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Attorneys for Defendants
ESKATON PROPERTIES INCORPORATED and
CALIFORNIA HEALTHCARE CONSULTANTS, INC.

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF ALAMEDA**

KHAYO SISHI, on behalf of the State of
California;

Plaintiff,

v.

ESKATON PROPERTIES INCORPORATED,
CALIFORNIA HEALTHCARE
CONSULTANTS, INC., and DOES 1-100,
inclusive;

Defendants.

Case No.: RG21100764

**CLASS ACTION SETTLEMENT
AGREEMENT AND RELEASE**

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1. This Class Action Settlement Agreement and Release (the “Settlement Agreement,” “Settlement” or “Agreement”) is entered into between Plaintiffs Khayo Sishi, Sandeep Purewal, Vanessa Barber, and Cherra Redd (“Plaintiffs”), individually and on behalf of all other similarly-situated persons, the State of California, and the Aggrieved Employees, and Defendants Eskaton Properties Incorporated and California Healthcare Consultants, Inc. (“Defendants”), subject to the approval of the Court. Plaintiffs and Defendants are collectively referred to as the “Parties.”

6 **DEFINITIONS**

7 2. The following terms used in this Settlement Agreement shall have the meanings
8 ascribed to them below:

9 a. “Action” means the above-captioned action, *Khayo Sishi, et al. v. Eskaton*
10 *Properties, Inc., et al.*, Superior Court of California, County of Alameda, Case Number
 RG21100764.

b. “Class Members” means all current and former hourly, non-exempt workers employed by Defendants throughout California any time between June 2, 2017 and June 11, 2022 or Preliminary Approval or any earlier date determined by Defendants. Defendants represent that as of December 31, 2021, there were approximately 5,600 Class members and an estimated 365,000 workweeks.

c. “Settlement Class” or “Settlement Class Members” means Class Members who do not submit a valid letter requesting to be excluded from the Settlement, consistent with the terms set forth in this Settlement Agreement, and did not otherwise release the claims referenced below by the date of the mediation.

d. “Aggrieved Employees” means all current and former hourly, non-exempt workers employed by Defendants or Eskaton, Inc., Eskaton Village-Grass Valley, Inc., Eskaton Village-Placerville, Inc., Eskaton Village – Roseville, Inc., Eskaton Lodge Granite Bay, Inc., Eskaton Fountainwood Lodge, Inc., The Reutlinger Community, Inc., and O’Connor Woods Housing Corporation, Inc. throughout California any time between March 29, 2020 and June 11, 2022 or Preliminary Approval or any earlier date determined by Defendants. Defendants represent that as of December 31, 2021, there were approximately 3,500 Aggrieved Employees.

21 e. “Class Counsel” means Schneider Wallace Cottrell Konecky LLP.

f. “Class Counsel’s Costs” refers to the amount of reasonable litigation expenses Class Counsel incurred in connection with this Action, which shall be Class Counsel’s actual costs, including costs incurred for their pre-filing investigation, their filing of the Action and all related litigation activities, and all post-Settlement compliance procedures. As of April 14, 2022, Class Counsel’s Costs are \$ 20,797.53.

25 g. “Court” means the Superior Court of California, County of Alameda.

26 h. “Defendants” means Eskaton Properties Incorporated and California
27 Healthcare Consultants, Inc.

i. “Defendants’ Counsel” means Gordon Rees Scully Mansukhani, LLP.

j. “Effective Date” means (i) if there is an objection(s) to the settlement that is

not subsequently withdrawn, then the date upon the expiration of time for appeal of the Court's Final Approval Order; or (ii) if there is a timely objection(s) and appeal by an objector(s), then after such appeal(s) is dismissed or the Court's Final Approval Order is affirmed on appeal; or (iii) if there are no timely objections to the settlement, or if any objections which were filed are withdrawn before the date of final approval, then the first business day after the Court's order granting Final Approval of the Settlement.

k. "Fee Award" means the award of attorneys' fees that the Court authorizes to be paid to Class Counsel for the services they rendered to Plaintiffs and the Settlement Class Members in the Action. Class Counsel will not seek more than one-third of the Gross Settlement Amount, or \$1,833,333.33, as their Fee Award.

l. "Final" shall mean, with respect to a judgment or order, that the judgment or order is final and appealable and either (a) no appeal, motion, or petition to review or intervene has been taken with respect to the judgment or order as of the date on which all times to appeal, move, or petition to review or intervene therefrom have expired, or (b) if an appeal, motion or petition to intervene or other review proceeding of the judgment or order has been commenced, such appeal, motion or petition to intervene or other review is finally concluded and no longer is subject to review by any court, whether by appeal, petitions for rehearing or re-argument, petitions for rehearing *en banc*, petitions for writ of certiorari or otherwise, and such appeal or other review has been finally resolved in such manner that affirms the judgment or order in its entirety. Notwithstanding the foregoing, any proceeding, order, or appeal pertaining solely to the award of attorneys' fees, attorneys' costs, or any Service Awards shall not by itself in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming "Effective."

m. "Final Approval" or "Final Approval Order" means the Court's Final Approval Order approving the Settlement and entering judgment.

n. "Final Approval Hearing" means the hearing to be held by the Court to consider the Final Approval of the Settlement.

o. "Gross Settlement Amount" means the non-reversionary total amount that Defendants shall pay in connection with this Settlement, including any interest earned on such funds, in exchange for the release of the Settlement Class Members' Released Claims. The Gross Settlement Amount is the gross sum of Five Million Five Hundred Thousand Dollars (\$5,500,000.00). The Gross Settlement Amount includes: (a) all Settlement Awards to Settlement Class Members and Aggrieved Employees; (b) civil penalties under the Private Attorneys General Act ("PAGA"); (c) Plaintiffs' Service Awards; (d) Attorneys' Fees and Costs to Class Counsel, and (e) Settlement Administration Costs to the Settlement Administrator. Except for Defendants' employer-side taxes on Settlement Awards to Settlement Class Members ("Defendants' Payroll Taxes"), the Parties agree that Defendants will have no obligation to pay any amount in connection with this Settlement Agreement apart from the Gross Settlement Amount and Defendants' Payroll Taxes. There will be no reversion.

p. "Gross PAGA Amount" means the amount apportioned from the Gross Settlement Amount designated as payment of civil penalties pursuant to PAGA, or Fifty-Five Thousand Dollars (\$55,000.00)

q. "Net PAGA Amount" means the amount apportioned from the Gross Settlement Amount designated as payment to the Aggrieved Employees in the amount of Twenty-Five Percent (25%) of the Gross PAGA Amount, or Thirteen Thousand Seven Hundred and Fifty

Dollars (\$13,750.00). This amount shall be distributed on a *pro rata* basis to the Aggrieved Employees. The Labor and Workforce Development Agency (“LWDA”) shall receive the remaining Seventy-Five Percent (75%) of the Gross PAGA Amount, or Forty-One Thousand and Two Hundred and Fifty Dollars (\$41,250.00).

r. “Net Settlement Amount” means the Gross Settlement Amount less: (i) Service Awards; (ii) Fee Award; (iii) Class Counsels’ Costs; (iv) Settlement Administrator Costs; and (v) the payment to the LWDA for its share of PAGA penalties. The Parties acknowledge that all of these amounts are subject to the Court’s approval.

s. “Notice Deadline” means the date sixty (60) days after the Settlement Notice is initially mailed to the Settlement Class. Class Members shall have until the Notice Deadline to object to, or request exclusion from the Settlement.

t. “Parties” means the parties to this Agreement: Plaintiffs; Eskaton Properties Incorporated; and California Healthcare Consultants, Inc.

u. “Preliminary Approval” or “Preliminary Approval Order” means the Court’s Preliminary Approval Order preliminarily approving the terms and conditions of this Agreement.

v. “Qualified Settlement Fund(s)” means a qualified settlement fund(s) under Section 468B of the Internal Revenue Code established by the Settlement Administrator for the purpose of administering this Settlement.

w. “Releasees” or “Released Parties” means Defendants and their present and former parent companies, subsidiaries, related or affiliated companies, and their shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity that could be liable for any of the Released Claims, including Eskaton, Inc., Eskaton Village-Grass Valley, Inc., Eskaton Village-Placerville, Inc., Eskaton Village – Roseville, Inc., Eskaton Lodge Granite Bay, Inc., Eskaton Fountainwood Lodge, Inc., The Reutlinger Community, Inc., and O’Connor Woods Housing Corporation, Inc., and Defendants’ Counsel.

x. “Service Awards” means the payment to Plaintiffs Khayo Sishi, Sandeep Purewal, Vanessa Barber, and Cherra Redd for their efforts in bringing and prosecuting this matter. The Service Awards will not exceed Ten Thousand Dollars (\$10,000.00) for Plaintiff Khayo Sishi and Five Thousand Dollars (\$5,000.00) each to Plaintiffs Sandeep Purewal, Vanessa Barber, and Cherra Redd.

y. “Settlement Administrator” means Settlement Services, Inc., the third-party class action settlement administrator that will handle the administration of this Settlement, subject to approval by the Court.

z. “Settlement Administrator Costs” refer to the costs the Settlement Administrator will incur to distribute the Settlement Notice and Settlement Awards, which are estimated to be Sixty Thousand Dollars (\$60,000.00).

aa. “Settlement Award” means the payment that each Settlement Class Member and Aggrieved Employee shall be entitled to receive pursuant to the terms of this Agreement.

bb. “Settlement Notice” means the Notice of Class Action Settlement to the Class Members, as approved by the Court.

cc. “Qualified Stipulation to Class Certification” means that the Parties will stipulate to class certification of the Settlement Class for purposes of the Settlement only.

dd. “Workweek” is equal to five (5) shifts worked by Class Members.

