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LLC, dba Creekside Oaks Retirement Community

1 This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and
2 between the Parties to the civil action entitled *Sunshine Retirement Wage and Hour Cases, JCCP*
3 *No. 5247* currently pending in the Sacramento Superior Court (the “Action”). Plaintiffs Lupe
4 Morales, Erika Muniz, and Blanca Navarro (“Plaintiffs”) on behalf of themselves, the Class
5 Members, and the PAGA Representative Action Members, and Sunshine Retirement Living, LLC
6 (hereinafter collectively referred to as “Defendant”) are collectively referred to as “the Parties” or
7 individually as “Party.”

8 **1. DEFINITIONS.**

9 1.1. “Action” means the civil action entitled *Sunshine Retirement Wage and Hour Cases,*
10 *JCCP No. 5247* currently pending in the Sacramento Superior Court.

11 1.2. “Administrator” means ILYM Group, Inc., the neutral entity the Parties have agreed to
12 appoint to administer the Settlement.

13 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid
14 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in
15 accordance with the Administrator’s “not to exceed” bid submitted to the Court in
16 connection with Preliminary Approval of the Settlement.

17 1.4. “Class Members” means all current and former non-exempt hourly individuals
18 employed by Defendants at any time from September 27, 2017, until the date of preliminary
19 approval or sixty (60) days after the agreement is signed, whichever is earlier, at any of the
20 Defendant’s California facilities.

21 1.5. “Class Counsel” means Janelle Carney of Janelle Carney – Attorney at Law, APC,
22 Manny Starr and Adam Rose of Frontier Law Center and Christina Le, Justin F. Marquez, and
23 Zachary Greenberg, of Wilshire Law Firm.

24 1.6. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment”
25 mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees
26 and expenses, respectively, incurred to prosecute the Action.

27 1.7. “Class Data” means Class Member identifying information in Defendant’s possession
28 including the Class Member’s name, last-known mailing address, Social Security number, and
number of Class Period Workweeks and PAGA Pay Periods.

1.8. "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as a PAGA Representative Action Member).

1.10. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11. "Class Notice" means the NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members, if applicable in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.12. "Class Period" means the period from September 27, 2017, until the date of preliminary approval or sixty (60) days after the agreement is signed, whichever is earlier.

1.13. "Class Representative" means Lupe Morales, Erika Muniz, and Blanca Navarro, the named Plaintiffs in the operative complaints in the Action seeking Court approval to serve as a Class Representative.

1.15. "Court" means the Superior Court of California, County of Sacramento.

1.16. "Defendant" means Sunshine Retirement Living, LLC.

1.17. "Defense Counsel" means Haley Morrison and Megan Reuther of Tonkon Torp.

1.18. "Effective Date" means the date by when both of the following have occurred:

- (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement,
- and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences:
 - (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment;
 - (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19. "Final Approval" means the Court's order granting final approval of the Settlement.

1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.21. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.22. "Gross Settlement Amount" means \$940,000.00, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 10 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, and the Administrator's Expenses. Class Counsel Fees and Class Counsel Expenses include, without limitation, all such fees and costs incurred to date, as well as such fees and costs to be incurred in documenting the settlement, securing Court approval of this Settlement Agreement, and obtaining judgment in the Action.

1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Pay Periods worked during the Class Period.

1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Representative Service Awards, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Administration Expenses Payment, and Defendant's share of employer taxes will be paid separately. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.29. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1 1.30. "PAGA Pay Period" means any Pay Period during which a PAGA Representative
2 Action Member worked for Defendants for at least one day during the PAGA Period.

3 1.31. "PAGA Period" means the period from September 27, 2020, until the date of
4 preliminary approval.

5 1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

6 1.33. "PAGA Notice" means Plaintiffs' letters to Defendant and the LWDA providing
7 notice pursuant to Labor Code section 2699.3, subd.(a).

8 1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from
9 the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$12,500.00) and the
10 75% to LWDA (\$37,500.00) in settlement of PAGA.

11 1.35. "Participating Class Member" refers to a Class Member who does not opt out of the
12 class.

13 1.36. "Plaintiff" means Lupe Morales, Erika Muniz, and/or Blanca Navarro, the named
14 plaintiffs in the Action.

15 1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of
16 the Settlement.

17 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary
18 Approval and Approval of PAGA Settlement.

19 1.39. "Released Class Claims" means the claims being released as described in Paragraph
20 6.2 below.

21 1.40. "Released PAGA Claims" means the claims being released as described in Paragraph
22 6.2 below.

23 1.41. "Released Parties" means: Defendant and its subsidiaries, facilities, parents and
24 attorneys, and each of their company-sponsored employee benefit plans, including but not limited
25 to Folsom Retirement LP, Antioch Retirement Residence LP, Deer Park Retirement Residence LP,
26 La Mesa Retirement Residence LP, LaQuinta Investors LP, Canterbury Court Investors LLC, and
27 Fountain Valley Senior Living LLC, and their respective successors and predecessors in interest, ,
28 subsidiaries, all of their respective officers, directors, administrators, fiduciaries, trustees and
agents, and each of their past, present and future officers, directors shareholders, managers, general

1 partners, employees, agents, principals, owners, founders, heirs, representatives, accountants,
2 auditors, consultants, attorneys, and insurers.

3 1.42. "Representative Service Award" means the payment to the Class Representatives for
4 initiating the Action and providing services in support of the Action.

5 1.43. "Request for Exclusion" means a Class Member's submission of a written request to
6 be excluded from the Class Settlement signed by the Class Member.

7 1.44. "Response Deadline" means forty-five (45) days after the Administrator mails Notice
8 to Class Members and shall be the last date on which Class Members and may: (a) mail Requests
9 for Exclusion from the Settlement, or (b) mail his or her Objection to the Settlement.

10 1.45. "Settlement" means the disposition of the Action effected by this Agreement and
11 the Judgment.

12 1.46. "Workweek" means any week during which a Class Member worked for Defendant
13 for at least one day, during the Class Period.

14 **2. RECITALS.**

15 2.1. Plaintiff Morales filed her original complaint in Sacramento County Superior Court
16 on September 27, 2021. Thereafter, Plaintiff Morales filed a First Amended Complaint ("FAC")
17 on November 15, 2021. The parties in the *Morales* action have engaged in initial pre-certification
18 discovery.

19 2.2 Plaintiff Muniz filed her class action Complaint on or about October 28, 2021, in the
20 Orange County Superior Court. The parties in the *Muniz* action have engaged in initial pre-
21 certification discovery in the class action. In addition, because Defendant refused to stipulate to
22 Plaintiff Muniz adding her PAGA claim to the class action Complaint, Plaintiff Muniz filed a
23 separate PAGA action in the Orange County Superior Court on April 28, 2022. Defendant has
24 answered this PAGA complaint.

25 2.3 Defendant denies any liability or wrongdoing of any kind associated with the claims
26 alleged in the Action, and further denies that the Action is appropriate for class treatment for any
27 purpose other than pursuant to this settlement. Defendant contends that it has complied at all times
28 with the California Labor Code. It is Defendant's position that, if this case were to be litigated,
class certification would be inappropriate because, among other things, Plaintiffs are not adequate

1 class representatives, the Plaintiffs' claims are not typical of putative class members, and individual
2 issues predominate over class issues.

3 2.4 On June 29, 2022, Plaintiffs filed a Petition for Coordination. The Order Granting
4 Plaintiffs' Petition for Coordination was entered September 16, 2022.

5 2.5. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written
6 notice to Defendants and the LWDA by sending the PAGA Notice.

7 2.6 On February 27, 2023, the Parties participated in an all-day mediation presided over
8 by Hon. Daniel Buckley (Retired), which led to this Agreement to settle the Action months after
9 the mediation concluded. Judge Buckley continued to work with the Parties.

10 2.7. Prior to mediation, Plaintiffs obtained, through informal discovery, a sampling of
11 time and pay records of putative class members, Defendant's policies regarding meal and rest
12 periods, onboarding, overtime, and bonuses, and the total workweek and class members during the
13 relevant time period. Plaintiffs' investigation was sufficient to satisfy the criteria for court
14 approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar*
15 *v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

16 2.8. The Parties, Class Counsel, and Defense Counsel represent that they are not aware
17 of any other pending matter or action asserting claims that will be extinguished or
18 affected by the Settlement.

19 2.9 The Parties agree that the Action, the negotiation and execution of this Settlement
20 Agreement, and all acts performed or documents executed pursuant to or in furtherance of the
21 Settlement Agreement (i) shall not be used as an admission or evidence of wrongdoing on behalf of
22 Defendant; (ii) shall not be an admission or evidence of fault on behalf of Defendant in any action
23 before a civil, criminal, or administrative agency; and (iii) shall not be deemed to be, and may not
24 be used as, an admission or evidence of the appropriateness of these or similar claims for class
25 certification in the Action or with respect to any other proceeding.

26 3.0 It has been agreed by the Parties that as part of the instant Settlement that Plaintiff
27 Blanca Navarro, an additional representative plaintiff represented by the same counsel as Plaintiff
28 Muniz, will be added to the *Muniz* and/or consolidated Action, by way of a joint stipulation, prior
to the hearing for approval of said Settlement.

1 **3. MONETARY TERMS.**

2 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 10 below,
3 Defendant promises to pay \$940,000.00 and no more as the Gross Settlement Amount, and to
4 separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual
5 Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll
6 taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator will
7 disburse the entire Gross Settlement Amount without asking or requiring Participating Class
8 Members to submit any claim as a condition of payment. None of the Gross Settlement Amount
9 will revert to Defendant.

10 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct
11 the following payments from the Gross Settlement Amount, in the amounts specified by the Court
12 in the Final Approval:

13 3.2.1. To Plaintiffs/Class Representatives: Representative Service Award to the
14 Class Representatives of not more than \$10,000.00 each (in addition to any
15 Individual Class Payment, and any Individual PAGA Payment, the Class
16 Representative is entitled to receive as a Participating Class Member). Defendant
17 will not oppose Plaintiffs' request for a Representative Service Award that does not
18 exceed this amount. As part of the motion for Class Counsel's Fees Payment and
19 Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any
20 Representative Service Awards no later than sixteen (16) court days prior to the
21 Final Approval Hearing. If the Court approves a Representative Service Awards less
22 than the amount requested, the Administrator will retain the remainder in the Net
23 Settlement Amount. The Administrator will pay the Representative Service Awards
24 using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee
25 taxes owed on the Representative Service Awards. In exchange for the
26 Representative Service Awards, the Class Representatives will execute a complete
27 and full release in favor of Defendant, as described in detail below.

