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

DONOVIN FOXX, BYRON BRYANT, and
 YOLANDA CARBAJAL, on behalf of themselves,
 the State of California and all aggrieved employees

Plaintiffs,

v.

HEALTHCARE SERVICES GROUP, INC., a
 Pennsylvania Corporation; HCSG WEST LLC, a
 New Jersey Limited Liability Company; KOA
 HOLDINGS, LLC, a California Limited Liability
 Company d/b/a COTTONWOOD CANYON
 HEALTHCARE CENTER; and DOES 1-10,
 inclusive,

Defendants.

Case No. RG21100855

[Assigned to the Hon. Eumi Lee,
 Dept. 512]

**SETTLEMENT AGREEMENT OF
 REPRESENTATIVE ACTION
 UNDER LABOR CODE PRIVATE
 ATTORNEYS GENERAL ACT**

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*Attorneys for Defendant KOA Holdings, LLC,
d/b/a Cottonwood Canyon Healthcare Center*

SETTLEMENT AGREEMENT

This Settlement Agreement of Representative Action under the California Labor Code Private Attorneys General Act ("PAGA"), Labor Code § 2698, *et seq.*, is entered into between Plaintiffs Donovan Foxx ("Foxx"), Byron Bryant ("Bryant"), and Yolanda Carbajal ("Carbajal") (collectively, "Plaintiffs"), on behalf of themselves, the State of California, and Aggrieved Employees (as defined below), and Defendants Healthcare Services Group, Inc. ("HCSGI"), HCSG West, LLC ("HCSG West"), and KOA Holdings, LLC, a California Limited Liability Company d/b/a Cottonwood Canyon Healthcare Center ("KOA"). HCSGI, HCSG West and KOA are collectively referred to herein as "Defendants." HCSGI and HCSG West are collectively referred to herein as "HCSG." Plaintiffs and Defendants are collectively referred to herein as "the Parties."

I. Factual Background

A. On December 28, 2020, Foxx and Bryant, and on January 29, 2021, Carbajal, sent or caused to be sent certified letters to the LWDA (as defined below), notifying the LWDA that they intended to pursue claims against Defendants under the PAGA based on their alleged wage and hour violations ("PAGA Letters"). The LWDA did not respond to the PAGA Letters or otherwise indicate that it intended to investigate Plaintiffs' allegations.

B. After waiting the required 65 days without a response from the LWDA regarding Plaintiffs' PAGA Letters, on June 2, 2021, Plaintiffs filed or caused to be filed a Complaint against Defendants in the Superior Court of the State of California, County of Alameda. The Complaint alleged causes of actions under the PAGA for (1) Penalties for Failure to Pay Minimum, Regular and Overtime Wages Pursuant to Labor Code § 2699(f) for Violations of California Labor Code §§ 510, 1194, 1197.1, 1198, and the IWC Wage Order(s); (2) Penalties for Failure to Provide Accurate Itemized Wage Statements Pursuant to Labor Code § 2699(f) for Violations of California Labor Code §§ 226, 226.3; (3) Penalties for Failure to Timely Pay Wages Due During Employment and at Separation Pursuant to Labor Code § 2699(f) for Violations of California Labor Code §§ 201-204, 210 and 256; (4) Penalties for Failure to Maintain Accurate Records Pursuant to Labor Code § 2699(f) for Violations of California Labor Code §§ 1174,

1 1174.5, 1198 and the IWC Wage Order(s); and (5) Penalties for Failure to Reimburse Expenses
2 Pursuant to Labor Code § 2699(f) for Violations of California Labor Code § 2802.

3 C. The Parties agreed to participate in a private mediation of the Action (as defined
4 below). Prior to mediation, Defendants produced data regarding the policies and procedures at
5 issue in this Action, as well as data on the number of pay periods worked by Aggrieved Employees
6 (as defined below). Plaintiffs' Counsel (as defined below) also was provided with contact
7 information for certain Aggrieved Employees, relevant policies and procedures, and time and
8 payroll records in a related case entitled *Gonzales v. Healthcare Services Group, Inc., et al.*
9 San Francisco County Superior Court Case No. CGC-18-570988 ("Gonzales Action"). In
10 the Gonzales Action, the plaintiff took the depositions of HCSG regarding relevant employment
11 and payroll policies and procedures, as well as the depositions of HCSG payroll and human
12 resources representatives and HCSG regional and district managers, and discovered other
13 evidence relevant to this Action.

14 D. On May 25, 2021, the Parties participated in a private mediation with Deborah
15 Saxe, Esq. The Parties were unable to reach a resolution of the Action at that mediation and
16 participated in a subsequent mediation with Ms. Saxe on September 2, 2021. The Parties were
17 again unable to reach a resolution of the Action, but continued negotiating with Ms. Saxe's
18 assistance and thereafter accepted a mediator's proposal to resolve the Action in its entirety on
19 September 7, 2021. The negotiations leading to a settlement in principle and to the terms of this
20 Agreement (as defined below) were at all times non-collusive and conducted at arm's length.