RECITALS

3. Plaintiff Khayo Sishi filed a Complaint for Penalties Pursuant to Section 2699(a) and (f) of the California Labor Code Private Attorneys General Act on June 2, 2021 against Defendant Eskaton Properties Incorporated in the Superior Court of California, County of Alameda. *Khayo Sishi v. Eskaton Properties, Inc., et al.*, Superior Court of California, County of Alameda, Case Number RG21100764.

4. On July 28, 2021, Plaintiff Khayo Sishi filed a First Amended Complaint for Penalties Pursuant to Section 2699(a) and (f) of the California Labor Code Private Attorneys General Act against Defendants Eskaton Properties Incorporated and California Healthcare Consultants, Inc.

5. Defendant Eskaton Properties Incorporated filed its answer to the initial complaint on August 6, 2021. Defendants filed their answer to the First Amended Complaint on September 15, 2021.

6. Through the complaint, Plaintiff Khayo Sishi alleges that Defendants violated various California wage and hour laws, including, but not limited to, requiring their employees to work off-the-clock and failing to provide legally compliant meal and rest breaks. On this basis, Plaintiff brought PAGA claims against Defendants for failure to compensate for all hours worked, failure to compensate for all overtime wages, failure to compensate for all minimum wages, failure to authorize and/or permit timely and compliant meal and rest periods and failure to pay premium payments for those non-compliant meal and rest periods, failure to provide accurate itemized wage statements, and failure to timely pay full wages following separation from employment.

7. On February 9, 2022, Plaintiff Khayo Sishi filed his motion for leave to amend the complaint to add class claims on behalf of the Class Members, and the hearing was set for May 13, 2022.

8. On February 15, 2022, the Parties conducted a full day mediation session which was remotely held before well-respected employment mediator Jeffrey Krivis. The Parties were unable to reach a settlement at the mediation, but agreed to continue negotiations.

9. On March 4, 2022, the Parties conducted a second day of mediation which lasted approximately half of a day. The Parties were unable to reach a settlement at the mediation, but the mediator issued a mediator’s proposal. The Parties continued to negotiate a possible settlement.

10. On March 30, 2022, the Parties accepted the mediator’s proposal and agreed to settle this action under the terms provided in the instant Settlement Agreement.

11. The Parties jointly prepared a Term Sheet, which was fully executed on April 8, 2022.

12. Class Counsel has made a thorough and independent investigation of the facts and law relating to the allegations in the Action. In agreeing to this Settlement Agreement, Plaintiffs considered: (a) the facts developed during pre-mediation, informal discovery, and the Parties’ mediation process and the law applicable thereto; (b) additional claims that the Parties contemplating

1 adding to the Settlement, not yet included in the Action, and the damages and penalties attributable
2 thereto; (d) the attendant risks of continued litigation and the uncertainty of the outcome of the claims
3 alleged against Defendants; and (e) the desirability of consummating this Settlement according to the
4 terms of this Settlement Agreement. Plaintiffs concluded that the terms of this Settlement are fair,
5 reasonable and adequate, and that it is in the best interests of the Class Members and Aggrieved
6 Employees to settle the claims against Defendants pursuant to the terms set forth herein.

7
8 13. The Parties recognize that notice to the Settlement Class Members of the material terms
9 of this Settlement, as well as Court approval of this Settlement, are required to effectuate the
10 Settlement, and that the Settlement will not become operative until the Court grants final approval of
11 it, the Settlement becomes Final, and the Settlement Effective Date occurs.

12
13 14. The Parties stipulate that Plaintiff Khayo Sishi shall serve an amended PAGA Notice
14 on the LWDA and Defendants to include all claims pleaded and not yet pleaded to conform with the
15 release (described below).

16
17 15. The Parties stipulate that Plaintiff shall file a joint stipulation in the instant Action for
18 an order granting leave to amend the operative complaint to add Plaintiffs Sandeep Purewal, Vanessa
19 Barber, and Cherra Redd, add class claims on behalf of the Class Members, as well as add all the
20 claims pleaded and not yet pleaded to conform with the release (described below), with the filing of
21 Plaintiffs' Motion for Preliminary Approval of this Settlement.

22
23 16. The Parties stipulate and agree that, for settlement purposes only, the requisites for
24 establishing class certification pursuant to CAL. CIV. CODE PROC. § 382 are met. Should this Settlement
25 not become Final, such stipulation to certification shall become null and void and shall have no bearing
26 on, and shall not be admissible in connection with, the issue of whether or not class certification would
27 be appropriate in a non-settlement context. Defendants deny that class action treatment is appropriate
28 in the litigation context or for trial.

17
18 17. In consideration of the foregoing and other good and valuable consideration, the receipt
19 and sufficiency of which is hereby acknowledged by each party to the other, IT IS HEREBY
20 AGREED, by and between the undersigned, subject to the final approval of the Court and the other
21 conditions set forth herein, that the Aggrieved Employees' PAGA Claims, as well as Plaintiffs' and
22 Class Members' claims as described herein against Defendants shall be settled, compromised and
23 dismissed, on the merits and with prejudice, and that the Plaintiffs' and Class Members' Released
24 Claims shall be finally and fully compromised, settled and dismissed as to the Defendants and
25 Releasees, in the manner and upon the terms and conditions set forth below.

26 **RELEASES**

27
28 18. In exchange for the consideration set forth in this Settlement Agreement, Plaintiffs and
Class Members and Aggrieved Employees agree to release all claims as set forth herein as applicable.

19
20 19. **Class Members' Released Claims.** Upon Final Approval of the Settlement Agreement
21 and payment of amounts set forth herein, and except as to such rights or claims as may be created by
22 this Settlement Agreement, Plaintiffs and all Class Members shall and hereby do release and discharge
23 all Releasees, finally, forever and with prejudice, from the claims between June 2, 2017 and June 11,
24 2022 or Preliminary Approval or any earlier date determined by Defendants as follows:

- 1 a. Class Members: Plaintiffs and Class Members release Defendants and Releasees from
2 any and all claims that are or could have been alleged in the operative complaints
3 against Defendants and Releasees, and the Second Amended Complaint that the Parties
4 stipulate to in the Action, including but not limited to claims under California Labor
5 Code §§ 201-204, 210, 216, 218, 218.5, 222.5, 226, 226.3, 226.7, 246, 248.5, 256, 510,
6 512, 516, 558, 558.1, 1021.5, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1,
7 1198, 1198.5, 1199, 2800, 2802, and 2810.5, reporting time wages, and violations of
8 California Unfair Competition Laws (Cal. Bus. & Prof. Code §§ 17200, *et seq.*), and
9 any amendment(s) thereto based on the factual allegations contained therein.

10 20. Releases of PAGA Claims. Plaintiffs and the Aggrieved Employees fully release the
11 claims and rights to recover civil penalties against Defendants and Releasees on behalf of the LWDA
12 and Aggrieved Employees, to recover civil penalties, costs, expenses, attorneys' fees, or interest
13 against the Releasees on behalf of Aggrieved Employees and LWDA for any Labor Code or Wage
14 Order violation alleged or could have been alleged in any Complaint or PAGA letters, including but
15 not limited to the Second Amended Complaint and amended PAGA letter, in the Action, including
16 violations of the following: California Labor Code §§ 201-204, 210, 216, 218, 218.5, 222.5, 226,
17 226.3, 226.7, 246, 248.5, 256, 510, 512, 516, 558, 558.1, 1021.5, 1174, 1174.5, 1182.12, 1185, 1194,
18 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800, 2802, 2810.5, and reporting time wages. The release
19 period for PAGA claims runs from March 29, 2020 to June 11, 2022 or Preliminary Approval or any
20 earlier date determined by Defendants.