28 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33.33%,
which is currently estimated to be \$313,333.33 and a Class Counsel Litigation

1 Expenses Payment of not more than \$25,000.00. Defendant will not oppose requests
2 for these payments provided that do not exceed these amounts. Plaintiff and/or Class
3 Counsel will file a motion for Class Counsel Fees Payment and Class Litigation
4 Expenses Payment no later than 16 court days prior to the Final Approval Hearing.
5 If the Court approves a Class Counsel Fees Payment and/or a Class Counsel
6 Litigation Expenses Payment less than the amounts requested, the Administrator
7 will allocate the remainder to the Net Settlement Amount. Released Parties shall
8 have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any
9 claim to any portion any Class Counsel Fee Payment and/or Class Counsel
10 Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees
11 Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms.
12 Class Counsel assumes full responsibility and liability for taxes owed on the Class
13 Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and
14 holds Defendants harmless, and indemnifies Defendants, from any dispute or
15 controversy regarding any division or sharing of any of these Payments.

16 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed
17 \$22,000.00 except for a showing of good cause and as approved by the Court. To
18 the extent the Administration Expenses are less or the Court approves payment less
19 than \$22,000.00, the Administrator will retain the remainder in the Net Settlement
20 Amount.

21 3.2.4. To Each Participating Class Member: Estimated proportionate share of the
22 Net Settlement Amount shall be determined by the Settlement Administrator
23 pursuant to the following formula:

24 a. The Settlement Administrator shall calculate the total aggregate
25 number of weeks that all Class Members were employed by, and worked for,
26 Defendants as non-exempt hourly individuals employed in California at any
27 time during the Class Period, excluding weeks when the Class Members did
28 not work or were on leave for the entire week ("Total Workweeks").

b. The value of each individual Qualifying Workweek shall then be

1 determined by dividing the Net Settlement Amount by the Total
2 Workweeks, resulting in the “Workweek Value.” Each Individual
3 Settlement Share shall then be determined by multiplying the
4 individual Participating Class Member’s number of Qualifying
5 Workweeks by the Workweek Value.

6 c. The Parties stipulate to a) class certification for purposes of settling
7 the Action only; and b) stipulate to stay the action pending approval.

8 The Parties agree that class certification will be revoked if the Court
9 denies preliminary or final approval of the settlement, or if the
10 settlement does not become final for any other reason. The Parties
11 shall cooperate in good faith to secure a court order staying the
12 Action and all deadlines, pending implementation of the settlement.
13 If the settlement is declared null and void by Defendants pursuant to
14 Paragraph 10, or if the Court denies preliminary or final approval of
15 the settlement, the Parties will resume litigation.

16 3.2.4.1. Tax Allocation of Individual Class Payments. For tax purposes,
17 settlement payments to Class Members shall be allocated (a) 80 percent as
18 penalties and interest and (b) 20 percent as wages. Class Members shall be
19 issued an IRS Form W-2 for amounts paid under this settlement deemed
20 wages, and an IRS Form 1099 for the amounts allocated to penalties and
21 interest. Settlement payments to PAGA Representative Action Members
22 shall be allocated 100 percent as penalties, and PAGA Representative Action
23 Members shall be issued an IRS Form 1099 and be responsible for payment
24 of any and all taxes that are due as a result of their PAGA penalty settlement
25 payments. Any representative service award approved by the Court will
26 result in the issuance of an IRS Form 1099 to Plaintiffs, who shall assume
27 full responsibility and liability for the payment of taxes due on such award.

28 3.2.4.2. Effect of Non-Participating Class Members on Calculation of
Individual Class Payments (i.e., those that have requested exclusion).

1 Non- Participating Class Members will not receive any Individual Class
2 Payments. The Administrator will retain amounts equal to their
3 Individual Class Payments in the Net Settlement Amount for distribution to
4 Participating Class Members on a pro rata basis.

5 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount
6 of \$50,000.00 to be paid from the Gross Settlement Amount, with 75%
7 (\$37,500.00) allocated to the LWDA PAGA Payment and 25% (\$12,500.00)
8 allocated to the Individual PAGA Payments.

9 3.2.5.1. PAGA Representative Action Members estimated proportionate
10 share of the PAGA Settlement Amount shall be determined by the
11 Settlement Administrator pursuant to the following formula:

12 3.2.5.1.1 Individual PAGA Members who worked as current
13 and former non-exempt hourly individuals employed by Defendants
14 at any time from September 27, 2020, until the date of preliminary
15 approval or sixty (60) days after the agreement is signed, whichever
16 is earlier, at any of the Defendant's California facilities;

17 3.2.5.1.2 To calculate each PAGA Individual's proportionate share:
18 The Settlement Administrator shall calculate the total aggregate
19 number of Pay Periods that all PAGA Individuals were employed by,
20 and worked for, Defendants as non-exempt hourly individuals
21 employed in California at any time during the PAGA Period.

22 The value of each individual Qualifying Pay Period shall then be
23 determined by dividing the PAGA Payment Amount of \$12,500.00
24 by the Total Workweeks, resulting in the "Pay Period Value." Each
25 Individual PAGA Share shall then be determined by multiplying
26 the Individual PAGA Member's number of Qualifying
Pay Periods by the Pay Period Value.

27 **4. SETTLEMENT FUNDING AND PAYMENTS.**

28 4.1. Class and PAGA Representative Action Member Workweeks. Based on a review of its

1 records as of June 30, 2023, Defendant estimates there are 1,130 Class Members who collectively
2 worked a total of approximately 58,367 Workweeks, and 885 PAGA Representative Action
3 Members who worked a total of 30,306 PAGA Pay Periods.

4 4.2. Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval
5 of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the
6 form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the
7 Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of
8 this Settlement and for no other purpose, and restrict access to the Class Data to Administrator
9 employees who need access to the Class Data to effect and perform under this Agreement.
10 Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the
11 Class Data omitted class member identifying information and to provide corrected or updated Class
12 Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants
13 must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use
14 best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or
15 omitted Class Data.

16 4.3. Funding of Gross Settlement Amount. Upon the Court entering an order granting Final
17 Approval of the settlement, Defendant shall fund the Gross Settlement Amount, and also fund the
18 amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the
19 Administrator, as follows:

20 4.3(a) Within 30 days of the Court entering an order granting final approval,
21 Defendant shall deposit \$200,000 with the Administrator.

22 4.3(b) Within 6 months of the Court entering an order granting preliminary
23 approval, Defendant shall deposit \$270,000 with the Administrator.

24 4.3(c) Within 12 months of the Court entering an order granting preliminary
25 approval, Defendant shall deposit \$470,000 with the Administrator.

26 **5. DISTRIBUTION OF SETTLEMENT FUNDS.**

27 5.1. Payments from the Gross Settlement Amount. Within fourteen (14) days after
28 Defendants fund the total Gross Settlement Amount, the Administrator will mail checks for all
Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the

1 Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation
2 Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class
3 Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class
4 Representative Service Payment shall not precede disbursement of Individual Class Payments and
5 Individual PAGA Payments.

6 5.1.1. The Administrator will issue checks for the Individual Class Payments
7 and/or Individual PAGA Payments and send them to the Class Members via First
8 Class U.S. Mail, postage prepaid. The face of each check shall prominently state
9 the date (not less than 180 days after the date of mailing) when the check will be
10 voided. The Administrator will cancel all checks not cashed by the void date. The
11 Administrator will send checks for Individual Settlement Payments to all
12 Participating Class Members (including those for whom Class Notice was
13 returned undelivered). The Administrator will send checks for Individual PAGA
14 Payments to all Aggrieved Employees including Non-Participating Class
15 Members who qualify as Aggrieved Employees (including those for whom Class
16 Notice was returned undelivered). The Administrator may send Participating
17 Class Members a single check combining the Individual Class Payment and the
18 Individual PAGA Payment. Before mailing any checks, the Settlement
19 Administrator must update the recipients' mailing addresses using the National
20 Change of Address Database.

21 5.1.2. The Administrator must conduct a Class Member Address Search for all
22 other Class Members whose checks are returned undelivered without USPS
23 forwarding address. Within seven (7) days of receiving a returned check the
24 Administrator must re-mail checks to the USPS forwarding address provided or to
25 an address ascertained through the Class Member Address Search. The
26 Administrator need not take further steps to deliver checks to Class Members
27 whose re-mailed checks are returned as undelivered. The Administrator shall
28 promptly send a replacement check to any Class Member whose original check
was lost or misplaced, requested by the Class Member prior to the void date.

5.1.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b). The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the California Controller's Unclaimed Property Fund.

5.1.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

6. RELEASES OF CLAIMS.

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Participating Class Members, and Class Counsel will release claims against all Released Parties as follows:

6.1 Plaintiffs' Release. As part of the consideration for the settlement of Plaintiffs' representative service award, Plaintiffs shall enter into individual general releases of all known and unknown claims of any type whatsoever that they may have against the Released Parties. These releases are entitled "Individual General Release," ("Releases"). These Releases are incorporated herein by reference and attached hereto as Exhibit B. These Releases will include, but will not be limited to, a release of all claims under the Fair Employment and Housing Act, Americans with Disabilities Act, and Title VII of the Civil Rights Act of 1964. This will also include a release of any and all claims, known or unknown, contingent or accrued arising out of any act or event that occurred prior to execution of the release, including a California Civil Code section 1542 waiver.

6.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, the named Plaintiffs expressly waive and relinquish

1 the provisions, rights, and benefits, if any, of section 1542 of the California Civil
2 Code, which reads:

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

6.1.2 In consideration for said Settlement, Plaintiff Morales agrees to resign from
7 Defendant's employment effective the date this Agreement is fully executed.

8 6.1.3 Plaintiffs expressly acknowledge that the Releases will include in their effect,
9 without limitation, all claims which Plaintiffs do not know of or suspect to exist at the time of
10 signing this Agreement, and that this Agreement contemplates the release of any such claims.

11 6.2 Release by Class Members:

12 Each Class Member who does not opt out of the settlement shall be deemed to release the
13 Released Parties from any and all claims, known or unknown, that: were asserted in any and/or all
14 of the complaints in the Action and/or any of Plaintiffs' letters to the LWDA (including any
15 subsequently amended complaints or letters); and/or any and all claims, that could have been
16 asserted based on the factual allegations in all of the complaints in the Action and/or any of
17 Plaintiffs' letters to the LWDA (including any subsequently amended complaints or letters). This
18 includes but is not limited to claims for or related to: pay for all hours worked/compensation due
19 for services; calculation of the regular rate of pay; rest periods; meal and/or rest period premiums
20 pay, including the calculation of the meal and/or rest period premium pay; wage statements;
21 payment of wages at termination; maintain accurate and complete records; unfair competition
22 related to any or all of the foregoing; any unpaid wages or compensation related to any or all of the
23 foregoing; restitution related to any or all of the foregoing; and any penalties, including statutory or
24 civil penalties, related to any or all of the foregoing. This release includes any and all claims
25 pursuant to: California Labor Code sections §§ 200, et seq., 204, 226, 226.7, 510, 512, 1194,
26 1194.2, 1197, 1198, and 2698, et seq.; Business & Professions Code § 17200; and Industrial
27 Welfare Commission Wage Order 5-01. The release shall run through the date the court grants
28 preliminary approval of the settlement or sixty (60) days after the agreement is signed, whichever
occurs first.