21 E. Plaintiffs and their counsel have conducted a thorough investigation into the facts
22 alleged in the Action (as defined below) for the benefit of Plaintiffs and all Aggrieved Employees.
23 Based on that investigation, Plaintiffs and Plaintiffs' Counsel (as defined below) believe that the
24 settlement is fair, reasonable, adequate, and in the best interests of the Aggrieved Employees and
25 the State of California.

26 F. Defendants deny that they violated the law in any manner, including as alleged in
27 the Action (as defined below). This Agreement is a compromise of disputed claims. Defendants
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1 have asserted and continue to assert that the claims alleged by Plaintiffs have no merit and do not
2 give rise to any liability, penalties or other payments. Nothing contained herein, nor the
3 consummation of the Settlement (as defined below), shall be construed or deemed an admission
4 of liability or wrongdoing on the part of Defendants or any of the other Released Parties (as
5 defined below).

6 **II. Terms of Agreement**

7 A. Definitions.

8 1. “Action” refers to the lawsuit filed and that is now pending in the Superior
9 Court of the State of California for the County of Alameda entitled *Foxx et al. v. Healthcare*
10 *Services Group, Inc. et al.*, Case No. RG21100855.

11 2. “Agreement” means this Settlement of the Action under the PAGA.

12 3. “Aggrieved Employees” means all current and former non-exempt
13 employees of HCSG in California employed at any time between December 28, 2019, and the
14 later of January 31, 2022, or the date of approval of this Settlement (as defined below) by the
15 Court (as defined below), including, but not limited to, those employees of HCSG who worked
16 at facilities owned by KOA, including Plaintiffs.

17 4. “Case Notice” means the notice of representative action settlement and
18 payment, substantially in the form attached hereto as Exhibit A, which shall be subject to Court
19 (as defined below) approval and which the Settlement Administrator shall mail, in both English
20 and in Spanish, to each Aggrieved Employee, along with that Aggrieved Employee’s Individual
21 PAGA Payment (as defined below), generally explaining the Action and the Settlement.

22 5. “Court” means the Superior Court of the State of California for the County
23 of Alameda.

24 6. “Defendants” means HCSGI, HCSG West and KOA.

25 7. “Effective Date” means the later of: (a) the date which is sixty (60) days
26 after entry of the Judgment (as defined below) if no appeal is filed within that time seeking appeal
27 of the Judgment and if no motion for extension to appeal is filed; or (b) if a notice of appeal is
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1 timely filed, whether or not the time to do so has been extended, the date upon which all appellate
2 and/or other proceedings resulting from the notice of appeal have been fully terminated in such
3 manner as to permit the Judgment to take effect.

4 8. "Gross Settlement Fund" means Two Million, One Hundred Thousand
5 Dollars and No Cents (\$2,100,000.00), the maximum amount HCSG agrees to pay to settle this
6 Action. This amount includes Plaintiffs' Counsel's Fees (as defined below), Plaintiffs' Service
7 Awards (as defined below), Settlement Administration Costs (as defined below), and the PAGA
8 payments to all Aggrieved Employees and the LWDA.

9 9. "Individual PAGA Payment" means the amount payable by check from the
10 Net Settlement Fund to each Aggrieved Employee, including Plaintiffs.

11 10. "Judgment" means the judgment to be entered by the Court upon granting
12 approval of the Settlement of the Action that is binding upon the Parties and all Aggrieved
13 Employees.

14 11. "LWDA" means the California Labor and Workforce Development
15 Agency.

16 12. "Net Settlement Fund" means the Gross Settlement Fund, less the
17 Plaintiff's Counsel's Fees, the Settlement Administration Costs, and the Service Awards.
18 Seventy-five percent (75%) of the Net Settlement Fund shall be paid to the LWDA and twenty-
19 five percent (25%) shall be paid to the Aggrieved Employees based on the formula specified
20 below.

21 13. "Notice Packet" means the Individual PAGA Payments and Case Notices
22 which shall be mailed to all Aggrieved Employees by the Settlement Administrator.

23 14. "PAGA Recovery Period" means the period between December 28, 2019,
24 and the later of January 31, 2022, or the date of approval of this Settlement (as defined below) by
25 the Court.

26 15. "Pay Periods" means, for each Aggrieved Employee, the number of full or
27 partial pay periods he or she was employed by Defendants as a non-exempt employee during the
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1 PAGA Recovery Period according to Defendants' time and payroll records.

2 16. "Plaintiffs" means Foxx, Bryant, and Carbajal.

