorneys for Defendant Freedom Properties-
Hemet, LLC

Kathryn T. McGuigan (SBN 232112)
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Sarah Zenewicz (SBN 258068)
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Tel: +1.415.442.1000

David J. Rashé (SBN 318400)
david.rashe@morganlewis.com
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600 Anton Boulevard, Suite 1800
Costa Mesa, CA 92626

Attorneys for Defendant

Martin Sullivan (SBN 274279)
ms@melmedlaw.com
MELMED LAW GROUP P.C.
1801 Century Park East, Suite 850
Los Angeles, California 90067
Telephone: (310) 824-3828
Facsimile: (310) 862-6851

Attorneys for Plaintiffs, Putative Class and Aggrieved Employees

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

Francisca Gonzalez, an individual, on behalf of
all others similarly situated,

Plaintiff,

v.

Freedom Properties – Hemet, LLC, a
California Limited Liability Company; and
DOES 1-50, inclusive,

Defendants.

Case Number: CVRI2000459

**ADDENDUM TO JOINT STIPULATION OF
SETTLEMENT AND RELEASE OF CLASS
ACTION**

1 This Addendum (hereafter "Addendum") to the Joint Stipulation of Settlement and Release of
2 Class Action (hereafter "Stipulation") is made and entered into by Plaintiffs Francisca Gonzalez, Daisy
3 Rangel, Ashley Johnson, Crystal Isordia, Juan Luna, Marissa Zinn-Falcon, Mercedes Bracamontes,
4 Cynthia Walsh, Linda Saavedra, Allen Foster, Amber Moore, Lisbeth Ceballos, Mystica Green, Paola
5 Gonzalez, Cherelle May, Rumarico Padilla, and Giselle Ramirez ("Plaintiffs"), individually and as class
6 representatives of the Settlement Class (as defined in section 4 of the Stipulation), and Freedom Properties-
7 Hemet, LLC ("Defendant") (Plaintiffs and Defendant are collectively referred to herein as "the Parties").
8 This Addendum and the Stipulation which it modifies are subject to the approval of the Court, pursuant
9 to California Rules of Court, Rule 3.769(c), (d) and (e), and are made for the sole purpose of attempting
10 to consummate settlement of this action subject to the following terms and conditions.

11 By this Addendum, the Parties hereby agree to modify section 84 of the Stipulation, entitled
12 "Release of Claims by Plaintiffs," to add the following sentence to the end of that section:

13 "The release of all claims, known and unknown, by the Plaintiffs, shall not extend
14 to any claim which as a matter of law cannot be released, including, but not limited
15 to workers' compensation claims."

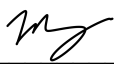
16 The Parties, through their counsel of record, enter into this Addendum pursuant to section 97 of
17 the Stipulation, which states in relevant part: "This Stipulation may not be changed, altered, or modified,
18 except in writing signed by counsel for the Parties and approved by the Court."
19

20 MELMED LAW GROUP P.C.

MORGAN, LEWIS & BOCKIUS LP

21 Date: 1/10/2022

Date: January 10, 2022

22
23 By: 

24 Martin Sullivan
25 Attorney for Plaintiffs, the Putative Class
26 and Aggrieved Employees

By: 

Kathryn T. McGuigan
Attorneys for Defendant Freedom Properties-
Hemet, LLC

Kathryn T. McGuigan (SBN 232112)
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Attorneys for Defendant

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1801 Century Park East, Suite 850
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Telephone: (323) 645-5470
Attorneys for Plaintiffs, Putative Class and Aggrieved Employees

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE**

Francisca Gonzalez, an individual, on behalf of
all others similarly situated,

Plaintiff,

v.

Freedom Properties – Hemet, LLC, a
California Limited Liability Company; and
DOES 1-50, inclusive,

Defendants.

Case Number: CVRI2000459

**SECOND ADDENDUM TO JOINT
STIPULATION OF SETTLEMENT AND
RELEASE OF CLASS ACTION**

1 This Second Addendum to Joint Stipulation of Settlement and Release of Class Action
2 (“Addendum” to the “Stipulation”) is made and entered into by Plaintiffs Francisca Gonzalez, Daisy
3 Rangel, Ashley Johnson, Crystal Isordia, Juan Luna, Marissa Zinn-Falcon, Mercedes Bracamontes,
4 Cynthia Walsh, Linda Saavedra, Allen Foster, Amber Moore, Lisbeth Ceballos, Mystica Green, Paola
5 Gonzalez, Cherelle May, Rumarico Padilla, and Giselle Ramirez (“Plaintiffs”), individually and as
6 representatives of the Settlement Class, as defined below, and Freedom Properties-Hemet, LLC
7 (“Defendant”) (Plaintiffs and Defendant are collectively referred to herein as “the Parties”). This
8 Addendum and the Stipulation which it modifies are subject to the approval of the Court, pursuant to
9 California Rules of Court, Rule 3.769(c), (d) and (e), and is made for the sole purpose of attempting to
10 consummate settlement of the Action on a class-wide basis subject to the following terms and conditions.

11 By this Addendum, the Parties hereby modify section 6 of the Stipulation by replacing “Melmed
12 Law Group P.C.” with the following language “Sullivan Employment Law P.C.”

13 The Parties, through their counsel of record enter into this Addendum pursuant to section 97 of
14 the Stipulation, which states in relevant part: “This Stipulation may not be changed, altered, or modified,
15 except in writing signed by counsel for the Parties and approved by the Court.”
16

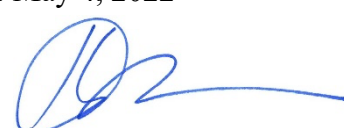
17 SULLIVAN EMPLOYMENT LAW P.C.

MORGAN, LEWIS & BOCKIUS LP

18 Date: May 4, 2022

Date: May 4, 2022

19 By: 
20 Martin Sullivan
21 Attorney for Plaintiffs, the Putative Class
22 and Aggrieved Employees

By: 
Kathryn T. McGuigan
Attorneys for Defendant Freedom Properties-
Hemet, LLC