1 6.3 Release by PAGA Representative Action Members:

2 Each PAGA Representative Action Member, irrespective of whether he or she opts out of
3 the settlement as a Non-Participating Class Member, shall be deemed to release the Released
4 Parties from any and all claims, known or unknown, for civil penalties under California Labor
5 Code section 2698 *et seq.* (PAGA) that: were asserted in any and/or all of the complaints in the
6 Action and/or any of Plaintiffs' letters to the LWDA (including any subsequently amended
7 complaints or letters); and/or any and all claims, that could have been asserted based on any or all
8 the factual allegations in any and/or all of the complaints in the Action and/or any of Plaintiffs'
9 letters to the LWDA (including any subsequently amended complaints or letters). This release
10 includes, but is not limited to, claims for PAGA civil penalties premised on: California Labor Code
11 sections §§ 200, *et seq.* (inclusive of section 201-203), 210, 218, 226, 226.7, 246, 510, 512, 558,
12 1174, 1174.5, 1194, 1194.2, 1197, 1198, and 2698, *et seq.*; failure to pay overtime; failure to pay for
13 all hours worked/compensation due for services; calculation of the regular rate of pay, including
14 failure to include all remuneration into the regular rate for overtime, meal and rest period premiums
15 and sick pay, and other incentive payments when calculating the overtime rate; failure to provide
16 meal periods; failure to authorize and permit rest periods; failure to pay meal or rest period
17 premiums, including the calculation of the meal and/or rest period premium pay; failure to provide
18 accurate itemized wage statements; and failure to timely pay wages at termination; The release
19 shall run through the date the Superior Court of the State of California, County of Sacramento
20 grants preliminary approval of the settlement or sixty (60) .

21 **7. MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare
22 and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with
23 the Court's current checklist for Preliminary Approvals.

24 7.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all
25 documents necessary for obtaining Preliminary Approval, including a draft of the notice to be
26 sent to the class.

27 7.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
28 for expeditiously finalizing this agreement and filing the Motion for Preliminary Approval;
obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in

1 Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible
2 for delivering the Court's Preliminary Approval to the Administrator.

3 **8. SETTLEMENT ADMINISTRATION.**

4 8.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve
5 as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to
6 be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in
7 exchange for payment of Administration Expenses. The Parties and their Counsel represent that
8 they have no interest or relationship, financial or otherwise, with the Administrator other than a
9 professional relationship arising out of prior experiences administering settlements.

10 8.2 Employer Identification Number. The Administrator shall have and use its own
11 Employer Identification Number for purposes of calculating payroll tax withholdings and providing
12 reports state and federal tax authorities.

13 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
14 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation
15 section 468B-1.

16 8.4 Notice to Class Members.

17 8.4.1 No later than three (3) business days after receipt of the Class Data, the
18 Administrator shall notify Class Counsel that the list has been received and state
19 the number of Class Members, PAGA Members, Workweeks, and Pay Periods in
20 the Class Data.

21 8.4.2 Using best efforts to perform as soon as possible, and in no event later than
22 fourteen (14) days after receiving the Class Data, the Administrator will send to
23 all Class Members identified in the Class Data, via first-class United States Postal
24 Service ("USPS") mail, the Class Notice with Spanish translation, if applicable
25 substantially in the form attached to this Agreement as **Exhibit A**. The
26 first page of the Class Notice shall prominently estimate the dollar amounts of any
27 Individual Class Payment and/or Individual PAGA Payment payable to the Class
28 Member, and the number of Workweeks and PAGA Pay Periods (if applicable)
used to calculate these amounts. Before mailing Class Notices, the Administrator

1 shall update Class Member addresses using the National Change of Address
2 database.

3 8.4.3 Not later than three (3) business days after the Administrator's receipt of
4 any Class Notice returned by the USPS as undelivered, the Administrator shall re-
5 mail the Class Notice using any forwarding address provided by the USPS. If the
6 USPS does not provide a forwarding address, the Administrator shall conduct a
7 Class Member Address Search, and re-mail the Class Notice to the most current
8 address obtained. The Administrator has no obligation to make further attempts
9 to locate or send Class Notice to Class Members whose Class Notice is returned
10 by the USPS a second time.

11 8.4.4 The deadlines for Class Members' written objections, Challenges to
12 Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an
13 additional fourteen (14) days beyond the forty-five (45) days otherwise provided
14 in the Class Notice for all Class Members whose notice is re-mailed. The
15 Administrator will inform the Class Member of the extended deadline with the re-
16 mailed Class Notice.

17 8.4.5 If the Administrator, Defendants or Class Counsel is contacted by or
18 otherwise discovers any persons who believe they should have been included in
19 the Class Data and should have received Class Notice, the Parties will
20 expeditiously meet and confer in person or by telephone, and in good faith, in an
21 effort to agree on whether to include them as Class Members. If the Parties agree,
22 such persons will be Class Members entitled to the same rights as other Class
23 Members, and the Administrator will send, via email or overnight delivery, a
24 Class Notice requiring them to exercise options under this Agreement not later
25 than fourteen (14) days after receipt of Class Notice, or the deadline dates in the
26 Class Notice, which ever are later.

27 8.5 Requests for Exclusion (Opt-Outs).

28 8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class
Settlement must send the Administrator, by mail, a signed written

1 Request for Exclusion not later than forty-five (45) days after the Administrator
2 mails the Class Notice. A Request for Exclusion is a letter from a Class Member
3 or his/her representative that reasonably communicates the Class Member's
4 election to be excluded from the Settlement and includes the Class Member's
5 name, address and email address or telephone number. To be valid, a Request for
6 Exclusion must be timely postmarked by the Response Deadline.

7 8.5.2 The Administrator may not reject a Request for Exclusion as invalid because
8 it fails to contain all the information specified in the Class Notice. The
9 Administrator shall accept any Request for Exclusion as valid if the Administrator
10 can reasonably ascertain the identity of the person as a Class Member and the
11 Class Member's desire to be excluded. The Administrator's determination shall
12 be final and not appealable or otherwise susceptible to challenge. If the
13 Administrator has reason to question the authenticity of a Request for Exclusion,
14 the Administrator may demand additional proof of the Class Member's identity.
15 The Administrator's determination of authenticity shall be final and not
16 appealable or otherwise susceptible to challenge.

17 8.5.3 Every Class Member who does not submit a timely and valid Request for
18 Exclusion is deemed to be a Participating Class Member under this Agreement,
19 entitled to all benefits and bound by all terms and conditions of the Settlement,
20 including the Participating Class Members' Releases under Paragraphs 6.2 and
21 6.3 of this Agreement, regardless whether the Participating Class Member
22 actually receives the Class Notice or objects to the Settlement.

23 8.5.4 Every Class Member who submits a valid and timely Request for Exclusion
24 is a Non-Participating Class Member and shall not receive an Individual Class
25 Payment or have the right to object to the class action components of the
26 Settlement. Because future PAGA claims are subject to claim preclusion upon
27 entry of the Judgment, Non-Participating Class Members who are Aggrieved
28 Employees are deemed to release the claims identified in Paragraph 6.3 of this
Agreement and are eligible for an Individual PAGA Payment.

1 8.6 Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45)
2 days after the Administrator mails the Class Notice to challenge the number of Class Workweeks
3 and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class
4 Member may challenge the allocation by communicating with the Administrator via fax, email or
5 mail. The Administrator must encourage the challenging Class Member to submit supporting
6 documentation. In the absence of any contrary documentation, the Administrator is entitled to
7 presume that the Workweeks contained in the Class Notice are correct so long as they are
8 consistent with the Class Data. The Administrator's determination of each Class Member's
9 allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise
10 susceptible to challenge. The Administrator shall promptly provide copies of all challenges to
11 calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the
Administrator's determination the challenges.

12 8.7 Objections to Settlement.

13 8.7.1 Only Participating Class Members may object to the class action
14 components of the Settlement and/or this Agreement, including contesting the
15 fairness of the Settlement, and/or amounts requested for the Class Counsel Fees
16 Payment, Class Counsel Litigation Expenses Payment and/or Class
17 Representative Service Payment.

18 8.7.2 Participating Class Members may send written objections to the
19 Administrator by mail. In the alternative, Participating Class
20 Members may appear in Court (or hire an attorney to appear in Court) to present
21 verbal objections at the Final Approval Hearing. A Participating Class Member
22 who elects to send a written objection to the Administrator must do so not later than
23 forty-five (45) days after the Administrator's mailing of the Class Notice.

24 8.7.3 Non-Participating Class Members have no right to object to any of the
25 class action components of the Settlement.

26 8.8 Administrator Duties. The Administrator has a duty to perform or observe all
27 tasks to be performed or observed by the Administrator contained in this Agreement or
28 otherwise.

1 8.8.1 Toll-Free Number

2 The Administrator will also maintain a toll-free telephone number to receive Class
3 Member calls.

4 8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator
5 will promptly review on a rolling basis Requests for Exclusion to ascertain their
6 validity. Not later than five (5) days after the expiration of the deadline for
7 submitting Requests for Exclusion, the Administrator shall email a list to Class
8 Counsel and Defense Counsel containing (a) the names and other identifying
9 information of Class Members who have timely submitted valid Requests for
10 Exclusion ("Exclusion List"); (b) the names and other identifying information of
11 Class Members who have submitted invalid Requests for Exclusion; (c) copies of
12 all Requests for Exclusion from Settlement submitted (whether valid or invalid).

13 8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide
14 written reports to Class Counsel and Defense Counsel that, among other things,
15 tally the number of: Class Notices mailed or re-mailed, Class Notices returned
16 undelivered, Requests for Exclusion (whether valid or invalid) received,
17 objections received, challenges to Workweeks and/or Pay Periods received and/or
18 resolved, and checks mailed for Individual Class Payments and Individual PAGA
19 Payments ("Weekly Report"). The Weekly Reports must include provide the
20 Administrator's assessment of the validity of Requests for Exclusion and attach
21 copies of all Requests for Exclusion and objections received.