21 21. Plaintiffs' General Release of Claims. Plaintiffs releases any and all claims,
22 obligations, demands, actions, rights, causes of action, and liabilities against the Releasees, of
23 whatever kind and nature, character, and description, whether in law or equity, whether sounding in
24 tort, contract, federal, state and/or local law, statute, ordinance, regulation, common law, or other
25 source of law or contract, whether known or unknown, and whether anticipated or unanticipated,
26 including all unknown claims covered by California Civil Code section 1542 that could be or are
27 asserted based upon any theory or facts whatsoever, arising at any time up to and including the date
28 of the execution of this Settlement Agreement, for any type of relief, including, without limitation,
claims for minimum, straight time, or overtime wages, premium pay, business expenses, other
damages, penalties (including, but not limited to, waiting time penalties), liquidated damages, punitive
damages, interest, attorneys' fees, litigation and other costs, expenses, restitution, and equitable and
declaratory relief. Plaintiffs' released claims include, but are not limited to, the Class Members'
Released Claims, as well as any other claims under any provision of federal, state, or local law,
including the FLSA, the California Labor Code, and California Wage Orders. Upon Final Approval,
Plaintiffs shall be deemed to have fully, finally, and forever released Releasees from all Plaintiffs'
released claims through the date of Preliminary Approval. Furthermore, upon Final Approval,
Plaintiffs shall be deemed to have expressly waived and relinquished, to the fullest extent permitted
by law, the provisions, rights, and benefits they may otherwise have had relating to the Plaintiffs'
Released Claims pursuant to Section 1542 of the California Civil Code, which provides as follows:

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

CERTIFICATION, NOTICE, AND SETTLEMENT IMPLEMENTATION

22. The Parties agree to the following procedures for obtaining Preliminary Approval of the Settlement, certifying the Settlement Class, and notifying the Settlement Class Members of this Settlement:

- a. **Amended PAGA Letter.** The Parties shall jointly stipulate to service of an amended PAGA Letter that conforms to the terms of this Settlement Agreement.
- b. **Second Amended Complaint.** The Parties shall jointly stipulate to the filing of the Second Amended Complaint and to personal and subject matter jurisdiction in Alameda County Superior Court. Plaintiffs shall file the stipulation and proposed Second Amended Complaint with the filing of the Unopposed Motion for Preliminary Approval of Settlement Agreement discussed in Paragraph 21.b.
- c. **Request for Class Certification and Preliminary Approval Order.** Plaintiffs shall file an Unopposed Motion for Preliminary Approval of Settlement Agreement, requesting that the Court certify the Settlement Class pursuant to CAL. CIV. CODE PROC. § 382 for the sole purpose of settlement; preliminarily approve the Settlement Agreement and its terms; approve the proposed form of the Settlement Notice and find that the proposed method of disseminating the Settlement Notice meets the requirements of due process and is the best notice practicable under the circumstances; set a date for Plaintiffs' motion for Final Approval of the Settlement, and approval of the requested Service Awards, Fee Award, Class Counsel's Costs, and Settlement Administrator's Costs; and set a date for the Final Approval Hearing.
- d. **Notice.** The Settlement Administrator shall be responsible for preparing, printing, mailing, and emailing the Settlement Notice to all Class Members. The Settlement Administrator will also create a website for the Settlement, which will allow Class Members to view the Settlement Notice (in generic form), this Settlement Agreement, and all papers filed by Class Counsel to obtain preliminary and final approval of the Settlement Agreement. Additionally, the Settlement website will provide contact information for Class Counsel and the Settlement Administrator. The Settlement Administrator will provide Class Counsel and Defendants' counsel with a preview of the proposed website. Class Counsel and Defendants' counsel must approve the website before it goes live and also must approve any modifications to the website. The Settlement Administrator shall also create a toll-free telephone number to field telephone inquiries from Class Members during the notice and settlement administration periods. The Settlement Administrator will be directed to take the website and call center down after the 180-day check cashing period for Settlement Award checks.
- e. Within twenty (20) business days after the Court's Preliminary Approval of the Settlement, Defendants shall provide to the Settlement Administrator the Class List: an electronic database containing the names, last known addresses, last known telephone numbers (if any), last known personal email address (if available), social security numbers or tax ID numbers of each Class Member, along with the total number of workweeks that each Class Member worked in

1 the state of California between June 2, 2017 and June 11, 2022 or Preliminary
2 Approval or any earlier date determined by Defendants. The Class List will
3 also include an indication of whether the Class Member is an Aggrieved
4 Employee and the Defendant and/or Released Parties for whom each Class
5 Member worked and who will be paying that Class Member's share of
6 Employment Taxes.

7
8 f. Within twenty (20) business days after the Court's Preliminary Approval of the
9 Settlement, Defendants shall also provide to Class Counsel a redacted Class
10 List: an electronic database containing the names, last known addresses, last
11 known telephone numbers (if any), last known personal email address (if
12 available), along with the total number of workweeks that each Class Member
13 worked in the state of California between June 2, 2017 and June 11, 2022 or
14 Preliminary Approval or any earlier date determined by Defendants. The Class
15 List will also include an indication of whether the Class Member is an
16 Aggrieved Employee and the Defendant and/or Released Parties for whom each
17 Class Member worked and who will be paying that Class Member's share of
18 Employment Taxes. Class Counsel agrees to only utilize the Class List for
19 purposes of effectuating the Settlement, including as a reference from which to
20 answer incoming calls from Settlement Class Members. Class Counsel agrees
21 not to use the Class List, or any information therein, to solicit Settlement Class
22 Members or file additional lawsuits against Defendants or Released Parties.
23 Class Counsel agrees to immediately destroy the Class List (including all
24 copies, iterations, portions, modified files, in whole or in part) within five (5)
25 business days following the filing the administrator's declaration regarding
26 final accounting or completion of the settlement administration, whichever is
27 earlier.

28 g. In order to provide the best notice practicable, prior to mailing the Settlement
Notice, the Settlement Administrator will take reasonable efforts to identify
current addresses via public and proprietary systems.

h. Within ten (10) business days after receiving the Class List, the Settlement
Administrator shall mail and email (if email addresses are available) the agreed-
upon and Court-approved Settlement Notice to Class Members. The Settlement
Administrator shall provide notice to Class Counsel and Defendants' Counsel
that the Settlement Notice has been mailed.

i. Any Settlement Notice returned to the Settlement Administrator with a
forwarding address shall be re-mailed within three (3) business days following
receipt of the returned mail. If no forwarding address is provided, the Settlement
Administrator shall promptly attempt to determine a correct address using a
skip-trace, or other search using the name, address and/or Social Security
number of the Class Member involved, and shall re-mail the Notice of
Settlement. In no circumstance shall such re-mailing extend the Notice
Deadline.

j. Within ten (10) business days after the Notice Deadline, the Settlement
Administrator shall provide Defendants' Counsel and Class Counsel,
respectively, a report showing: (i) the names of Class Members; (ii) the

1 Settlement Awards owed to each Class Member; (iii) the final number of Class
2 Members who have submitted objections or valid letters requesting exclusion
3 from the Settlement; and (iv) the number of undeliverable Settlement Notices.
4 Upon completion of administration of the Settlement, the Settlement
5 Administrator shall provide written certification of such completion to counsel
6 for all Parties and the Court. This written certification shall include the total
7 number of Settlement Class Members (including the total number of Class
8 Members who requested exclusion), the average recovery per Settlement Class
9 Member, median recovery per Settlement Class Member, the largest and
10 smallest amounts paid to Settlement Class Members, and the number and value
11 of checks not cashed.

- 12 k. Within ten (10) business days after the conclusion of the 180-day check cashing
13 period below, the Settlement Administrator shall provide Defendants' Counsel
14 and Class Counsel, respectively, a report regarding the total amount of any
15 funds that remain from checks that are returned as undeliverable or are not
16 negotiated.

17 23. **Disputes Regarding Workweeks.** To the extent that any Settlement Class Member
18 disputes the number of workweeks that the Settlement Class Member worked, as shown in his or her
19 Settlement Notice, such Settlement Class Members may produce evidence to the Settlement
20 Administrator establishing the dates they contend to have worked for Defendants. The deadline for
21 Settlement Class Members to submit disputes pursuant to this paragraph is the Notice Deadline
22 (disputes must be postmarked by the Notice Deadline). Unless the Settlement Class Member presents
23 convincing evidence proving he or she worked more workweeks than shown by Defendants' records,
24 his/her Settlement Award will be determined based on Defendants' records. The Settlement
25 Administrator shall notify counsel for the Parties of any disputes it receives. Defendants shall review
26 its records and provide further information to the Settlement Administrator, as necessary. The
27 Settlement Administrator shall provide a recommendation to counsel for the Parties. Counsel for the
28 Parties shall then meet and confer in an effort to resolve the dispute. If the dispute cannot be resolved
by the Parties, it shall be presented to the Court for a resolution. The Settlement Administrator will
notify the disputing Settlement Class Member of the decision.