3 17. "Plaintiffs' Counsel" means Schneider Wallace Cottrell Konecky LLP,
4 Cohelan Khoury & Singer, and Lebe Law, APC.

5 18. "Plaintiffs' Counsel's Fees" means the reasonable attorneys' fees,
6 expenses, and costs incurred by Plaintiffs' Counsel in connection with the Action, as approved
7 by the Court.

8 19. "Released Parties" means Defendants and each of their past and present
9 parent companies, sister companies, subsidiaries, divisions, affiliated companies, affiliated
10 partnerships, investors, trustees, directors, officers, employees, shareholders, partners, agents,
11 attorneys, consultants, insurance carriers, plan administrators, executors, administrators,
12 representatives, joint venturers, joint employers, clients, predecessors, successors and assigns of
13 any of the foregoing.

14 20. "Service Awards" means the amount the Court authorizes to be paid to
15 Plaintiffs, in addition to their Individual PAGA Payments, for their efforts in bringing and
16 prosecuting this matter, as well as for their general release of claims and waiver under Civil Code
17 § 1542.

18 21. "Settlement" means the settlement and the final and complete disposition
19 of the Action as set forth in this Agreement.

20 22. "Settlement Administration Costs" means the reasonable costs and fees of
21 administration of this Settlement to be paid to the Settlement Administrator from the Gross
22 Settlement Fund not to exceed \$24,000.00 including, but not limited to: (i) prior to mailing the
23 Notice Packets, updating Aggrieved Employees' mailing addresses through a National Change of
24 Address database search, and on the return of undelivered Notice Packets, reasonable skip tracing
25 to obtain better mailing addresses; (ii) printing and mailing and re-mailing (if necessary) of Notice
26 Packets to Aggrieved Employees; (iii) preparing and submitting to Aggrieved Employees and
27 government entities all appropriate tax filings and forms; (iv) computing the amount of and
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1 distributing Individual PAGA Payments, Plaintiffs' Service Awards and Plaintiffs' Counsel's
2 Fees; (v) establishing a Qualified Settlement Fund ("QSF") under Section 468B of the Internal
3 Revenue Code for the purpose of administering this Settlement, in which the Gross Settlement
4 Fund shall be placed and from which payments required by the Settlement shall be made; (vi)
5 responding to and addressing communication from the Parties and their counsel and from
6 Aggrieved Employees; (vii) calculating and remitting to the appropriate government agencies any
7 employer and employee tax obligations arising from the Settlement and preparing and submitting
8 filings required by law in connection with the payments required by this Settlement, (viii)
9 formatting and mailing a postcard to those who have yet to cash their checks to remind them to
10 do so before the void date; (ix) forwarding the funds from uncashed Individual PAGA Payment
11 checks to the State of California, Controller, Unclaimed Property Division in the names of
12 Aggrieved Employees, as specified herein; and (x) complying with all orders of the Court.

13 23. "Settlement Administrator" means Phoenix Class Action Administration
14 Solutions.

15 B. Monetary Consideration.

16 1. The Parties agree that the Action shall be ended, settled, resolved,
17 concluded and dismissed with prejudice by agreement of HCSG to pay the Gross Settlement Fund
18 pursuant to the terms and conditions of this Agreement and for the other consideration set forth
19 herein, including, but not limited to, a release of claims by Plaintiffs and the Aggrieved
20 Employees as set forth below.

21 C. Approval Procedure.

22 1. Plaintiffs shall seek approval of the Settlement from the Court by filing a
23 motion pursuant to Labor Code § 2699(1)(2).

24 2. Concurrent with the filing of the motion for approval of the Settlement:

25 a. Plaintiffs' Counsel shall serve a copy of this Agreement and
26 Plaintiffs' motion for approval of the Settlement on the LWDA at the same time as they are
27 submitted to the Court, as required by Labor Code § 2699(1)(2).
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1 b. Plaintiffs' Counsel shall move for Plaintiffs' Counsel's Fees at the
2 same time that Plaintiffs' Counsel seeks approval of this Settlement. Plaintiffs' Counsel's Fees,
3 payable from the Gross Settlement Fund, shall not exceed one-third (1/3) of the Gross Settlement
4 Fund, or Seven Hundred Thousand Dollars and No Cents (\$700,000.00), plus no more than
5 Seventy Thousand Dollars and No Cents (\$70,000.00) in litigation costs and expenses. The
6 Parties agree that the Court's approval of Plaintiffs' Counsel's Fees is not a material condition of
7 the Settlement and should be considered by the Court separate and apart from the fairness,
8 reasonableness, and adequacy of the Settlement on behalf of all Aggrieved Employees. If the
9 Court does not approve the amount of Plaintiffs' Counsel's Fees, as requested or sought, the
10 difference between the amount requested or sought by Plaintiffs' Counsel and the amount
11 approved by the Court shall revert to the Gross Settlement Fund. Plaintiffs' Counsel shall provide
12 the Settlement Administrator with properly completed and signed IRS Forms W-9 in order for
13 the Settlement Administrator to process Plaintiffs' Counsel's Fees approved by the Court.
14 Plaintiffs' Counsel shall be solely and legally responsible to pay all applicable taxes on Plaintiffs'
15 Counsel's Fees. The Settlement Administrator shall issue IRS Forms 1099 to Plaintiffs' Counsel
16 for the Plaintiffs' Counsel Award.