22 8.8.4 Workweek Challenges. The Administrator has the authority to address and
23 make final decisions consistent with the terms of this Agreement on all Class
24 Member challenges over the calculation of Workweeks. The Administrator's
25 decision shall be final and not appealable or otherwise susceptible to challenge.

26 8.8.5 Administrator's Declaration. Not later than ten (10) days before the date by
27 which Plaintiffs are required to file the Motion for Final Approval of the Settlement,
28 the Administrator will provide to Class Counsel and Defense Counsel, a signed
declaration suitable for filing in Court attesting to its due diligence and

1 compliance with all of its obligations under this Agreement, including, but not
2 limited to, its mailing of Class Notice, the Class Notices returned as undelivered,
3 the re-mailing of Class Notices, attempts to locate Class Members, the total
4 number of Requests for Exclusion from Settlement it received (both valid or
5 invalid), the number of written objections and attach the Exclusion List. The
6 Administrator will supplement its declaration as needed or requested by the
7 Parties and/or the Court. Class Counsel is responsible for filing the
8 Administrator's declaration(s) in Court.

9 8.8.6 Final Report by Settlement Administrator. Within ten (10) days after the
10 Administrator disburses all funds in the Gross Settlement Amount, the
11 Administrator will provide Class Counsel and Defense Counsel with a final report
12 detailing its disbursements by employee identification number only of all
13 payments made under this Agreement. At least 15 days before any deadline set
14 by the Court, the Administrator will prepare, and submit to Class Counsel and
15 Defense Counsel, a signed declaration suitable for filing in Court attesting to its
16 disbursement of all payments required under this Agreement. Class Counsel is
17 responsible for filing the Administrator's declaration in Court.

18 **9. CLASS SIZE ESTIMATES**

19 Based on its records, Defendants estimate that, as of June 30, 2023, (1) there are 1,130
20 Class Members and 58,367 Total Workweeks during the Class period and (2) there are 885 PAGA
21 Representative Action Members who worked a total of 30,306 Pay Periods during the PAGA
22 Period current as of June 30, 2023.

23 **10. DEFENDANT'S RIGHT TO WITHDRAW.**

24 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 15%
25 of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the
26 Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio,
27 have no force or effect whatsoever, and that neither Party will have any further obligation to
28 perform under this Agreement. Defendant must notify Class Counsel and the Court of its election
to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to

1 Defense Counsel; late elections will have no effect.

2 **11. MOTION FOR FINAL APPROVAL.**

3 Not later than sixteen (16) court days before the calendared Final Approval Hearing,
4 Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for
5 approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final
6 Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs
7 shall provide drafts of the Proposed Judgment to Defense Counsel prior to filing the Motion for
8 Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person
9 or by telephone, and in good faith, to resolve any disagreements concerning the Proposed Order
10 and Judgment.

11 11.1 Response to Objections. Each Party retains the right to respond to any objection
12 raised by a Participating Class Member, including the right to file responsive documents in Court
13 no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or
14 accepted by the Court.

15 11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
16 Approval on any material change to the Settlement (including, but not limited to, the scope of
17 release to be granted by Class Members), the Parties will expeditiously work together in good faith
18 to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval.
19 The Court’s decision to award less than the amounts requested for the Representative Service
20 Awards, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or
21 Administrator Expenses Payment shall not constitute a material modification to the Agreement
22 within the meaning of this paragraph.

23 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment,
24 the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of
25 (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters,
26 and (iii) addressing such post-Judgment matters as are permitted by law.

27 11.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms
28 and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class
Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their

1 respective counsel, and all Participating Class Members who did not object to the Settlement as
2 provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to
3 post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for
4 new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the
5 right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties'
6 obligations to perform under this Agreement will be suspended until such time as the appeal is
7 finally resolved and the Judgment becomes final, except as to matters that do not affect the amount
8 of the Net Settlement Amount.

9 11.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
10 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material
11 modification of this Agreement (including, but not limited to, the scope of release to be granted by
12 Class Members), this Agreement shall be null and void. The Parties shall nevertheless
13 expeditiously work together in good faith to address the appellate court's concerns and to obtain
14 Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration
15 Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify
16 the Court's award of the Class Representative Service Payment or any payments to Class Counsel
17 shall not constitute a material modification of the Judgment within the meaning of this paragraph,
18 as long as the Gross Settlement Amount remains unchanged.

18 **12. ESCALATOR CLAUSE**

19 12.1 Defendant understands and believes there were no more than 58,367 workweeks
20 through June 30, 2023. If it is determined that the actual number of workweeks through June 30,
21 2023 exceeds 58,367 by more than fifteen percent (15%) (i.e., exceeds 67,122), then, Defendant
22 shall have the option, in its sole discretion, of either: (a) closing the release period on the date the
23 Class Members reach the fifteen percent (15%) threshold, or (b) increasing the GSA by the
24 percentage difference beyond the fifteen percent (15%) between the certified amount of 58,367 and
25 the actual number of workweeks.

26 **13. ADDITIONAL PROVISIONS.**

27 13.1 No Admission of Liability, Class Certification or Representative Manageability for
28 Other Purposes. This Agreement represents a compromise and settlement of highly disputed

1 claims. Nothing in this Agreement is intended or should be construed as an admission by
2 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants
3 have has any liability for any claims asserted; nor should it be intended or construed as an
4 admission by Plaintiffs that Defendants' defenses in the Action have merit. The Parties agree that
5 class certification and representative treatment is for purposes of this Settlement only. If, for any
6 reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant
7 reserves the right to contest certification of any class for any reasons, and Defendants reserve all
8 available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class
9 certification on any grounds available and to contest Defendants' defenses. The Settlement, this
10 Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be
11 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
12 Settlement and this Agreement).

13 13.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendants
14 and Defense Counsel separately agree that, until the Motion for Preliminary Approval of
15 Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause
16 or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement
17 directly or indirectly, specifically or generally, to any person, corporation, association, government
18 agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom
19 will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the
20 extent necessary to report income to appropriate taxing authorities; (4) in response to a court order
21 or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government
22 agency. Each Party agrees to immediately notify each other Party of any judicial or agency order,
23 inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendants and Defense
24 Counsel separately agree not to, directly or indirectly, initiate any conversation or other
25 communication, before the filing of the Motion for Preliminary Approval, any with third party
26 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
27 "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's
28 communications with Class Members in accordance with Class Counsel's ethical obligations owed
to Class Members.

1 13.3 No Solicitation. The Parties separately agree that they and their respective counsel
2 and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal
3 from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability
4 to communicate with Class Members in accordance with Class Counsel's ethical obligations owed
5 to Class Members.

6 13.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
7 together with its attached exhibits shall constitute the entire agreement between the Parties relating
8 to the Settlement, superseding any and all oral representations, warranties, covenants, or
9 inducements made to or by any Party.

10 13.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant
11 and represent that they are authorized by Plaintiff and Defendants, respectively, to take all
12 appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to
13 effectuate its terms, and to execute any other documents reasonably required to effectuate the terms
14 of this Agreement including any amendments to this Agreement.

15 13.6 Cooperation. The Parties and their counsel will cooperate with each other and use
16 their best efforts, in good faith, to implement the Settlement by, among other things, modifying the
17 Settlement Agreement, submitting supplemental evidence and supplementing points and authorities
18 if requested by the Court. In the event the Parties are unable to agree upon the form or content of
19 any document necessary to implement the Settlement, or on any modification of the Agreement
20 that may become necessary to implement the Settlement, the Parties will seek the assistance of a
21 mediator and/or the Court for resolution.

22 13.7 No Prior Assignments. The Parties separately represent and warrant that they have not
23 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
24 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
25 action, or right released and discharged by the Party in this Settlement.

26 13.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense Counsel are
27 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
28 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part
10, as amended) or otherwise.

13.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

13.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

13.15 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

13.16 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

13.17 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

Janelle Carney, Esq.
JANELLE CARNEY – ATTORNEY AT LAW, APC
14758 Pipeline Ave., Suite E
Chino Hills, CA 91709
Tel. (909) 521-9609
Email: Janelle@JanelleCarneyLaw.com

Manny Starr, Esq.
Adam Rose, Esq.

FRONTIER LAW CENTER
23901 Calabasas Road, #2074
Calabasas, CA 91302
Telephone: (818) 914-3433
Email: Manny@frontierlawcenter.com;
Adam@frontierlawcenter.com

Justin F. Marquez
justin@wilshirelawfirm.com
Christina M. Le
cle@wilshirelawfirm.com
Zachary D. Greenberg
zgreenberg@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

To Defendants:

TONKON TORP LLP
Haley Morrison (SBN 259913)
Email: haley.morrison@tonkon.com
Megan R. Reuther (SBN 331619)
Email: megan.reuther@tonkon.com
888 SW Fifth Avenue, Suite 1600
Portland, OR 97204
Main: 503.221.1440
Facsimile: 503.274.8779

13.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

13.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP § 583.310 for the entire period of this settlement process.

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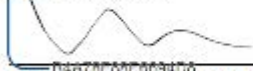
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4 Dated: 09/07/23 | 6:30 PDT

5 DocuSigned by:

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7 Plaintiff, Lupe Morales

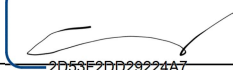
8 Dated: September 6, 2023

9 LUIS SERRANO

10 [Name and Title] LUIS SERRANO CEO
11 for Defendant Sunshine Retirement Living,
12 LLC

13 Dated: 9/5/2023

14 DocuSigned by:

15 

16 Plaintiff, Erika Muniz

17 Dated: 9/6/2023

18 DocuSigned by:

19 

20 Plaintiff, Blanca Navarro

Exhibit A

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Tonkon Torp LLP

Haley Morrison (SBN 259913)

Email: haley.morrison@tonkon.com

Megan R. Reuther (SBN 331619)

Email: megan.reuther@tonkon.com

888 SW Fifth Avenue, Suite 1600

Portland, OR 97204

Main: 503.221.1440/ Facsimile: 503.274.8779

Attorneys for Defendant Sunshine Retirement Living,
LLC, dba Creekside Oaks Retirement Community

1 The Court has already preliminarily approved the proposed Settlement and approved this
2 Notice. The Court has not yet decided whether to grant final approval. Your legal rights are
3 affected whether you act or do not act. Read this Notice carefully. You will be deemed to have
4 carefully read and understood it. At the Final Approval Hearing, the Court will decide whether
5 to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and
6 Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment
7 that requires Defendant to make payments under the Settlement and requires Class Members and
8 Aggrieved Employees to give up their rights to assert certain claims against Defendant.
9 If you worked for Defendant during the Class Period and/or the PAGA Period, you have two
10 basic options under the Settlement:

11 (1) **Do Nothing.** You don't have to do anything to participate in the proposed
12 Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment.
13 As a Participating Class Member, though, you will give up your right to assert Class
14 Period wage claims and PAGA Period penalty claims against Defendant.