29 24. **Objections.** The Settlement Notice shall provide that Class Members who wish to
30 object to the Settlement must, on or before the Notice Deadline, submit to the Settlement Administrator
31 a written statement objecting to the Settlement. Such objection shall not be valid unless it includes the
32 information specified in the Settlement Notice. The statement must be signed personally by the
33 objector, and must include the objector's name, address, telephone number, email address (if
34 applicable), the factual and legal grounds for the objection, and whether the objector intends to appear
35 at the Final Approval Hearing. The Settlement Notice shall advise Class Members that objections shall
36 only be considered if the Class Member has not requested exclusion from the Settlement. No
37 Settlement Class Member shall be entitled to be heard at the Final Approval Hearing (whether
38 individually or through counsel), unless written notice of the Settlement Class Member's intention to
appear at the Final Approval Hearing has been filed with the Court and served upon Class Counsel
and Defendants' Counsel on or before the Notice Deadline and the Settlement Class Member has not
requested exclusion from the Settlement. The postmark date of mailing to Class Counsel and
Defendants' Counsel shall be the exclusive means for determining that an objection is timely mailed
to counsel. If postmark dates differ, the later of the two postmark dates will control. Absent good cause
found by the court, Class Members who fail to make timely written objections in the manner specified

above shall be deemed to have waived any objections and oppositions to the Settlement's fairness, reasonableness and adequacy, and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement. However, the requirement that the Class Member submit a written objection may be excused by the Court upon a showing of good cause. None of the Parties, their counsel, nor any person on their behalf, shall seek to solicit or otherwise encourage anyone to object to the settlement, or appeal from any order of the Court that is consistent with the terms of this Settlement.

25. **Requests for Exclusion.** The Settlement Notice shall provide that Class Members, other than Plaintiffs, who wish to exclude themselves from the Settlement must mail to the Settlement Administrator a written statement indicating that they do not wish to participate or be bound by the Settlement. The written request for exclusion must contain the Class Member's full name, address, telephone number, email address (if applicable), and last four digits of their social security number, and must be signed individually by the Class Member. No request for exclusion may be made on behalf of a group of individuals. Such written statement must be postmarked by the Notice Deadline or will be deemed untimely and invalid. Any request for exclusion that does not contain all information required in this paragraph will be deemed invalid. None of the Parties, their counsel, nor any person on their behalf, shall seek to solicit or otherwise encourage anyone to exclude themselves from the settlement.

26. **Final Approval Hearing.** Class Counsel will be responsible for drafting the Unopposed Motion for Final Approval of Settlement Agreement, and approval of the requested Service Awards, Fee Award, Class Counsel's Costs, and Settlement Administrator's Costs to be heard at the Final Approval Hearing. Plaintiffs shall request that the Court schedule the Final Approval Hearing no earlier than thirty (30) days after the Notice Deadline to determine final approval of the settlement and to enter a Final Approval Order:

- a. certifying this Action and the Settlement Class as a class action CAL. CIV. CODE PROC. § 382 for purposes of settlement only;
- b. finding dissemination of the Settlement Notice was accomplished as directed and met the requirements of due process;
- c. approving the Settlement as final and its terms as a fair, reasonable and adequate;
- d. approving the payment of the Service Awards to Plaintiffs Khayo Sishi, Sandeep Purewal, Vanessa Barber, and Cherra Redd;
- e. approving Class Counsel's application for an award of attorneys' fees and reimbursement of out-of-pocket litigation costs and expenses;
- f. directing that the Settlement funds be distributed in accordance with the terms of this Settlement Agreement;
- g. directing that the Action be dismissed finally, fully, forever and with prejudice and in full and final discharge of any and all Class Members' Released Claims; and
- h. retaining continuing jurisdiction over this Action for purposes only of

overseeing all settlement administration matters.

27. **Dismissal of Related Actions.** Within ten (10) business days of executing this Settlement Agreement, Plaintiffs Sandeep Purewal, Vanessa Barber, and Cherra Redd stipulate to stay their pending litigation (Sacramento Superior Court Case Nos.: 34-2021-00306621 and 34-2021-00312015), in their entirety, against Defendants, until ten (10) business days following the Effective Date. The Parties will cooperate to continue court appearance and trial-related dates. Within ten (10) business days of the Effective Date, Plaintiffs Sandeep Purewal, Vanessa Barber, and Cherra Redd shall file requests for dismissal of their actions, in their entirety, with prejudice, against Defendants and Released Parties.

28. **Post Judgment Report.** At the conclusion of the 180-day check cashing period set forth below and following receipt of the Settlement Administrator's report showing the total funds that were actually paid to Settlement Class Members. Plaintiffs' Counsel shall submit a post-judgment report to the Court regarding any funds that remain from checks that are returned as undeliverable or are not negotiated.

SETTLEMENT FUNDS AND AWARD CALCULATION

29. **Gross Settlement Amount.**

- a. **Funding of Settlement.** Within twenty (20) business days of the Effective Date, Defendants shall transfer the Gross Settlement Amount to the Qualified Settlement Fund(s). Only the Settlement Administrator shall have access to the Qualified Settlement Fund(s). Defendants and Released Parties shall not have access to the Gross Settlement Amount, or to any earned interest, once those funds are deposited into the Qualified Settlement Fund(s). The Gross Settlement Amount is fully non-reversionary. All disbursements shall be made from the Qualified Settlement Fund(s).

30. **Payments.** Subject to the Court's Final Approval Order, the following amounts shall be paid by the Settlement Administrator from the Gross Settlement Amount:

- a. **Service Awards to Plaintiffs.** Subject to the Court's approval, Plaintiff Khayo Sishi shall receive up to Ten Thousand Dollars (\$10,000.00) and Plaintiffs Sandeep Purewal, Vanessa Barber, and Cherr Redd shall receive up to Five Thousand Dollars (\$5,000.00) each for their efforts in bringing and prosecuting this matter. The Qualified Settlement Fund(s) shall issue an IRS Form 1099 for these payments. These payments shall be made within five (5) days after the Settlement Administrator receives the Gross Settlement Amount, or as soon as reasonably practicable. If the Court approves Service Awards in amounts less than what Plaintiffs requests, the reduction in the Service Awards shall not be a basis for nullification of this Settlement. Nor shall a reduction in the Service Awards in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming effective. Any amount not approved

by the Court shall be included as part of the Net Settlement Amount for distribution to Class Members.

b. **Fee Awards and Costs.**

(i) Subject to the Court's approval, Class Counsel shall receive a Fee Award in an amount up to one-third (1/3) of the Gross Settlement Amount, which will compensate Class Counsel for all work performed in the Action as of the date of this Settlement Agreement as well as all of the work remaining to be performed, including but not limited to documenting the Settlement, securing Court approval of the Settlement, making sure that the Settlement is fairly administered and implemented, and obtaining final dismissal of the Action. In addition, Class Counsel shall, subject to Court approval, receive reimbursement of Class Counsels' Costs, to be approved by the Court. These payments of attorneys' fees and costs shall be made within fifteen (15) days after the Settlement Administrator receives the Gross Settlement Amount, or as soon as reasonably practicable. Any amount not approved by the Court shall be included as part of the Net Settlement Amount for distribution to Class Members.

(ii) An IRS Form 1099 shall be provided by the Settlement Administrator to Class Counsel for the payments made to Class Counsel. Class Counsel shall be solely and legally responsible to pay any and all applicable taxes on the payment made to them.

c. **Labor and Workforce Development Agency Payment.** Subject to Court approval, the Parties agree that the amount of Fifty-Five Thousand Dollars (\$55,000.00) from the Gross Settlement Amount will be paid in settlement of all claims brought in the Action by or on behalf of the Aggrieved Employee under the PAGA. Pursuant to PAGA, Seventy-Five Percent (75%) of this amount, or Forty-One Thousand and Two Hundred and Fifty Dollars (\$41,250.00) will be paid to the LWDA and Twenty-Five Percent (25%), or Thirteen Thousand Seven Hundred and Fifty Dollars (\$13,750.00) will be allocated to the Net PAGA Amount. The payment to the LWDA should be made within fifteen (15) days after the Settlement Administrator receives the Gross Settlement Amount.

d. **Settlement Administration Costs.** Settlement Administration costs are estimated at \$60,000 and shall be paid from the Gross Settlement Amount. The Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to control and minimize the costs incurred in the administration of the Settlement.

e. **Settlement Awards to Eligible Class Members.** Settlement Awards shall be made to Settlement Class Members as set forth below.