17 3. Within ten (10) calendar days after the date that the Court enters the
18 Judgment, Plaintiffs' Counsel shall serve a copy of the Judgment on the LWDA pursuant to Labor
19 Code § 2699(1)(3).

20 4. This Settlement is expressly conditioned on the Court's approval of this
21 Settlement and judicial approval of the pending settlement in the Gonzales Action. If the Court
22 in this Action does not approve this Settlement or the settlement in the Gonzales Action is not
23 judicially approved, the Parties shall meet and confer to make reasonable efforts to address any
24 issues raised either by this Court or the court in the Gonzales Action in order to obtain the
25 approval of this Settlement and the settlement of the Gonzales Action, except that Defendants
26 shall not be required under any circumstances to increase or pay more than the Gross Settlement
27 Fund in this Action. If the Parties cannot obtain judicial approval of this Settlement and the
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1 settlement in the Gonzales Action, the Parties shall be restored to their litigation positions as of
2 September 7, 2021, and this Agreement shall be deemed null and void, shall be of no force or
3 effect whatsoever, and shall not be referred to or used in this Action or any other legal proceeding.
4 In such circumstance, the Settlement Administration Costs reasonably incurred by the Settlement
5 Administrator, if any, shall be paid equally by Plaintiffs, on the one hand, and HCSG on the other
6 hand.

7 D. Distribution of Gross Settlement Fund.

8 1. No later than twenty (20) calendar days after the Effective Date in this
9 Action or the same or substantially similar effective date in the Gonzales Action, as agreed to by
10 the parties in the Gonzales Action, whichever date is later, HCSG shall deliver to the Settlement
11 Administrator via wire transfer the Gross Settlement Fund which shall be deposited in the QSF
12 established by the Settlement Administrator. The Settlement Administrator shall be the only entity
13 authorized to make withdrawals or payments from the QSF.

14 2. No later than five (5) calendar days after the Effective Date this Action or
15 the same or substantially similar effective date in the Gonzales Action, as agreed to by the parties
16 in the Gonzales Action, whichever date is later, HCSG shall email the Settlement Administrator
17 an electronic spreadsheet containing, for each Aggrieved Employee, his or her name, last known
18 address, social security number, dates of employment, and number of Pay Periods worked during
19 the PAGA Recovery Period. Promptly after receiving such data, the Settlement Administrator
20 shall run the Aggrieved Employees' addresses through the U.S. Postal Service's National Change
21 of Address database to update and correct any known or identifiable address changes. The address
22 identified by the Settlement Administrator as the current mailing address shall be presumed to be
23 the most current mailing address for each Aggrieved Employee. The Parties agree that this
24 procedure is the most practicable under the circumstances and fully complies with any due process
25 requirements.

26 3. No later than seven (7) calendar days after receiving the Gross Settlement
27 Fund from HCSG, the Settlement Administrator shall pay by check or wire transfer from the QSF:
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1 (1) Plaintiffs' Counsel's Fees to Plaintiffs' Counsel; (2) the Service Awards to Plaintiffs; (3) the
2 Settlement Administration Costs to the Settlement Administrator; (4) 75% of the Net Settlement
3 Fund to the LWDA; and (5) 25% of the Net Settlement Fund to the Aggrieved Employees.

4 4. Because this is a settlement of a PAGA case and is not a class action, the
5 Parties agree that Aggrieved Employees shall not have the right to exclude themselves from the
6 Settlement.

7 5. From the Net Settlement Fund, the Settlement Administrator shall
8 calculate Individual PAGA Payments *pro rata* as follows:

9 a. The Settlement Administrator shall determine the number of Pay Periods
10 attributable to all Aggrieved Employees during the PAGA Recovery Period. Each
11 Pay Period shall be equal to one (1) settlement share, except that Pay Periods from
12 March 15, 2020 through May 31, 2021 shall be equal to five (5) settlement shares
13 to reflect the increased value of alleged claims resulting from the unpaid health
14 screening policy that was in effect during that time period, as alleged by Plaintiffs
15 in the Action.

16 b. The total number of settlement shares for all Aggrieved Employees shall
17 be added together to derive the total number of settlement shares for all Aggrieved
18 Employees. The Net PAGA Settlement Amount shall then be divided by the total
19 number of settlement shares to derive a per settlement share value. That settlement
20 share value shall then be multiplied by each Aggrieved Employees' total number
21 of settlement shares to determine that Aggrieved Employee's *pro rata* portion of
22 the Net PAGA Settlement Amount.