15 (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class
16 Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the
17 Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class
18 Payment. You will, however, preserve your right to personally pursue Class Period wage claims
19 against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual
20 PAGA Payment. *You cannot opt-out of the PAGA portion of the proposed Settlement.*

21 **Defendant will not retaliate against you for any actions you take with respect to the
22 proposed Settlement.**

23 /////

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SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____ (45 days)	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____ (45 days)	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class.
You can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The

Submitted by _____	number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.
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1. WHAT IS THE ACTION ABOUT?

Plaintiffs are current and former employees of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay all wages, specifically failing to pay proper premium overtime and failing to calculate the regular rate when paying meal and/or rest period violations; and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs are represented by attorneys in the Action: Janelle Carney of Janelle Carney – Attorney at Law, APC, Manny Starr and Adam Rose of Frontier Law Center and Christina Le, Justin F. Marquez, and Zachary Greenberg, of Wilshire Law Firm. (“Class Counsel.”)

Defendant strongly denies violating any laws or failing to pay any wages and contend they complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendant have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

1 Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because
2 they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount
3 considering the strength of the claims and the risks and uncertainties of continued litigation; and (2)
4 Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court
5 preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this
6 Notice, and scheduled a hearing to determine Final Approval.

7 **3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?**

8 1. Defendant Will Pay \$940,000.00 as the Gross Settlement Amount (Gross
9 Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the
10 Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the
11 Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment,
12 Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be
13 paid to the California Labor and Workforce Development Agency ("LWDA").

14 Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement in
15 three installments.

- 16 1. Within 30 days of the Court entering an order granting final approval, Defendant
17 shall deposit \$200,000 with the Administrator.
- 18 2. Within 12 months of the Court entering an order granting preliminary approval,
19 Defendant shall deposit \$270,000 with the Administrator.
- 20 3. Within 18 months of the Court entering an order granting preliminary approval,
21 Defendant shall deposit \$470,000 with the Administrator.

22 Within fourteen (14) days after Defendant fully funds the Gross Settlement Amount, the
23 Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments,
24 the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees
25 Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service
26 Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses
27 Payment and the Class Representative Service Payment shall not precede disbursement of
28 Individual Class Payments and Individual PAGA Payments.

1 The Judgment will be final on the date the Court enters Judgment, or a later date if
2 Participating Class Members object to the proposed Settlement or the Judgment is appealed.

3 2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing,
4 Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions
5 from the Gross Settlement, the amounts of which will be decided by the Court at the
6 Final Approval Hearing:

- 7 A. Up to \$313,333.33 (33.33% of the Gross Settlement] to Class
8 Counsel for attorneys' fees and up to \$25,000.00 for their litigation
9 expenses. To date, Class Counsel have worked and incurred expenses on
10 the Action without payment.
- 11 B. Class Representative Award of up to \$10,000.00 to each Class
12 Representative for filing the Action, working with Class Counsel and
13 representing the Class. A Class Representative Award will be the only
14 monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment
15 and any Individual PAGA Payment.
- 16 C. Up to \$22,000.00 to the Administrator for services administering
17 the Settlement.
- 18 D. Up to \$50,000.00 for PAGA Penalties, allocated 75% (\$37,500.00) to the
19 LWDA PAGA Payment and 25% (\$12,500.00) in Individual PAGA
20 Payments to the Aggrieved Employees based on their PAGA Period Pay
21 Periods. Participating Class Members have the right to object to any of
22 these deductions. The Court will consider all objections.

23 3. Net Settlement Distributed to Class Members. After making the above deductions in
24 amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement
25 (the "Net Settlement") by making Individual Class Payments to Participating
26 Class Members based on their Class Period Workweeks.

27 4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendant are asking
28 the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages

1 (“Wage Portion”) and 80% to [e.g., interest, etc.] (“Non-Wage Portion.”). The Wage Portion is
2 subject to withholdings and will be reported on IRS W-2 Forms.

3 Defendant will separately pay employer payroll taxes it owes on the Wage Portion outside
4 the gross settlement fund. The Individual PAGA Payments are counted as penalties rather than
5 wages for tax purposes. The Administrator will report the Individual PAGA Payments and the
6 Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms. It will be your
7 responsibility to pay any tax owing on these amounts.

8 Although Plaintiffs and Defendant have agreed to these allocations, neither side is giving
9 you any advice on whether your Payments are taxable or how much you might owe in taxes.
10 You are responsible for paying all taxes (including penalties and interest on back taxes)
11 on any Payments received from the proposed Settlement. You should consult a tax
12 advisor if you have any questions about the tax consequences of the proposed Settlement.

13 5. Need to Promptly Cash Payment Checks. The front of every check issued for
14 Individual Class Payments and Individual PAGA Payments will show the date when the check
15 expires (the void date). If you don’t cash it by the void date, your check will be automatically
16 cancelled, and the monies will be deposited with the California Controller's Unclaimed Property
17 Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed
18 Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

19 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as
20 a Participating Class Member, participating fully in the Class Settlement, unless you notify
21 the Administrator in writing, not later than _____, that you wish to opt-out. The easiest
22 way to notify the Administrator is to send a written and signed Request for Exclusion by the
23 _____ Response Deadline. The Request for Exclusion should be a letter from a Class
24 Member or his/her representative setting forth a Class Member’s name, present address, telephone
25 number, and a simple statement electing to be excluded from the Settlement. Excluded Class
26 Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but
27 will preserve their rights to personally pursue wage and hour claims against Defendant.

28 You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude

1 themselves from the Class Settlement (Non-Participating Class Members) remain eligible
2 for Individual PAGA Payments and are required to give up their right to assert PAGA
3 claims against Defendant based on the PAGA Period facts alleged in the Action.

4 7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is
5 possible the Court will decline to grant Final Approval of the Settlement or decline to enter a
6 Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs
7 and Defendant has agreed that, in either case, the Settlement will be void: Defendant will not pay
8 any money and Class Members will not release any claims against Defendant.

9 8. Administrator. The Court has appointed a neutral company, ILYM Group, Inc. (the
10 “Administrator”) to send this Notice, calculate and make payments, and process Class Members’
11 Requests for Exclusion. The Administrator will also decide Class Member Challenges over
12 Workweeks, mail and remail settlement checks and tax forms, and perform other tasks necessary to
13 administer the Settlement. The Administrator’s contact information is contained in Section 9 of this
14 Notice.

15 9. Participating Class Members’ Release. After the Judgment is final and Defendant
16 has fully funded the Gross Settlement and separately paid all employer payroll taxes,
17 Participating Class Members will be legally barred from asserting any of the claims
18 released under the Settlement. This means that unless you opted out by validly excluding
19 yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any
20 other lawsuit against Sunshine Retirement Living, LLC, dba Creekside Oaks Retirement
21 Community, or related entities for wages based on the Class Period facts and PAGA penalties
22 based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

23 The Participating Class Members will be bound by the following release:
24 Each Class Member who does not opt out of the settlement shall be deemed to
25 release the Released Parties from any and all claims, known or unknown, that: were
26 asserted in any and/or all of the complaints in the Action and/or any of Plaintiffs’
27 letters to the LWDA (including any subsequently amended complaints or letters);
28 and/or any and all claims, that could have been asserted based on the factual
allegations in all of the complaints in the Action and/or any of Plaintiffs’ letters to
the LWDA (including any subsequently amended complaints or letters). This
includes but is not limited to claims for or related to: pay for all hours
worked/compensation due for services; calculation of the regular rate of pay; rest

1 periods; meal and/or rest period premiums pay, including the calculation of the meal
2 and/or rest period premium pay; wage statements; payment of wages at termination;
3 maintain accurate and complete records; unfair competition related to any or all of
4 the foregoing; any unpaid wages or compensation related to any or all of the
5 foregoing; restitution related to any or all of the foregoing; and any penalties,
6 including statutory or civil penalties, related to any or all of the foregoing. This
7 release includes any and all claims pursuant to: California Labor Code sections §§
8 200, et seq., 204, 226, 226.7, 510, 512, 1194, 1194.2, 1197, 1198, and 2698, et seq.;
9 Business & Professions Code § 17200; and Industrial Welfare Commission Wage
10 Order 5-01. The release shall run through
11 _____.

12 10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and
13 Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all
14 Aggrieved Employees will be barred from asserting PAGA claims against Defendant, whether or
15 not they exclude themselves from the Settlement. This means that all Aggrieved
16 Employees, including those who are Participating Class Members and those who opt-out
17 of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA
18 claim against Sunshine Retirement Living, LLC, dba Creekside Oaks Retirement Community, or
19 their related entities based on the PAGA Period facts alleged in the Action and resolved by this
20 Settlement.

21 The Aggrieved Employees' Releases for Participating and Non-Participating Class
22 Members are as follows:

23 Each PAGA Representative Action Member, irrespective of whether he or she opts
24 out of the settlement as a Non-Participating Class Member, shall be deemed to
25 release the Released Parties from any and all claims, known or unknown, for civil
26 penalties under California Labor Code section 2698 *et seq.* (PAGA) that: were
27 asserted in any and/or all of the complaints in the Action and/or any of Plaintiffs'
28 letters to the LWDA (including any subsequently amended complaints or letters);
and/or any and all claims, that could have been asserted based on any or all the
factual allegations in any and/or all of the complaints in the Action and/or any of
Plaintiffs' letters to the LWDA (including any subsequently amended complaints or
letters). This release includes, but is not limited to, claims for PAGA civil penalties
premised on: California Labor Code sections §§ 200, et seq. (inclusive of section
201-203), 210, 218, 226, 226.7, 246, 510, 512, 558, 1174, 1174.5, 1194, 1194.2,
1197, 1198, and 2698, et seq.; failure to pay overtime; failure to pay for all hours
worked/compensation due for services; calculation of the regular rate of pay,
including failure to include all remuneration into the regular rate for overtime, meal
and rest period premiums and sick pay, and other incentive payments when

calculating the overtime rate; failure to provide meal periods; failure to authorize and permit rest periods; failure to pay meal or rest period premiums, including the calculation of the meal and/or rest period premium pay; failure to provide accurate itemized wage statements; and failure to timely pay wages at termination; The release shall run through _____.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

A. The estimated proportionate share of the Net Settlement Amount shall be determined by the Settlement Administrator pursuant to the following formula:

a. The Settlement Administrator shall calculate the total aggregate number of weeks that all Class Members were employed by, and worked for, Defendant as non-exempt hourly individuals employed in California at any time during the Class Period, excluding weeks when the Class Members did not work or were on leave for the entire week (“Total Workweeks”).

b. The value of each individual Qualifying Workweek shall then be determined by dividing the Net Settlement Amount by the Total Workweeks, resulting in the “Workweek Value.” Each Individual Settlement Share shall then be determined by multiplying the individual Participating Class Member’s number of Qualifying Workweeks by the Workweek Value.

c. The Parties stipulate to a) class certification for purposes of settling the Action only; and b) stipulate to stay the action pending approval. The Parties agree that class certification will be revoked if the Court denies preliminary or final approval of the settlement, or if the settlement does not become final for any other reason. The Parties shall cooperate in good faith to secure a court order staying the Action and all deadlines, pending implementation of the settlement. If the settlement is declared null and void by Defendant pursuant to Paragraph 10, or if the Court denies preliminary or final approval of the settlement, the Parties will resume litigation.