CALCULATION AND DISTRIBUTION OF SETTLEMENT AWARDS

31. **Settlement Award Eligibility.** All Settlement Class Members shall be paid a Settlement Award from the Net Settlement Amount.

32. Any Class Member who fails to submit a timely request to exclude themselves from the Settlement by following the procedure set forth in the Settlement Notice shall automatically be deemed a Settlement Class Member whose rights and claims with respect to the issues raised in the Action are determined by any order the Court enters granting final approval, and any judgment the Court ultimately enters in the Action. Any such Settlement Class Member's rights to pursue any Released Claims (as defined in this Settlement Agreement) will be extinguished.

33. **Settlement Award Calculations.** The Settlement Administrator shall be responsible for determining the amount of the Settlement Award to be paid to each Settlement Class Member based on the below formulas. When calculating the individual Settlement Awards to Settlement Class Members following Final Approval (for purposes of preparing individual settlement payment checks), the Settlement Administrator will not include Class Members who validly request exclusion from the Settlement.

a. Settlement Class Members shall receive a *pro rata* portion of the Net Settlement Amount as follows:

i. For each workweek, or fraction thereof, during which the Settlement Class Member worked for either Defendants at any time between June 2, 2017 and June 11, 2022 or Preliminary Approval or any earlier date determined by Defendants, he or she shall be eligible to receive a *pro rata* portion of the Net Settlement Amount based on the number of workweeks the Class Member worked. Each workweek will be equal to one (1) settlement share.

ii. The total number of settlement shares for all Settlement Class Members will be added together and the resulting sum will be divided into the Net Settlement Amount to reach a per share dollar figure. That figure will then be multiplied by each Settlement Class Members' number of settlement shares to determine the Settlement Class Members' *pro rata* portion of the Net Settlement Amount.

b. Settlement Class Members who are also Aggrieved Employees under the PAGA shall also receive a *pro rata* share of the Net PAGA Amount as follows:

i. For any Aggrieved Employee who worked for Defendants throughout California any time between March 29, 2020 and June 11, 2022 or Preliminary Approval or any earlier date determined by Defendants, he or she shall be eligible to receive an *pro rata* portion of the Net PAGA Amount based on the number of pay periods worked between March 29, 2020 and June 11, 2022 or Preliminary Approval or any earlier date determined by Defendants. The total number of settlement shares for all Aggrieved Employees will be added together and the resulting amount will be divided into the Net PAGA Amount to reach a per share dollar figure. That figure will then be multiplied by each Aggrieved

Employee's number of settlement shares to determine the Aggrieved Employees' *pro rata* portion of the Net PAGA Amount.

34. In addition to other information contained on the Settlement Notice, the Settlement Notice shall state the estimated minimum payment the Class Member is expected to receive assuming full participation of all Class Members.

35. All Settlement Award determinations shall be based on Defendants' timekeeping, payroll, and/or other records. If the Parties determine, based upon further review of available data, that a person previously identified as being a Settlement Class Member is not a Settlement Class Member, or an individual who was not previously identified as a Settlement Class Member is in fact a Settlement Class Member but was not so included, the Settlement Administrator shall promptly make such addition or deletion as appropriate.

36. **Settlement Award Allocations.** Any portion of each Settlement Award that is provided from the Net PAGA Amount shall be allocated as penalties. For the remainder of each Settlement Award, one-fourth (1/4) shall be allocated to wages and three-fourths (3/4) shall be allocated to penalties and interest. Settlement Awards will be paid out to Settlement Class Members subject to reduction for all employee's share of withholdings and taxes associated with the wage-portion of the Settlement Awards, for which Settlement Class Members shall be issued an IRS Form W-2. Settlement Class Members will also be issued an IRS Form 1099 for the portions of the Settlement Awards that are allocated to penalties and interest. Defendants shall pay the employer's share of all required FICA and FUTA taxes on the wage portions of the Settlement Awards. The Settlement Administrator shall calculate the employer share of taxes for each respective employee based on the corresponding tax rates provided by Defendants and/or the Released Parties and provide Defendants and/or Released Parties and provide Defendants and/or Released Parties with the total employer tax contributions within five (5) business days after the final Settlement Award calculations are approved. Defendants and/or Released Parties shall deposit the calculated employer tax into the Qualified Settlement Fund(s) within twenty (20) business days after the Effective Date. Amounts withheld will be remitted by the Settlement Administrator from the Qualified Settlement Fund(s) for the respective Defendants and/or Released Parties to the appropriate governmental authorities. Defendants and/or Released Parties shall cooperate with the Settlement Administrator to provide payroll tax information as necessary to accomplish the income and employment tax withholding on the wage portion of each Settlement Award, and the Form 1099 reporting for the non-wage portion of each Settlement Award. The Settlement Administrator shall create and establish sufficient Qualified Settlement Funds to properly calculate, distribute and report Settlement Awards and payroll taxes for all respective Defendants and/or Released Parties.

37. Class Counsel and Defendants' Counsel do not intend this Settlement Agreement to constitute legal advice relating to the tax liability of any Settlement Class Member. To the extent that this Settlement Agreement, or any of its attachments, is interpreted to contain or constitute advice regarding any federal, state or local tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any tax liability or penalties.

38. The Settlement Administrator shall provide Class Counsel and Defendants' Counsel with a final report of all Settlement Awards, at least ten (10) business days before the Settlement Awards to Settlement Class Members are mailed.

39. The Settlement Administrator shall mail all Settlement Awards to Settlement Class Members within ten (10) days after the Settlement Administrator receives the Gross Settlement

Amount, or as soon as reasonably practicable. The Settlement Administrator shall then provide written certification of mailing to Class Counsel and Defendants' Counsel.

40. All Settlement Award checks shall remain valid and negotiable for one hundred eighty (180) days from the date of their issuance and may thereafter automatically be canceled if not cashed within that time, at which time the right to recover any Settlement Award will be deemed void and of no further force and effect. With ninety (90) days remaining, a reminder letter will be sent via U.S. mail and email to those who have not yet cashed their settlement check, and during the last sixty (60) days of the check cashing period, a call will be placed to those that have still not cashed their check to remind them to do so. At the conclusion of the 180-day check cashing deadline, Settlement Class Members who have not cashed their Settlement Award checks shall nevertheless be deemed to have finally and forever released the Plaintiffs' General Release of Claims or Class Members' Released Claims, as applicable.

41. **Remaining Monies.** If at the conclusion of the 180-day check cashing period set forth above, any funds remaining from checks that are returned as undeliverable or are not negotiated, those monies shall be distributed as follows, subject to the Court's approval:

- a. If the total residual amount is less than \$75,000, then the amount will revert to *cy pres*. The *cy pres* recipient shall be proposed by the parties and approved by the Court. The Parties propose Legal Aid at Work which provides legal services assisting low-income, working families and promotes better understanding of the conditions, policies, and institutions that affect the well-being of workers and their families and communities. The Settlement Administrator shall distribute any *cy pres* payment.
- b. If the total residual amount is \$75,000 or greater, a second distribution will occur to those Settlement Class Members who cashed their Settlement Award check. The second distribution will occur on a *pro rata* basis as provided for in Paragraph 32. In the event of a redistribution of uncashed check funds to Settlement Class Members who cashed their Settlement Award, the additional settlement administration costs related to the redistribution will be deducted from the total amount of uncashed checks prior to the redistribution. If a check to a Settlement Class Member is returned to the Settlement Administrator as undeliverable during the second distribution, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace search and, if another address is identified, shall mail the check to the newly identified address. If none is found, then said check shall revert to the *cy pres* recipient. If there are uncashed check funds remaining from redistribution as described in this Paragraph, then the amount will revert to *cy pres*.
- c. Within twenty-one (21) days after the distribution of any remaining monies to Settlement Class Members who cashed their Settlement Award check or to the *cy pres* recipient, Plaintiffs will file a Post-Distribution Accounting. The Post-Distribution Accounting will set forth the total settlement fund, the total number of Settlement Class Members, the total number of Settlement Class Members to whom notice was sent and not returned as undeliverable, the number and percentage of opt-outs, the number and percentage of objections, the average and median recovery per Settlement Class Members, the largest and smallest amounts paid to Settlement Class Members, the method(s) of notice and the

method(s) of payment to Settlement Class Members, the number and value of checks not cashed, the amounts distributed to the *cy pres* recipient (if applicable), the administrative costs, the attorneys' fees and costs, the attorneys' fees in terms of percentage of the settlement fund, and the multiplier, if any.