23 c. The number of Pay Periods attributable to all Aggrieved Employees shall
24 be determined solely by reference to HCSG's records. HCSG's records shall be
25 presumed correct, accurate and binding upon the Aggrieved Employees and the
26 Parties for purposes of determining who are the Aggrieved Employees and the
27 total number of Pay Periods attributable to each Aggrieved Employee during the
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1 PAGA Recovery Period, subject to review by the Court.

2 6. The Settlement Administrator shall mail a Notice Packet to each Aggrieved
3 Employee. If any Notice Packet is returned as undeliverable, the Settlement Administrator shall
4 promptly re-mail the Notice Packet to the forwarding address affixed thereto. If no forwarding
5 address is provided, the Settlement Administrator shall promptly attempt to determine a correct
6 address by the use of skip-tracing, or other type of automated search, using the name, address
7 and/or social security number of the Aggrieved Employee involved, and shall then perform a re-
8 mailing to the Aggrieved Employee whose Notice Packet was returned as undeliverable,
9 assuming another mailing address is identified by the Settlement Administrator.

10 7. Individual PAGA Payment checks will remain negotiable for One Hundred Eighty
11 (180) calendar days after mailing. If an Individual PAGA Payment check remains uncashed after
12 ninety (90) calendar days, the Settlement Administrator shall mail the Aggrieved Employee a
13 postcard reminding him or her to cash his or her check, substantially in the form as Exhibit B,
14 which shall be subject to Court approval and which the Settlement Administrator shall mail in
15 both English and Spanish. If an Individual PAGA Payment check remains uncashed after the
16 180-day period, the Settlement Administrator shall pay the amount represented by the check to
17 the California State Controller Unclaimed Property Fund in the name of the Aggrieved Employee
18 to be held by the Controller's Office for the benefit of the Aggrieved Employee until such time
19 as he or she claims his or her property, as allowed by law.

20 8. Individual PAGA Payments and the Service Awards shall not be subject to any tax
21 withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each Aggrieved
22 Employee for his or her Individual PAGA Payment and to Plaintiffs for their Service Awards.
23 All Parties represent they have not received, and have not relied on, advice or representations
24 from the other Parties or their agents regarding the tax treatment of the payments under this
25 Settlement. Plaintiffs and all other Aggrieved Employees shall be solely and legally responsible
26 to pay any and all applicable taxes on the payments made pursuant to this Agreement.

27 E. Release

1 1. Release by Aggrieved Employees Other Than Plaintiffs: Upon the
2 Effective Date, Plaintiffs, on behalf of the State of California, shall be deemed to have forever
3 released, acquitted, and discharged Defendants and the other Released Parties from any and all
4 demands, rights, liabilities, claims, and/or causes of action under the PAGA, based on or arising
5 out of the facts alleged by Plaintiffs in the Action and PAGA Letters or that could have been
6 alleged under the PAGA based on the same facts, during the PAGA Recovery Period, including
7 PAGA claims for Defendants' alleged failure to (1) pay Plaintiffs and Aggrieved Employees for
8 all hours worked; (2) pay Plaintiffs and Aggrieved Employees all minimum wages earned; (3)
9 pay Plaintiffs and Aggrieved Employees all overtime wages earned; (4) provide Plaintiffs and
10 Aggrieved Employees accurate, itemized wage statements as required by law; (5) timely pay
11 Plaintiffs and Aggrieved Employees all wages owed upon separation of employment; and (6)
12 reimburse Plaintiffs and Aggrieved Employees for all necessary business expenses.

13 2. This release shall cover all overlapping claims made in the related case
14 entitled *Fardanesh v. Healthcare Services Group, et al.* Los Angeles County Superior Court
15 Case No. 20STCV33842, but shall not include claims that are alleged in the Gonzales Action.
16 The Judgment to be entered by the Court shall have *res judicata* effect as to each Aggrieved
17 Employee with respect to the claims released herein.

18 3. Plaintiffs' Service Awards and Release: Subject to Court approval,
19 Plaintiffs shall each receive a Service Award in an amount not to exceed Fifteen Thousand Dollars
20 and No Cents (\$15,000.00), to be paid from the Gross Settlement Fund, in addition to their
21 Individual PAGA Payments as Aggrieved Employees under this Agreement. If the Court does
22 not approve the amounts requested or sought as Service Awards, the difference between the
23 amounts requested or sought and the amounts approved by the Court shall revert to the Gross
24 Settlement Fund.