B. Workweek/Pay Period Challenges. The number of Class Workweeks you worked

1 during the Class Period and the number of PAGA Pay Periods you worked during the PAGA
2 Period, as recorded in Defendant's records, are stated in the first page of this Notice. You
3 have until _____ to challenge the number of Workweeks and/or Pay Periods
4 credited to you. You can submit your challenge by signing and sending a letter to the
5 Administrator via mail. (See Section 9 of this Notice for the Administrator's contact information.)

6 You need to support your challenge by sending copies of pay stubs or other records. The
7 Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on
8 Defendant's records as accurate unless you send copies of records containing contrary information.
9 You should send copies rather than originals because the documents will not be returned to you.
10 The Administrator will resolve Workweek and/or Pay Period challenges based on your submission
11 and on input from Class Counsel (who will advocate on behalf of Participating Class Members)
12 and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise
13 challenge its final decision.

13 **5. HOW WILL I GET PAID?**

14 1. Participating Class Members. The Administrator will send, by U.S. mail, a single
15 check to every Participating Class Member (i.e., every Class Member who doesn't opt-out)
16 including those who also qualify as Aggrieved Employees. The single check will combine the
17 Individual Class Payment and the Individual PAGA Payment. Please make sure the administrator
18 has your correct address.

19 2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a
20 single Individual PAGA Payment check to every Aggrieved Employee who opts out of the
21 Class Settlement (i.e., every Non-Participating Class Member). Your check will be sent to the same
22 address as this Notice. If you change your address, be sure to notify the Administrator as soon as
23 possible. Section 9 of this Notice has the Administrator's contact information.

24 **6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?**

25 Submit a written and signed letter with your name, present address, telephone number, and
26 a simple statement that you do not want to participate in the Settlement. The Administrator
27 will exclude you based on any writing communicating your request be excluded. Be sure to

1 personally sign your request, identify the Action as *Sunshine Retirement Wage and Hour Cases*,
2 and include your identifying information (full name, address, telephone number, approximate dates
3 of employment, and social security number for verification purposes). You must make the request
4 yourself. If someone else makes the request for you, it will not be valid. **The Administrator must**
5 **be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the
6 Notice has the Administrator's contact information.

7 **7. HOW DO I OBJECT TO THE SETTLEMENT?**

8 Only Participating Class Members have the right to object to the Settlement. Before
9 deciding whether to object, you may wish to see what Plaintiffs and Defendant are asking the Court
10 to approve. At least _____ days before the _____ Final Approval Hearing, Class
11 Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes,
12 among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for
13 Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is
14 requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are
15 requesting as a Class Representative Service Award. Upon reasonable request, Class
16 Counsel (whose contact information is in Section 9 of this Notice) will send you copies of
17 these documents at no cost to you. You can also view them on the Administrator's Website
_____ or the Court's website _____.

18 A Participating Class Member who disagrees with any aspect of the Agreement, the Motion
19 for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to
20 object, for example, that the proposed Settlement is unfair, or that the amounts requested
21 by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written**
22 **objections to the Administrator is _____.** Be sure to tell the Administrator what
23 you object to, why you object, and any facts that support your objection. Make sure you
24 identify the Action *Sunshine Retirement Wage and Hour Cases* and include your name, current
25 address, telephone number, and approximate dates of employment for Defendant and sign the
26 objection.

27 Section 9 of this Notice has the Administrator's contact information.

1 Alternatively, a Participating Class Member can object (or personally retain a lawyer to
2 object at your own cost) by attending the Final Approval Hearing. You (or your attorney)
3 should be ready to tell the Court what you object to, why you object, and any facts that
4 support your objection. See Section 8 of this Notice (immediately below) for specifics
5 regarding the Final Approval Hearing.

6 **8. CAN I ATTEND THE FINAL APPROVAL HEARING?**

7 You can, but don't have to, attend the Final Approval Hearing on _____ at
8 _____ in Department 28 of the Sacramento Superior Court, located at 720 Ninth Street,
9 Sacramento, CA 95814-1380. At the Hearing, the judge will decide whether to grant Final
10 Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel,
11 Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and
12 Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either
13 personally, or virtually. Check the Court's website for the most current information.

14 It's possible the Court will reschedule the Final Approval Hearing. You should check the
15 Court's website at <https://www.saccourt.ca.gov/default.aspx> beforehand or contact Class
16 Counsel to verify the date and time of the Final Approval Hearing.

17 **9. HOW CAN I GET MORE INFORMATION?**

18 The Agreement sets forth everything Defendant and Plaintiffs have promised to do under
19 the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other
20 Settlement documents is to go to the court's website at [New Portal: Sacramento Superior Court](https://www.saccourt.ca.gov/default.aspx)
21 [\(\[ca.gov\]\(https://www.saccourt.ca.gov/default.aspx\)\)](https://www.saccourt.ca.gov/default.aspx). You can also telephone or send an email to Class Counsel or the Administrator using the
22 contact information listed below. You can also make an appointment to personally review court
23 documents in the Clerk's Office at the Sacramento Superior Court courthouse by calling 916-874-
24 5522.

25 **DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION**
26 **ABOUT THE SETTLEMENT.**

27 *////*

28 *////*

Class Counsel:

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Chino Hills, CA 91709
Tel. (909) 521-9609
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zgreenberg@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Settlement Administrator: ILYM Group, Inc.
Name of Company:
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund https://www.sco.ca.gov/upd_inss.html, for instructions on how to retrieve the funds.

1 **11. WHAT IF I CHANGE MY ADDRESS?**

2 To receive your check, you should immediately notify the Administrator if you move or
3 otherwise change your mailing address.

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Exhibit B

INDIVIDUAL GENERAL RELEASE

Sunshine Retirement Living, LLC (the Company) and **Lupe Morales** (Employee) (together, the Parties; individually, a Party), have entered into this Individual General Release (Agreement) to settle all known and unknown claims Employee might have against Company and all related parties. This Agreement shall be governed by the statutes and common law of California.

WHEREAS, Employee is a current employee of the Company;

WHEREAS, the Parties have agreed to separate employment, Employee's last day with the Company was on September 11, 2023 and the Parties now wish to forever resolve, settle, compromise, and end, to the maximum extent permitted by law, any and all claims arising out of Employee's employment with, and separation from, the Company;

WHEREAS, the Parties intend the following to constitute the entire Agreement between them as to the subject matters contemplated herein;

WHEREAS, the Parties each deny wrongdoing of any kind whatsoever related to Employee's employment with the Company;

WHEREAS, Employee wishes to end her employment with the Company; and

NOW, THEREFORE, in consideration of the mutual obligations herein made and undertaken and the consideration specified herein, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, the Company and Employee agree as follows:

Section 1 -- Benefits

(a) **In General:** Employee understands that the benefits set forth in this Agreement are conditioned on Employee entering into (and not revoking) this Agreement with the Company. Employee understands and agrees that Employee is not otherwise entitled to receive the benefits provided herein.

(b) **Payment:** In addition to compensation to which Employee is entitled by law (including earned and accrued, but unused, vacation benefits), and in exchange for the following general release of all claims, waiver under Section 1542, and Employee agreeing to a mutual separation effective immediately, the Company is paying Employee consideration as set out in the paragraphs entitled "Monetary Terms" and "Releases of Claims" in the Class Action and PAGA Settlement Agreement, which is incorporated herein by reference.

Section 2 -- Complete Release

(a) **Claims Released by Employee:** Except for the claims identified in Section 2(b), Employee irrevocably and unconditionally releases all known and unknown claims, promises, causes of action, or similar rights of any type that Employee presently may have that relate in any way to her employment with or separation from the Company (Claims) with respect

to any Released Party listed in Section 2(d). Employee understands that Employee is not releasing future claims. Employee understands that the Claims Employee is releasing might arise under many different foreign, domestic, national, state, or local laws (including statutes, regulations, other administrative guidance, and common law doctrines), such as the following:

Anti-discrimination statutes, such as Title VII of the Civil Rights Act of 1964, Sections 1981 and 1983 of the Civil Rights Act of 1866, and Executive Order 11,246, which prohibit discrimination based on race, color, national origin, religion, or sex; the Age Discrimination in Employment Act (ADEA) and Executive Order 11,141, which prohibit age discrimination in employment; the Equal Pay Act, which prohibits paying men and women unequal pay for equal work; the Americans With Disabilities Act (ADA) and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination based on disability; and any other federal, state, or local laws prohibiting discrimination in employment based on actual or perceived race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, sex, age, sexual orientation, or association with a person who has, or is perceived to have, any of those or other protected characteristics.

Federal employment statutes, such as the Worker Adjustment and Retraining Notification Act (WARN Act), which requires that advance notice be given of certain work force reductions; the Employee Retirement Income Security Act of 1974 (ERISA), which, among other things, protects employee benefits; and any other federal laws relating to employment, such as veterans' reemployment rights laws.

Other laws, such as any federal, state, or local laws mandating leaves of absence, restricting an employer's right to terminate employees, or otherwise regulating employment; any federal, state, or local law enforcing express or implied employment contracts or requiring an employer to deal with employees fairly or in good faith; any other federal, state, or local laws providing recourse for alleged wrongful discharge, tort, physical or personal injury, emotional distress, fraud, negligent misrepresentation, defamation, and similar or related claims; any other law relating to salary, commission, compensation, benefits, and other matters; and family and medical leave laws.

Examples of released Claims include, but are not limited to the following (except to the extent explicitly preserved by Section 2(b) of this Agreement): (i) Claims that in any way relate to or arose during Employee's employment with the Company, or the termination of that employment, such as Claims for compensation, bonuses, commissions, lost wages, or unused accrued vacation or sick pay; (ii) any Claims to attorneys' fees or other indemnities (such as under the Civil Rights Attorneys' Fees Act), with respect to Claims Employee is releasing; or (v) claims under state anti-discrimination laws, such as California's Fair Employment and Housing Act.