MISCELLANEOUS

42. **No Adverse Action.** Defendants will not take any adverse action against any current or former employee on the grounds that he/she is eligible to participate and/or does participate in the Settlement. Defendants will not discourage participation in this Settlement Agreement or encourage objections or requests for exclusion opt-outs.

43. **No Claim Based Upon Distributions or Payments in Accordance with this Settlement Agreement.** No person shall have any claim against Defendants, Class Counsel, or Defendants' Counsel based on distributions or payments made in accordance with this Settlement Agreement.

44. **Submissions to the LWDA.** At the same time as they submit this Settlement Agreement to the Court for Preliminary Approval, Class Counsel shall submit a copy of this Agreement to the LWDA, as required by California Labor Code § 2699(l)(2). Within ten (10) days following the Effective Date, Class Counsel shall submit a copy of the Final Approval Order and Judgment entered by the Court to the LWDA, as required by California Labor Code § 2699(l)(3).

45. **No Admission of Liability.** Defendants expressly deny all of the allegations in the Actions. Defendants expressly deny that they have violated the California Labor Code, or any other provision of federal or state law with respect to any of their employees. This Settlement Agreement and all related documents are not and shall not be construed as an admission by Defendants or any of the Releasees of any fault or liability or wrongdoing. If this Settlement Agreement does not become final, this Settlement Agreement, or the circumstances leading to this Settlement Agreement, may not be used as an admission by Defendants or any wrongdoing or evidence of any wrongdoing by Defendants.

46. **Defendants' Legal Fees.** Defendants' legal fees and expenses in this Action shall be borne by Defendants.

47. **Nullification of the Settlement Agreement.** In the event: (a) the Court does not preliminarily or finally approve the Settlement as provided herein; or (b) the Settlement does not become Final for any other reason; or (c) the Effective Date does not occur, the Parties agree to engage in follow up negotiations with the intent of resolving the Court's concerns that precluded approval, and if feasible, to resubmit the settlement for approval within thirty (30) days. If the Settlement is not approved as resubmitted or if the Parties are not able to reach another agreement, then either Party may void this Agreement; at that point, the Parties agree that each shall return to their respective positions on the day before this Agreement and that this Agreement shall not be used in evidence or argument in any other aspect of their litigation.

48. **Inadmissibility of Settlement Agreement.** Except for purposes of settling this Action, or enforcing its terms (including that claims were settled and released), resolving an alleged breach, or for resolution of other tax or legal issues arising from a payment under this Settlement Agreement, neither this Agreement, nor its terms, nor any document, statement, proceeding or conduct related to

1 this Agreement, nor any reports or accounts thereof, shall be construed as, offered or admitted in
2 evidence as, received as, or deemed to be evidence for any purpose adverse to the Parties, including,
3 without limitation, evidence of a presumption, concession, indication or admission by any of the
4 Parties of any liability, fault, wrongdoing, omission, concession or damage.

5 49. **Computation of Time.** For purposes of this Agreement, if the prescribed time period
6 in which to complete any required or permitted action expires on a Saturday, Sunday, or legal holiday
7 (as defined by CAL. CIV. CODE PROC. §§ 12, 12a), such time period shall be continued to the following
8 business day. The term “days” shall mean calendar days unless otherwise noted.

9 50. **Interim Stay of Proceedings.** The Parties agree to hold in abeyance all proceedings in
10 the Action, except such proceedings necessary to implement and complete the Settlement. Further,
11 without further order of the Court, the Parties hereto may agree in writing to reasonable extensions of
12 time to carry out any of the provisions of the Settlement.

13 51. **Amendment or Modification.** This Agreement may be amended or modified only by
14 a written instrument signed by counsel for all Parties or their successors in interest. This Agreement
15 may not be discharged except by performance in accordance with its terms or by a writing signed by
16 the Parties hereto.

17 52. **Entire Settlement Agreement.** This Agreement constitutes the entire Agreement
18 among the Parties, and no oral or written representations, warranties or inducements have been made
19 to any Party concerning this Agreement other than the representations, warranties, and covenants
20 contained and memorialized in such documents. All prior or contemporaneous negotiations,
21 memoranda, agreements, understandings, and representations, whether written or oral, are expressly
22 superseded hereby and are of no further force and effect. Each of the Parties acknowledges that they
23 have not relied on any promise, representation or warranty, express or implied, not contained in this
24 Agreement. No rights hereunder may be waived except in writing.

25 53. **Authorization to Enter into Settlement Agreement.** The Parties warrant and
26 represent that they are authorized to enter into this Agreement and to take all appropriate action
27 required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms,
28 and to execute any other documents required to effectuate the terms of this Agreement. The Parties
and their counsel shall cooperate with each other and use their best efforts to effect the implementation
of the Agreement. In the event that the Parties are unable to reach resolution on the form or content of
any document needed to implement this Agreement, or on any supplemental provisions or actions that
may become necessary to effectuate the terms of this Agreement, the Parties shall seek the assistance
of the mediator, Jeffrey Krivis, to resolve such disagreement.

54. **Binding on Successors and Assigns.** This Agreement shall be binding upon, and inure
to the benefit of Plaintiffs, Defendants, the Settlement Class Members, the Aggrieved Employees and
their heirs, beneficiaries, executors, administrators, successors, transferees, successors, assigns, or any
corporation or any entity with which any party may merge, consolidate or reorganize. The Parties
hereto represent, covenant and warrant that they have not directly or indirectly assigned, transferred,
encumbered or purported to assign, transfer or encumber to any person or entity any portion of any
liability, claim, demand, action, cause of action or rights herein released and discharged except as set
forth herein.

55. **Counterparts.** This Agreement may be executed in one or more counterparts,
including by facsimile or email. All executed counterparts and each of them shall be deemed to be one

and the same instrument. All executed copies of this Agreement, and photocopies thereof (including facsimile and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

56. **No Signature Required by Class Members.** Only the Plaintiffs will be required to execute this Settlement Agreement. The Settlement Notice will advise all Class Members of the binding nature of the release, and such shall have the same force and effect as if this Settlement Agreement were executed by each Settlement Class Member.

57. **Cooperation and Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement; hence the drafting of this Agreement shall not be construed against any of the Parties. The Parties agree that the terms and conditions of this Agreement were negotiated at arm's length and in good faith by the Parties, and reflect a settlement that was reached voluntarily based upon adequate information and sufficient discovery and after consultation with experienced legal counsel.

58. **Governing Law.** All terms of this Settlement Agreement shall be governed by and interpreted according to the laws of the State of California.

59. **Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Settlement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for this purpose.

IN WITNESS WHEREOF, the Parties and their Counsel have executed this Settlement Agreement as follows:

PLAINTIFF:  Date: 10/06/, 2022
Khayo Sishi

PLAINTIFF: _____ Date: _____, 2022
Sandeep Purewal

PLAINTIFF: _____ Date: _____, 2022
Vanessa Barber

PLAINTIFF: _____ Date: _____, 2022
Cherr Redd

and the same instrument. All executed copies of this Agreement, and photocopies thereof (including facsimile and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

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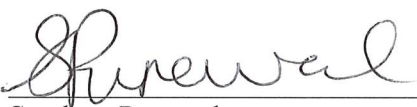
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IN WITNESS WHEREOF, the Parties and their Counsel have executed this Settlement Agreement as follows:

PLAINTIFF: _____ Date: _____, 2022
Khayo Sishi

PLAINTIFF:  _____ Date: 10/13/22, 2022
Sandeep Purewal

PLAINTIFF: _____ Date: _____, 2022
Vanessa Barber

PLAINTIFF: _____ Date: _____, 2022
Cherr Redd

and the same instrument. All executed copies of this Agreement, and photocopies thereof (including facsimile and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

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57. **Cooperation and Drafting.** The Parties have cooperated in the drafting and preparation of this Agreement; hence the drafting of this Agreement shall not be construed against any of the Parties. The Parties agree that the terms and conditions of this Agreement were negotiated at arm's length and in good faith by the Parties, and reflect a settlement that was reached voluntarily based upon adequate information and sufficient discovery and after consultation with experienced legal counsel.

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IN WITNESS WHEREOF, the Parties and their Counsel have executed this Settlement Agreement as follows:

PLAINTIFF: _____ Date: _____, 2022
Khayo Sishi

PLAINTIFF: _____ Date: _____, 2022
Sandeep Purewal

PLAINTIFF: Vanessa Barber Date: 11 / 22 / 2022, 2022
Vanessa Barber

PLAINTIFF: _____ Date: _____, 2022
Cherra Redd

1 and the same instrument. All executed copies of this Agreement, and photocopies thereof (including
2 facsimile and/or emailed copies of the signature pages), shall have the same force and effect and shall
3 be as legally binding and enforceable as the original.