25 a. In exchange for the Individual PAGA Payments and the Service Awards,
26 and upon the Effective Date, Plaintiffs, on their own behalf and on behalf of their
27 heirs, spouses, executors, administrators, attorneys, agents and assigns, forever
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1 releases, acquits, and discharges Defendants and the other Released Parties from
2 all claims, losses, demands, rights, liabilities, penalties, damages, causes of action
3 and other legal responsibilities, of any form whatsoever, whether based on federal,
4 state, local, statutory or common law, or any other law, rule, regulation, whether
5 known or unknown, unforeseen, unanticipated, unsuspected or latent, that have
6 been or could have been asserted in any forum by Plaintiff or her heirs, successors
7 and/or assigns, whether directly or indirectly, representatively, derivatively or in
8 any other capacity, including any and all known or unknown claims arising under
9 the California Labor Code, the California Government Code and the California
10 Business and Professions Code, and the law of contracts, torts and equity, and
11 those claims that were asserted or could have been asserted in the Action, or which
12 relate in any way to Plaintiff's employment with HCSG or any of the other
13 Released Parties arising at any time prior to entry of the Judgment.

14 b. To the extent provided by law, the Settlement is intended by the Parties to be a
15 general release and covenant not to sue as to Plaintiffs. It is therefore understood
16 and agreed that Plaintiffs expressly waive the benefits of § 1542 of the California
17 Civil Code and acknowledges the language of § 1542 of the California Civil Code,
18 which provides:

19 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
20 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
21 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE
22 RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE
23 MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE
24 DEBTOR OR RELEASED PARTY.

25 F. Miscellaneous.

26 1. The Parties agree to fully cooperate with each other and to use their best
27 efforts to accomplish the terms of this Agreement, including, but not limited to, executing such
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1 documents as may be reasonably necessary to implement the terms of the Settlement.

2 2. The Parties agree that the terms and conditions of this Agreement are the
3 result of lengthy, intensive, arm's-length negotiations between the Parties and that this Agreement
4 shall not be construed in favor of or against any of the Parties by reason of their participation in
5 the drafting of this Agreement.

6 3. This Agreement shall be subject to and governed by the laws of the State
7 of California and subject to the continuing jurisdiction of the Court, which shall have the authority
8 to interpret, implement and enforce all terms of this Settlement.

9 4. This Agreement may not be changed, altered, or modified, except in
10 writing and signed by the Parties and approved by the Court.

11 5. This Agreement is based on Plaintiffs' understanding (based on
12 representations made by HCSG) that there were 99,500 pay periods (of which 81,750 involved
13 COVID-19 screenings) between December 28, 2019, and May 7, 2021 (when Defendants began
14 compensating Aggrieved Employees for time spent in COVID-19 screenings). If it is determined
15 that the number of pay periods between December 28, 2019, and May 7, 2021, exceeds 114,425
16 (99,500, plus 15% of 99,500), the Parties will meet and confer in good faith regarding a potential
17 increase in the Gross Settlement Fund. If the Parties do not agree, then Plaintiffs, in their sole
18 discretion, may nullify this Settlement in its entirety by giving notice to Defendants.

19 6. This Agreement contains the entire agreement between the Parties
20 concerning the subject matter hereof and supersedes all prior and contemporaneous agreements
21 and understandings, whether oral or written.

22 7. This Agreement shall be binding upon and inure to the benefit of the Parties
23 and their respective heirs, trustees, executors, administrators, successors and assigns.

24 8. This Agreement may be executed in one or more counterparts.

25 9. Each person signing below warrants that he or she has the authority to enter
26 into this Agreement on behalf of the Party for which that person signs.

27 10. Should any provision of this Agreement be declared or be determined by
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any court of competent jurisdiction to be illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining parts, terms, or provisions shall not be affected thereby, and the illegal, unenforceable, or invalid part, term, or provision shall be deemed not to be a part of this Agreement.

11. The Parties and their respective counsel agree to keep the facts and terms of this Settlement confidential until approval of the Settlement is sought from the Court and, thereafter, to the fullest extent possible. Plaintiffs and Plaintiffs' Counsel also agree not to make or offer to make any public disclosure of the Settlement, other than what is necessary and consistent with the need for judicial approval of the Settlement and notice to the LWDA. Plaintiffs' Counsel shall take all steps necessary to ensure that Plaintiffs are aware of the restriction against any public disclosure of the terms of the Settlement and the terms of this paragraph. Plaintiffs and Plaintiffs' Counsel shall not have any communications with the media and shall not post any terms of the Settlement on the internet, including any website. Nothing in this paragraph shall prevent Plaintiffs' Counsel from communicating with the Aggrieved Employees, the LWDA, or the Court in which the Action is pending, as may be required to carry out the terms of this Settlement and/or to fulfill their ethical responsibilities under the Settlement and to their respective clients in the Action.