If, despite this Agreement, Employee sues asserting any Claim that Employee released, Employee will be liable to the Released Parties (as defined below) for their attorneys' fees, other defense costs, and any other damages that the suit or arbitration causes, except those attributable to ADEA Claims. Employee promises not to accept any relief or remedies not set forth in this Agreement as to any Claim Employee has released by signing it.

(b) **Claims Not Released:** This Agreement does not include, and Employee does not waive, any rights or claims: (a) that may arise after Employee signs this Agreement; (b) for alleged workplace injuries or occupational disease that arise under any state's workers' compensation laws; (c) that cannot be released by law; (d) to enforce this Agreement; or (e) to participate in any proceedings before an administrative agency responsible for enforcing labor and/or employment laws, e.g., the Equal Employment Opportunity Commission (EEOC). Employee agrees, however, to waive and release any right to receive any monetary award from any such proceedings before an administrative agency. In addition, nothing in this Agreement shall be construed to limit Employee's right to respond accurately and fully to any question, inquiry or request for information when required by legal process.

(c) **Unknown Claims:** Employee expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and any other similar provision of applicable law, and does so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 of the Civil Code of the State of California states 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.

Thus, notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release, Employee expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all Claims which the parties do not know of or suspect to exist in either of their favor at the time of signing this Agreement, and that this Agreement contemplates the release of any such Claim or Claims.

(d) **Released Parties:** The Released Parties are the Company, all current and former parents, subsidiaries, related companies, partnerships, or joint ventures, and, with respect to each of them, their predecessors and successors; and, with respect to each such entity, all of its past, and present, employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs), and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection, and their successors.

Section 3 -- Promises

(a) **No Disparagement or Harm:** Employee agrees to refrain from making any defamatory, malicious, or false oral or written statements about the Company or any of its

past or present employees, officers, directors, or owners, or any general matter concerning the Company's reputation, standing in the business community, or business practices. Nothing in this paragraph shall limit any Party's ability to make truthful, good-faith competitive statements in the course of future employment. Nothing in this Agreement prevents Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that the Employee has reason to believe is unlawful. Further, nothing in this Agreement should be construed to interfere with the Employee's rights to exercise, assert, or enforce Employee's rights under the National Labor Relations Act generally, or Section 7 specifically.

(b) **Implementation:** Employee agrees to sign any documents related to her cessation of employment.

Section 4 -- Consideration of Agreement

Employee acknowledges that, before signing this Agreement, Employee was given at least 21 days in which to consider it. Employee further acknowledges that: (1) Employee took advantage of the time Employee was given to consider this Agreement before signing it; (2) Employee carefully read it; (3) Employee fully understands it; (4) Employee is entering into it voluntarily; (5) Employee is receiving valuable consideration in exchange for Employee's execution of this Agreement that Employee would not otherwise be entitled to receive; and (6) the Company, in writing, encouraged Employee to discuss this Agreement with Employee's attorney before signing it, and Employee did so to the extent Employee deemed appropriate. Employee understands that Employee is entitled to revoke this Agreement, in writing, within seven (7) days once Employee signs it. Such revocation must be delivered to the Company, through its outside counsel, Tonkon Torp LLP, at 1600 Pioneer Tower, 888 SW 5th Ave, Portland, OR 92704, Attention: Megan Reuther, within the 7-day period, in which case Employee will receive no benefits and this Agreement will not go into effect. If Employee does not revoke this Agreement, it will become enforceable on the eighth day after Employee signs it (Effective Date).

Section 5 -- Miscellaneous

(a) **Entire Agreement:** This Agreement is the entire agreement between the Parties relating to Employee's employment and the subject matters of this Agreement in conjunction with the Class Action Settlement Agreement. Neither may not be modified or canceled in any manner, nor may any provision of it or any legal remedy with respect to it be waived, except by a writing signed by both Parties. Employee acknowledges that the Company has made no representations or promises other than those in or referred to by this Agreement. If any provision in this Agreement is found to be unenforceable, all other provisions will remain fully enforceable.

(b) **Successors:** This Agreement binds Employee's heirs, administrators, representatives, executors, successors, and assigns, and will inure to the benefit of all Released Parties and their respective heirs, administrators, representatives, executors, successors, and assigns.

(c) **Interpretation:** This Agreement shall be construed as a whole according to its fair meaning. It shall not be construed strictly for or against Employee or any Released Party. Unless the context indicates otherwise, the term “or” shall be deemed to include the term “and” and the singular or plural number shall be deemed to include the other. Captions are intended solely for convenience of reference and shall not be used in the interpretation of this Agreement.

BEFORE SIGNING THIS AGREEMENT READ AND CAREFULLY CONSIDER IT. IF YOU CHOOSE, DISCUSS IT WITH YOUR ATTORNEY (AT YOUR OWN EXPENSE). BY SIGNING THIS AGREEMENT, YOU WILL BE WAIVING YOUR KNOWN AND UNKNOWN CLAIMS.

Executed at Lupe, Morales, this 07 day of September, 2023.
(print name of city) (print name of state)

DocuSigned by:



B4A78F88E6694D8

Signature of Employee

Lupe Morales

Executed at _____, _____, this ____ day of _____, 2023.
(print name of city) (print name of state)

Signature of Company Representative

Name and Title of Company Representative

(c) **Interpretation:** This Agreement shall be construed as a whole according to its fair meaning. It shall not be construed strictly for or against Employee or any Released Party. Unless the context indicates otherwise, the term “or” shall be deemed to include the term “and” and the singular or plural number shall be deemed to include the other. Captions are intended solely for convenience of reference and shall not be used in the interpretation of this Agreement.

BEFORE SIGNING THIS AGREEMENT READ AND CAREFULLY CONSIDER IT. IF YOU CHOOSE, DISCUSS IT WITH YOUR ATTORNEY (AT YOUR OWN EXPENSE). BY SIGNING THIS AGREEMENT, YOU WILL BE WAIVING YOUR KNOWN AND UNKNOWN CLAIMS.

Executed at _____, _____, this ____ day of _____, 2023.
(print name of city) (print name of state)

Signature of Employee
Lupe Morales

Executed at Austin, Texas, this 5th day of September, 2023.
(print name of city) (print name of state)

LUIS SERRANO

Signature of Company Representative

LUIS SERRANO **CEO**

Name and Title of Company Representative

INDIVIDUAL GENERAL RELEASE

Sunshine Retirement Living, LLC (the Company) and **Blanca Navarro** (Navarro) (together, the Parties; individually, a Party), have entered into this General Release (Agreement) to settle all known and unknown claims Navarro might have against Company and all related parties. This Agreement shall be governed by the statutes and common law of California, excluding any that mandate the use of another jurisdiction's laws.

WHEREAS, Navarro is a former employee of the Company;

WHEREAS, now wish to forever resolve, settle, compromise, and end, to the maximum extent permitted by law, any and all claims arising out of Navarro's employment with, and separation from, the Company;

WHEREAS, the Parties intend the following to constitute the entire Agreement between them as to the subject matters contemplated herein;

WHEREAS, the Parties each deny wrongdoing of any kind whatsoever related to Navarro's employment with the Company; and

NOW, THEREFORE, in consideration of the mutual obligations herein made and undertaken and the consideration specified herein, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, the Company and Navarro agree as follows:

Section 1 -- Benefits

(a) **In General:** Navarro understands that the benefits set forth in this Agreement are conditioned on Navarro entering into (and not revoking) this Agreement with the Company. Navarro understands and agrees that Navarro is not otherwise entitled to receive the benefits provided herein.

(b) **Payment:** In addition to compensation to which Navarro is entitled by law (including earned and accrued, but unused, vacation benefits), and in exchange for the following general release of all claims and waiver under Section 1542, the Company is paying Navarro consideration as set out in the paragraphs entitled "Monetary Terms" and "Releases of Claims" in the Class Action and PAGA Settlement Agreement, which is incorporated herein by reference.

Section 2 -- Complete Release

(a) **Claims Released by Navarro:** Except for the claims identified in Section 2(b), Navarro irrevocably and unconditionally releases all known and unknown claims, promises, causes of action, or similar rights of any type that Navarro presently may have that relate in any way to her employment with or separation from the Company (Claims) with respect to any Released Party listed in Section 2(d). Navarro understands that Navarro is not releasing future claims. Navarro understands that the Claims Navarro is releasing might arise under many

different foreign, domestic, national, state, or local laws (including statutes, regulations, other administrative guidance, and common law doctrines), such as the following:

Anti-discrimination statutes, such as Title VII of the Civil Rights Act of 1964, Sections 1981 and 1983 of the Civil Rights Act of 1866, and Executive Order 11,246, which prohibit discrimination based on race, color, national origin, religion, or sex; the Age Discrimination in Employment Act (ADEA) and Executive Order 11,141, which prohibit age discrimination in employment; the Equal Pay Act, which prohibits paying men and women unequal pay for equal work; the Americans With Disabilities Act (ADA) and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination based on disability; and any other federal, state, or local laws prohibiting discrimination in employment based on actual or perceived race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, sex, age, sexual orientation, or association with a person who has, or is perceived to have, any of those or other protected characteristics.

Federal employment statutes, such as the Worker Adjustment and Retraining Notification Act (WARN Act), which requires that advance notice be given of certain work force reductions; the Employee Retirement Income Security Act of 1974 (ERISA), which, among other things, protects employee benefits; and any other federal laws relating to employment, such as veterans' reemployment rights laws.

Other laws, such as any federal, state, or local laws mandating leaves of absence, restricting an employer's right to terminate employees, or otherwise regulating employment; any federal, state, or local law enforcing express or implied employment contracts or requiring an employer to deal with employees fairly or in good faith; any other federal, state, or local laws providing recourse for alleged wrongful discharge, tort, physical or personal injury, emotional distress, fraud, negligent misrepresentation, defamation, and similar or related claims; any other law relating to salary, commission, compensation, benefits, and other matters; and family and medical leave laws.

Examples of released Claims include, but are not limited to the following (except to the extent explicitly preserved by Section 2(b) of this Agreement): (i) Claims that in any way relate to or arose during Navarro's employment with the Company, or the termination of that employment, such as Claims for compensation, bonuses, commissions, lost wages, or unused accrued vacation or sick pay; (ii) Claims that in any way relate to the design or administration of any employee benefit program; (iii) Claims that Navarro has not received alleged irrevocable or vested rights to severance or similar benefits or post-employment health or group insurance benefits; (iv) any Claims to attorneys' fees or other indemnities (such as under the Civil Rights Attorneys' Fees Act), with respect to Claims Navarro is releasing; or (v) claims under state anti-discrimination laws, such as California's Fair Employment and Housing Act.