4 56. **No Signature Required by Class Members.** Only the Plaintiffs will be required to
5 execute this Settlement Agreement. The Settlement Notice will advise all Class Members of the
6 binding nature of the release, and such shall have the same force and effect as if this Settlement
7 Agreement were executed by each Settlement Class Member.

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9 preparation of this Agreement; hence the drafting of this Agreement shall not be construed against any
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11 arm's length and in good faith by the Parties, and reflect a settlement that was reached voluntarily
12 based upon adequate information and sufficient discovery and after consultation with experienced
13 legal counsel.

14 58. **Governing Law.** All terms of this Settlement Agreement shall be governed by and
15 interpreted according to the laws of the State of California.

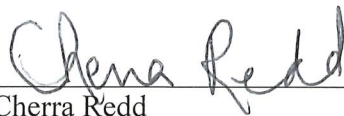
16 59. **Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the
17 interpretation, implementation, and enforcement of the terms of this Settlement and all orders and
18 judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction
19 of the Court for this purpose.

20 **IN WITNESS WHEREOF**, the Parties and their Counsel have executed this Settlement
21 Agreement as follows:

22 **PLAINTIFF:** _____ Date: _____, 2022
23 Khayo Sishi

24 **PLAINTIFF:** _____ Date: _____, 2022
25 Sandeep Purewal

26 **PLAINTIFF:** _____ Date: _____, 2022
27 Vanessa Barber

28 **PLAINTIFF:**  _____ Date: 10-6, 2022
Cherra Redd

1
2 **APPROVED AS TO FORM BY CLASS COUNSEL:**

3 

Date: August 23, 2022

4 Carolyn Hunt Cottrell
5 Ori Edelstein
6 Michelle S. Lim
7 Kristabel Sandoval
8 SCHNEIDER WALLACE
9 COTTRELL KONECKY LLP
10 2000 Powell Street, Suite 1400
11 Emeryville, California 94608

12 **DEFENDANT:**

Date: _____, 2022

13 On behalf of Eskaton Properties Incorporated

14
15 **DEFENDANT:**

Date: _____, 2022

16 On behalf of California Healthcare Consultants, Inc.

17
18
19 **APPROVED AS TO FORM BY DEFENDANTS' COUNSEL:**

20
21
22 Date: _____, 2022

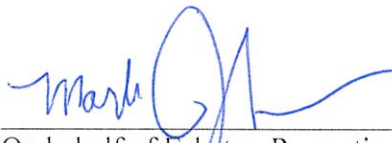
23 Mollie M. Burks
24 Linh T. Hua
25 Christie E. Yang
26 GORDON REESE SCULLY MANSUKHANI, LLP
27 633 West Fifth Street, 52nd floor
28 Los Angeles, CA 90071

1
2 **APPROVED AS TO FORM BY CLASS COUNSEL:**

3
4 _____
5 Carolyn Hunt Cottrell
6 Ori Edelstein
7 Michelle S. Lim
8 Kristabel Sandoval
9 SCHNEIDER WALLACE
10 COTTRELL KONECKY LLP
11 2000 Powell Street, Suite 1400
12 Emeryville, California 94608

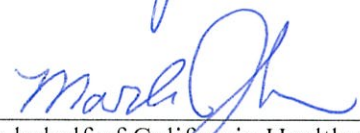
Date: _____, 2022

13 **DEFENDANT:**

14 
15 _____
16 On behalf of Eskaton Properties Incorporated

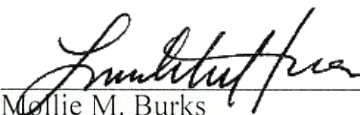
17 Date: 8/29/, 2022

18 **DEFENDANT:**

19 
20 _____
21 On behalf of California Healthcare Consultants, Inc.

22 Date: 8/29/, 2022

23 **APPROVED AS TO FORM BY DEFENDANTS' COUNSEL:**

24 
25 _____
26 Mollie M. Burks
27 Linh T. Hua
28 Christie E. Yang
GORDON REESE SCULLY MANSUKHANI, LLP
633 West Fifth Street, 52nd floor
Los Angeles, CA 90071

Date: 08/30, 2022

EXHIBIT 2

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Ori Edelstein (SBN 268145)
Michelle S. Lim (SBN 315691)
Kristabel Sandoval (SBN 323714)
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of California and Aggrieved Employees*

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Attorneys for Defendants
ESKATON PROPERTIES INCORPORATED and
CALIFORNIA HEALTHCARE CONSULTANTS, INC.

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF ALAMEDA**

KHAYO SISHI, on behalf of the State of
California;

Plaintiff,

v.

ESKATON PROPERTIES INCORPORATED,
CALIFORNIA HEALTHCARE
CONSULTANTS, INC., and DOES 1-100,
inclusive;

Defendants.

Case No.: RG21100764

**ADDENDUM A TO CLASS ACTION
SETTLEMENT AGREEMENT AND
RELEASE**

1 **ADDENDUM A TO CLASS ACTION SETTLEMENT AGREEMENT AND RELEASE**

2 1. This Addendum A to Class Action Settlement Agreement and Release (the
3 “Settlement”) is entered into between Plaintiffs Khayo Sishi, Sandeep Purewal, Vanessa Barber, and
4 Cherra Redd (“Plaintiffs”), individually and on behalf of all other similarly-situated persons, the State
5 of California, and the Aggrieved Employees, and Defendants Eskaton Properties Incorporated and
 California Healthcare Consultants, Inc. (“Defendants”), subject to the approval of the Court. Plaintiffs
 and Defendants are collectively referred to as the “Parties.”

6 2. By way of this Addendum A, the Parties seek to exclude Vanessa Barber as a Class
7 Representative. The Parties agree that while Ms. Barber will remain a named Plaintiff in the pleadings,
8 for purposes of the Settlement, she will not be a representative of the Class, will not be entitled to any
9 Service Award (Settlement §§ 2.x, 26.d, 30.a) under the Settlement, and will not be bound by a general
10 release (Settlement § 21) under the Settlement. To the extent Plaintiff Barber is included as a
 Settlement Class Member and/or Aggrieved Employee, she will still be bound by the other release
 language described in the Settlement §§ 19-20.

11 3. Through this Addendum A, the Parties hereby replace Paragraph 2.x of the Settlement
12 with the following language:

13 “Service Awards” means the payment to Plaintiffs Khayo Sishi, Sandeep Purewal, and
14 Cherra Redd for their efforts in bringing and prosecuting this matter. The Service Awards
15 will not exceed Ten Thousand Dollars (\$10,000.00) for Plaintiff Khayo Sishi and Five
 Thousand Dollars (\$5,000.00) each to Plaintiffs Sandeep Purewal and Cherra Redd.

16 4. Through this Addendum A, the Parties hereby replace Paragraph 21 of the Settlement
 with the following language:

17 **Plaintiff Sishi’s, Purewal’s, and Redd’s General Release of Claims.** Plaintiffs Khayo Sishi,
18 Sandeep Purewal, and Cherra Redd release any and all claims, obligations, demands, actions,
19 rights, causes of action, and liabilities against the Releasees, of whatever kind and nature,
20 character, and description, whether in law or equity, whether sounding in tort, contract, federal,
21 state and/or local law, statute, ordinance, regulation, common law, or other source of law or
22 contract, whether known or unknown, and whether anticipated or unanticipated, including all
23 unknown claims covered by California Civil Code section 1542 that could be or are asserted
24 based upon any theory or facts whatsoever, arising at any time up to and including the date of
25 the execution of this Settlement Agreement, for any type of relief, including, without
26 limitation, claims for minimum, straight time, or overtime wages, premium pay, business
27 expenses, other damages, penalties (including, but not limited to, waiting time penalties),
28 liquidated damages, punitive damages, interest, attorneys’ fees, litigation and other costs,
 expenses, restitution, and equitable and declaratory relief. Plaintiffs Khayo Sishi’s, Sandeep
 Purewal’s, and Cherra Redd’s released claims include, but are not limited to, the Class
 Members’ Released Claims, as well as any other claims under any provision of federal, state,
 or local law, including the FLSA, the California Labor Code, and California Wage Orders.
 Upon Final Approval, Plaintiffs Khayo Sishi, Sandeep Purewal, and Cherra Redd shall be
 deemed to have fully, finally, and forever released Releasees from all Plaintiffs Khayo Sishi’s,
 Sandeep Purewal’s, and Cherra Redd’s released claims through the date of Preliminary
 Approval. Furthermore, upon Final Approval, Plaintiffs Khayo Sishi, Sandeep Purewal, and

Cherra Redd shall be deemed to have expressly waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits they may otherwise have had relating to the Plaintiffs Khayo Sishi's, Sandeep Purewal's, and Cherra Redd's Released Claims pursuant to Section 1542 of the California Civil Code, which provides as follows:

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

5. Through this Addendum A, the Parties hereby replace Paragraph 26.d of the Settlement with the following language:

approving the payment of the Service Awards to Plaintiffs Khayo Sishi, Sandeep Purewal, and Cherra Redd.