IN WITNESS WHEREOF, the Parties and their counsel have caused this Agreement to be executed:

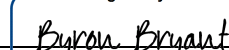
Dated: 11/19/2021, 2021

DocuSigned by:


Donovin Foxx
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Dated: 11/18/2021, 2021

DocuSigned by:


Byron Bryant
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Dated: _____, 2021

Yolanda Carbajal

any court of competent jurisdiction to be illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining parts, terms, or provisions shall not be affected thereby, and the illegal, unenforceable, or invalid part, term, or provision shall be deemed not to be a part of this Agreement.

11. The Parties and their respective counsel agree to keep the facts and terms of this Settlement confidential until approval of the Settlement is sought from the Court and, thereafter, to the fullest extent possible. Plaintiffs and Plaintiffs' Counsel also agree not to make or offer to make any public disclosure of the Settlement, other than what is necessary and consistent with the need for judicial approval of the Settlement and notice to the LWDA. Plaintiffs' Counsel shall take all steps necessary to ensure that Plaintiffs are aware of the restriction against any public disclosure of the terms of the Settlement and the terms of this paragraph. Plaintiffs and Plaintiffs' Counsel shall not have any communications with the media and shall not post any terms of the Settlement on the internet, including any website. Nothing in this paragraph shall prevent Plaintiffs' Counsel from communicating with the Aggrieved Employees, the LWDA, or the Court in which the Action is pending, as may be required to carry out the terms of this Settlement and/or to fulfill their ethical responsibilities under the Settlement and to their respective clients in the Action.

IN WITNESS WHEREOF, the Parties and their counsel have caused this Agreement to be executed:

Dated: _____, 2021

Donovin Foxx

Dated: _____, 2021

Byron Bryant

Dated: 11/17/2021, 2021

Yolanda Carbajal

Yolanda Carbajal

Dated: November 18, 2021

HEALTHCARE SERVICES GROUP, INC.

Signature: 

Title: Deputy General Counsel

Dated: November 18, 2021

HCSG WEST LLC

Signature: 

Title: Deputy General Counsel

Dated: 12/09/2021, 2021

KOA Holdings, LLC

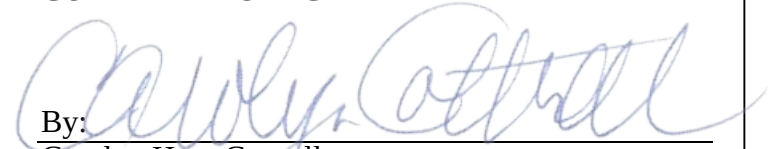
DocuSigned by:
Signature:  William Byrne - Cottonwood

Title: Administrator

APPROVED AS TO FORM AND CONTENT:

Dated: December 13, 2021

SCHNEIDER WALLACE
COTTRELL KONECKY LLP

By: 

Carolyn Hunt Cottrell
Ori Edelstein
Andrew Weaver

Dated: _____, 2021

COHELAN KHOURY & SINGER

By: _____

Michael D. Singer
Rosemary C. Khoury

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Dated: _____, 2021 HEALTHCARE SERVICES GROUP, INC.

Signature: _____
Title: _____

Dated: _____, 2021 HCSG WEST LLC

Signature: _____
Title: _____

Dated: _____, 2021 KOA Holdings, LLC

Signature: _____
Title: _____

APPROVED AS TO FORM AND CONTENT:

Dated: _____, 2021 SCHNEIDER WALLACE
COTTRELL KONECKY LLP

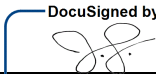
By: _____
Carolyn Hunt Cottrell
Ori Edelstein
Andrew Weaver

Dated: November 18, 2021 COHELAN KHOURY & SINGER

By:  _____
Michael D. Singer
Rosemary C. Khoury

1 Dated: 11/18/2021, 2021

LEBE LAW, APC

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3 By:  DocuSigned by:

4 Jon Lebe 2D3ECA1554FB4F1...

5 *Attorneys for Plaintiffs Donovan Foxx, Byron*
6 *Bryant, and Yolanda Carbajal, on behalf of the*
7 *State of California and Aggrieved Employees*

8 Dated: _____, 2021

CONSTANGY, BROOKS, SMITH &
PROPHETE, LLP

9
10 By: _____

11 Kenneth D. Sulzer
12 Sarah K. Hamilton
13 Matthew A. Scholl

14 *Attorneys for Defendants Healthcare Services*
15 *Group, Inc. and HCSG West LLC*

16 Dated: _____, 2021

PROCOPIO, CORY, HARGREAVES &
SAVITCH LLP

17 By: _____

Marie Burke Kenny

18 *Attorneys for Defendant KOA Holdings, LLC d/b/a*
19 *Cottonwood Healthcare Center*