6. Through this Addendum A, the Parties hereby replace Paragraph 30.a of the Settlement with the following language:

Service Awards to Plaintiffs. Subject to the Court's approval, Plaintiff Khayo Sishi shall receive up to Ten Thousand Dollars (\$10,000.00) and Plaintiffs Sandeep Purewal and Cherra Redd shall receive up to Five Thousand Dollars (\$5,000.00) each for their efforts in bringing and prosecuting this matter. The Qualified Settlement Fund(s) shall issue an IRS Form 1099 for these payments. These payments shall be made within five (5) days after the Settlement Administrator receives the Gross Settlement Amount, or as soon as reasonably practicable. If the Court approves Service Awards in amounts less than what Plaintiffs request, the reduction in the Service Awards shall not be a basis for nullification of this Settlement. Nor shall a reduction in the Service Awards in any way delay or preclude the judgment from becoming a final judgment or the Settlement from becoming effective. Any amount not approved by the Court shall be included as part of the Net Settlement Amount for distribution to Class Members.

7. This Addendum A may be executed in one or more counterparts, including by facsimile or email. All executed counterparts and each of them shall be deemed to be one and the same instrument. All executed copies of this Addendum A, and photocopies thereof (including facsimile and/or emailed copies of the signature pages), shall have the same force and effect and shall be as legally binding and enforceable as the original.

IN WITNESS WHEREOF, the Parties and their Counsel have executed this Addendum A to the Settlement Agreement as follows:

PLAINTIFF:


Khayo Sishi

Date: 11/06/, 2022

1 **PLAINTIFF:**

Renewal
Sandeep Purewal

Date: 11/5/22, 2022

2
3 **PLAINTIFF:**

4 _____
Vanessa Barber

Date: _____, 2022

5
6 **PLAINTIFF:**

7 _____
Cherra Redd

Date: _____, 2022

8
9 **APPROVED AS TO FORM BY CLASS COUNSEL:**

10 _____ Date: _____, 2022

11 Carolyn Hunt Cottrell
12 Ori Edelstein
13 Michelle S. Lim
14 Kristabel Sandoval
15 SCHNEIDER WALLACE
16 COTTRELL KONECKY LLP
2000 Powell Street, Suite 1400
Emeryville, California 94608

17 **DEFENDANT:**

18 _____
On behalf of Eskaton Properties Incorporated

Date: _____, 2022

19
20 **DEFENDANT:**

21 _____
On behalf of California Healthcare Consultants, Inc.

Date: _____, 2022

22
23 **APPROVED AS TO FORM BY DEFENDANTS' COUNSEL:**

24 _____ Date: _____, 2022

25 Mollie M. Burks
26 Linh T. Hua
27 Christie E. Yang
28 GORDON REESE SCULLY MANSUKHANI, LLP
633 West Fifth Street, 52nd floor
Los Angeles, CA 90071

1 **PLAINTIFF:**

Sandeep Purewal

Date: _____, 2022

2
3 **PLAINTIFF:**

Vanessa Barber

Vanessa Barber

Date: 11 / 22 / 2022, 2022

4
5
6 **PLAINTIFF:**

Cherra Redd

Date: _____, 2022

7
8 **APPROVED AS TO FORM BY CLASS COUNSEL:**

9
10
11 _____
Carolyn Hunt Cottrell
Ori Edelstein
Michelle S. Lim
Kristabel Sandoval
SCHNEIDER WALLACE
COTTRELL KONECKY LLP
2000 Powell Street, Suite 1400
Emeryville, California 94608

Date: _____, 2022

12
13
14
15
16
17 **DEFENDANT:**

On behalf of Eskaton Properties Incorporated

Date: _____, 2022

18
19
20 **DEFENDANT:**

On behalf of California Healthcare Consultants, Inc.

Date: _____, 2022

21
22 **APPROVED AS TO FORM BY DEFENDANTS' COUNSEL:**

23
24
25 _____
Mollie M. Burks
Linh T. Hua
Christie E. Yang
GORDON REESE SCULLY MANSUKHANI, LLP
633 West Fifth Street, 52nd floor
Los Angeles, CA 90071

Date: _____, 2022

1 **PLAINTIFF:**

Sandeep Purewal

Date: _____, 2022

2
3 **PLAINTIFF:**

4 Vanessa Barber

Date: _____, 2022

5
6 **PLAINTIFF:**

7 Cherra Redd
Cherra Redd

Date: 11/5, 2022

8
9 **APPROVED AS TO FORM BY CLASS COUNSEL:**

10
11 _____
Carolyn Hunt Cottrell
Ori Edelstein
12 Michelle S. Lim
13 Kristabel Sandoval
SCHNEIDER WALLACE
14 COTTRELL KONECKY LLP
2000 Powell Street, Suite 1400
15 Emeryville, California 94608

Date: _____, 2022

16
17 **DEFENDANT:**

18 On behalf of Eskaton Properties Incorporated

Date: _____, 2022

19
20 **DEFENDANT:**

21 On behalf of California Healthcare Consultants, Inc.

Date: _____, 2022

22
23 **APPROVED AS TO FORM BY DEFENDANTS' COUNSEL:**

24
25 _____
Mollie M. Burks
26 Linh T. Hua
Christie E. Yang
27 GORDON REESE SCULLY MANSUKHANI, LLP
633 West Fifth Street, 52nd floor
28 Los Angeles, CA 90071

Date: _____, 2022

1 **PLAINTIFF:** _____ Date: _____, 2022
2 Sandeep Purewal

3 **PLAINTIFF:** _____ Date: _____, 2022
4 Vanessa Barber

5
6 **PLAINTIFF:** _____ Date: _____, 2022
7 Cherra Redd

8
9 **APPROVED AS TO FORM BY CLASS COUNSEL:**

10 

Date: November 22, 2022

11 Carolyn Hunt Cottrell
12 Ori Edelstein
13 Michelle S. Lim
14 Kristabel Sandoval
15 SCHNEIDER WALLACE
16 COTTRELL KONECKY LLP
17 2000 Powell Street, Suite 1400
18 Emeryville, California 94608

19
20 **DEFENDANT:** _____ Date: _____, 2022
21 On behalf of Eskaton Properties Incorporated

22
23 **DEFENDANT:** _____ Date: _____, 2022
24 On behalf of California Healthcare Consultants, Inc.

25
26 **APPROVED AS TO FORM BY DEFENDANTS' COUNSEL:**

27 _____ Date: _____, 2022
28 Mollie M. Burks
Linh T. Hua
Christie E. Yang
GORDON REESE SCULLY MANSUKHANI, LLP
633 West Fifth Street, 52nd floor
Los Angeles, CA 90071

1 **PLAINTIFF:**

Sandeep Purewal

Date: _____, 2022

2
3 **PLAINTIFF:**

4 Vanessa Barber

Date: _____, 2022

5
6 **PLAINTIFF:**

7 Cherra Redd

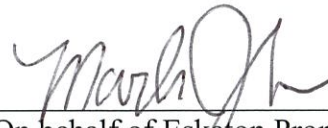
Date: _____, 2022

8
9 **APPROVED AS TO FORM BY CLASS COUNSEL:**

10
11 _____
12 Carolyn Hunt Cottrell
13 Ori Edelstein
14 Michelle S. Lim
15 Kristabel Sandoval
16 SCHNEIDER WALLACE
17 COTTRELL KONECKY LLP
18 2000 Powell Street, Suite 1400
19 Emeryville, California 94608

Date: _____, 2022

20
21 **DEFENDANT:**

22 
23 On behalf of Eskaton Properties Incorporated

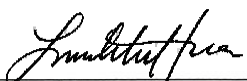
Date: 12/8/, 2022

24
25 **DEFENDANT:**

26 
27 On behalf of California Healthcare Consultants, Inc.

Date: 12/8, 2022

28
29 **APPROVED AS TO FORM BY DEFENDANTS' COUNSEL:**

30
31 
32 Mollie M. Burks
33 Linh T. Hua
34 Christie E. Yang
35 GORDON REESE SCULLY MANSUKHANI, LLP
36 633 West Fifth Street, 52nd floor
37 Los Angeles, CA 90071

Date: December 12, 2022