1 Dated: _____, 2021

LEBE LAW, APC

3 By:

4 Jon Lebe

5 *Attorneys for Plaintiffs Donovan Foxx, Byron*
6 *Bryant, and Yolanda Carbajal, on behalf of the*
7 *State of California and Aggrieved Employees*

7 Dated: December 03, 2021

CONSTANGY, BROOKS, SMITH &
PROPHETE, LLP

10 By:

11 Kenneth D. Sulzer
12 Sarah K. Hamilton
13 Matthew A. Scholl

14 *Attorneys for Defendants Healthcare Services*
15 *Group, Inc. and HCSG West LLC*

15 Dated: December 7, 2021

PROCOPIO, CORY, HARGREAVES &
SAVITCH LLP

16 By:

17 Marie Burke Kenny

18 *Attorneys for Defendant KOA Holdings, LLC d/b/a*
19 *Cottonwood Healthcare Center*

EXHIBIT A**Claims Admin Contact Info**

Claims Admin ID <<ID>>

Mailing Date, 2022

<<FullName>>

<<Address1>> <<Address2>>

<<City>> <<State>> <<Zip>>

Re: NOTICE OF REPRESENTATIVE ACTION SETTLEMENT AND PAYMENT

Dear <<FullName>>:

Enclosed is your payment from the settlement of the lawsuit entitled *Foxx, et al. v. Healthcare Services Group, Inc., et al.*, Alameda County Superior Court Case No. RG21100855 (the "Lawsuit").

The Lawsuit was filed against Healthcare Services Group, Inc., HCSG West LLC (together, "HCSG") and KOA Holdings, LLC dba Cottonwood Canyon Health Center ("KOA") pursuant to the California Labor Code Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 et seq. (called "PAGA"). The Plaintiffs are former HCSG Employees named Donovin Foxx, Byron Bryant and Yolanda Carbajal. The Lawsuit was brought on behalf of the State of California and all current and former non-exempt (e.g., hourly) employees of HCSG for civil penalties for alleged wage and hour violations, including, but not limited to, the alleged failure to pay minimum wages, straight time wages and overtime wages related to the time spent undergoing health screenings to prevent the spread of COVID-19, failure to provide compliant itemized and accurate wage statements, failure to timely and fully pay all wages during employment and upon termination, failure to maintain accurate records, and failure to reimburse necessary business expenses.

Defendants deny that they have done anything wrong or that they are liable for any wages or penalties. The parties have agreed to resolve the Lawsuit to avoid further litigation with the resulting inconvenience, expenses and risks, and as part of the settlement, HCSG will pay a certain amount of money to you and other current and former HCSG hourly employees. The settlement has been approved by the Court and a judgment has been entered in the case. Under the PAGA, the settlement payments must be divided between the State of California and the employees covered by the settlement. As a result of this settlement, and as ordered by the Court, the State of California's and your ability to seek penalties recoverable under the PAGA, for all of the claims summarized above have been released. The Court did not decide the merits of the claims asserted in this case.

This settlement includes and applies to: (i) all current and former non-exempt (e.g. hourly) employees of HCSG who worked in California at any time from December 28, 2019, and the later of January 31, 2022, or the date of Court approval of this settlement. You have been identified as a current or former HCSG employee to whom this settlement applies and who is included in this settlement. The enclosed check represents your share of the settlement and must be cashed within 180 days or the funds will be deemed unclaimed and submitted to the California State Controller Unclaimed Property Fund where they will be held in your name.

If you have any questions about the settlement, you can view the public docket for the case by searching the case number on the Court's website at <https://publicrecords.alameda.courts.ca.gov/prs>, or you may contact the settlement administrator (whose contact information is at the top of this letter). Please do not call the Court about this letter.

Sincerely,
Phoenix Class Action Administration Solutions

EXHIBIT B**Claims Admin Contact Info**

Claims Admin ID <<ID>>

Mailing Date, 2022

<<FullName>>

<<Address1>> <<Address2>>

<<City>> <<State>> <<Zip>>

**Re: REMINDER TO CASH SETTLEMENT CHECK FOR REPRESENTATIVE
ACTION SETTLEMENT**

Dear <<FullName>>:

You previously were sent your payment from the settlement of the lawsuit entitled *Foxx, et al. v. Healthcare Services Group, Inc., et al.*, Alameda County Superior Court Case No. RG21100855 (the "Lawsuit"). Our records show that you have not yet cashed your settlement check. You will be bound by the settlement whether or not you cash the check.

Please cash your check promptly. Your check will expire on _____ and then will be sent to the California State Controller Unclaimed Property Fund to be held in your name until you claim your property.

If you have any questions about the settlement, you can view the public docket for the case by searching the case number on the Court's website at <https://publicrecords.alameda.courts.ca.gov/prs>, or you may contact the settlement administrator (whose contact information is at the top of this letter). Please do not call the Court about this postcard.

Sincerely,

Phoenix Class Action Administration Solutions