If, despite this Agreement, Navarro sues asserting any Claim that Navarro released, Navarro will be liable to the Released Parties (as defined below) for their attorneys' fees, other defense costs, and any other damages that the suit or arbitration causes, except those attributable to ADEA Claims. Navarro promises not to accept any relief or remedies not set forth in this Agreement as to any Claim Navarro has released by signing it.

(b) **Claims Not Released:** This Agreement does not include, and Navarro does not waive, any rights or claims: (a) that may arise after Navarro signs this Agreement; (b) for alleged workplace injuries or occupational disease that arise under any state's workers' compensation laws; (c) that cannot be released by law; (d) to enforce this Agreement; or (e) to participate in any proceedings before an administrative agency responsible for enforcing labor and/or employment laws, e.g., the Equal Employment Opportunity Commission (EEOC). Navarro agrees, however, to waive and release any right to receive any monetary award from any such proceedings before an administrative agency. In addition, nothing in this Agreement shall be construed to limit Navarro's right to respond accurately and fully to any question, inquiry or request for information when required by legal process.

(c) **Unknown Claims:** Navarro expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and any other similar provision of applicable law, and does so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 of the Civil Code of the State of California states 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.

Thus, notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release, Navarro expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all Claims which the parties do not know of or suspect to exist in either of their favor at the time of signing this Agreement, and that this Agreement contemplates the release of any such Claim or Claims.

(d) **Released Parties:** The Released Parties are the Company, all current and former parents, subsidiaries, related companies, partnerships, or joint ventures, and, with respect to each of them, their predecessors and successors; and, with respect to each such entity, all of its past, and present, employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs), and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection, and their successors.

Section 3 -- Promises

(a) **No Disparagement or Harm:** Navarro agrees to refrain from making any defamatory, malicious, or false oral or written statements about the Company or any of its past or present employees, officers, directors, or owners, or any general matter concerning the Company's reputation, standing in the business community, or business practices. Nothing in

this paragraph shall limit any Party's ability to make truthful, good-faith competitive statements in the course of future employment. Nothing in this Agreement prevents Navarro from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Navarro has reason to believe is unlawful. Further, nothing in this Agreement should be construed to interfere with Navarro's rights to exercise, assert, or enforce Navarro's rights under the National Labor Relations Act generally, or Section 7 specifically.

(b) **Implementation:** Navarro agrees to sign any documents and do anything else that in the future is needed to implement this Agreement.

(c) **This Agreement to be Kept Confidential Before Settlement is**

Approved: Except as required by applicable law, regulation, or legal process, Navarro agrees to keep confidential before this settlement has been approved by the Court the fact, terms, and conditions of this Agreement to third parties, unless (a) Navarro reasonably believes that such disclosure is required by applicable law, (b) Navarro is compelled to disclose by judicial or administrative process, or (c) Navarro makes such disclosure in any action or proceeding brought by a party to this Agreement in pursuit of its rights under this Agreement; provided, however, in the case of disclosure pursuant to (a) or (b) above, Navarro will disclose only such information that Navarro believes Navarro is required to disclose and, to the extent practicable, Navarro will give the Company advance written notice of such intended disclosure so that the Company may seek a protective order. Notwithstanding the foregoing, Navarro understands that Navarro may disclose the terms of this Agreement with Navarro's spouse, attorneys, accountants, mental health professionals, and licensed tax advisors, but that any breach of this Section by them shall be considered a breach of the same by Navarro. Navarro may also disclose the terms of this Agreement as required in connection with any application for benefits (such as unemployment or disability benefits). Navarro acknowledges that if Navarro (or any person to whom Navarro made an authorized disclosure) violates the confidentiality terms of this Section 3(f), the actual damages to the Released Parties resulting from the breach would be difficult or impossible to ascertain. Therefore, in the event of such a violation, Navarro agrees to pay the Company upon demand as liquidated damages, and not as a penalty, the sum of \$1,000.00 (Three Thousand Dollars) per breach. Nothing in this Agreement prevents Navarro from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Navarro has reason to believe is unlawful. Further, nothing in this Agreement should be construed to interfere with Navarro's rights to exercise, assert, or enforce Navarro's rights under the National Labor Relations Act generally, or Section 7 specifically.

Section 4 -- Consideration of Agreement

Navarro acknowledges that, before signing this Agreement, Navarro was given at least 21 days in which to consider it. Navarro further acknowledges that: (1) Navarro took advantage of the time Navarro was given to consider this Agreement before signing it; (2) Navarro carefully read it; (3) Navarro fully understands it; (4) Navarro is entering into it voluntarily; (5) Navarro is receiving valuable consideration in exchange for Navarro's execution of this Agreement that Navarro would not otherwise be entitled to receive; and (6) the Company, in writing, encouraged Navarro to discuss this Agreement with Navarro's attorney before signing it, and Navarro did so to the extent Navarro deemed appropriate. Navarro understands that Navarro is entitled to

revoke this Agreement, in writing, within seven (7) days once Navarro signs it. Such revocation must be delivered to the Company, through its outside counsel, Tonkon Torp LLP, at 1600 Pioneer Tower, 888 SW 5th Ave, Portland, OR 92704, Attention: Megan Reuther, within the 7-day period, in which case Navarro will receive no benefits and this Agreement will not go into effect. If Navarro does not revoke this Agreement, it will become enforceable on the eighth day after Navarro signs it (Effective Date).

Section 5 -- Miscellaneous

(a) **Entire Agreement:** This Agreement is the entire agreement between the Parties relating to Navarro's employment and the subject matters of this Agreement. It may not be modified or canceled in any manner, nor may any provision of it or any legal remedy with respect to it be waived, except by a writing signed by both Parties. Navarro acknowledges that the Company has made no representations or promises other than those in or referred to by this Agreement. If any provision in this Agreement is found to be unenforceable, all other provisions will remain fully enforceable.

(b) **Successors:** This Agreement binds Navarro's heirs, administrators, representatives, executors, successors, and assigns, and will inure to the benefit of all Released Parties and their respective heirs, administrators, representatives, executors, successors, and assigns.

(c) **Interpretation:** This Agreement shall be construed as a whole according to its fair meaning. It shall not be construed strictly for or against Navarro or any Released Party. Unless the context indicates otherwise, the term "or" shall be deemed to include the term "and" and the singular or plural number shall be deemed to include the other. Captions are intended solely for convenience of reference and shall not be used in the interpretation of this Agreement.

BEFORE SIGNING THIS AGREEMENT READ AND CAREFULLY CONSIDER IT. IF YOU CHOOSE, DISCUSS IT WITH YOUR ATTORNEY (AT YOUR OWN EXPENSE). BY SIGNING THIS AGREEMENT, YOU WILL BE WAIVING YOUR KNOWN AND UNKNOWN CLAIMS.

Executed at San juan capistrano wednesday, this 13 day of September, 2023.
(print name of city) (print name of state)

DocuSigned by:

523D2B3C65EC47C...
Signature of Blanca Navarro

Executed at _____, _____, this ____ day of _____, 2023.
(print name of city) (print name of state)

Signature of Company Representative

Name and Title of Company Representative

BEFORE SIGNING THIS AGREEMENT READ AND CAREFULLY CONSIDER IT. IF YOU CHOOSE, DISCUSS IT WITH YOUR ATTORNEY (AT YOUR OWN EXPENSE). BY SIGNING THIS AGREEMENT, YOU WILL BE WAIVING YOUR KNOWN AND UNKNOWN CLAIMS.

Executed at _____, _____, this ____ day of _____, 2023.
(print name of city) (print name of state)

Signature of Blanca Navarro

Executed at Austin, Texas, this 5th day of September, 2023.
(print name of city) (print name of state)

LUIS SERRANO

Signature of Company Representative

LUIS SERRANO CEO

Name and Title of Company Representative

INDIVIDUAL GENERAL RELEASE

Sunshine Retirement Living, LLC (the Company) and **Erika Muniz** (Muniz) (together, the Parties; individually, a Party), have entered into this General Release (Agreement) to settle all known and unknown claims Muniz might have against Company and all related parties. This Agreement shall be governed by the statutes and common law of California, excluding any that mandate the use of another jurisdiction's laws.

WHEREAS, Muniz is a former employee of the Company;

WHEREAS, now wish to forever resolve, settle, compromise, and end, to the maximum extent permitted by law, any and all claims arising out of Muniz's employment with, and separation from, the Company;

WHEREAS, the Parties intend the following to constitute the entire Agreement between them as to the subject matters contemplated herein;

WHEREAS, the Parties each deny wrongdoing of any kind whatsoever related to Muniz's employment with the Company; and

NOW, THEREFORE, in consideration of the mutual obligations herein made and undertaken and the consideration specified herein, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, the Company and Muniz agree as follows:

Section 1 -- Benefits

(a) **In General:** Muniz understands that the benefits set forth in this Agreement are conditioned on Muniz entering into (and not revoking) this Agreement with the Company. Muniz understands and agrees that Muniz is not otherwise entitled to receive the benefits provided herein.

(b) **Payment:** In addition to compensation to which Muniz is entitled by law (including earned and accrued, but unused, vacation benefits), and in exchange for the following general release of all claims and waiver under Section 1542, the Company is paying Muniz consideration as set out in the paragraphs entitled "Monetary Terms" and "Releases of Claims" in the Class Action and PAGA Settlement Agreement, which is incorporated herein by reference.

Section 2 -- Complete Release

(a) **Claims Released by Muniz:** Except for the claims identified in Section 2(b), Muniz irrevocably and unconditionally releases all known and unknown claims, promises, causes of action, or similar rights of any type that Muniz presently may have that relate in any way to her employment with or separation from the Company (Claims) with respect to any Released Party listed in Section 2(d). Muniz understands that Muniz is not releasing future claims. Muniz understands that the Claims Muniz is releasing might arise under many different foreign, domestic, national, state, or local laws (including statutes, regulations, other administrative guidance, and common law doctrines), such as the following:

Anti-discrimination statutes, such as Title VII of the Civil Rights Act of 1964, Sections 1981 and 1983 of the Civil Rights Act of 1866, and Executive Order 11,246, which prohibit discrimination based on race, color, national origin, religion, or sex; the Age Discrimination in Employment Act (ADEA) and Executive Order 11,141, which prohibit age discrimination in employment; the Equal Pay Act, which prohibits paying men and women unequal pay for equal work; the Americans With Disabilities Act (ADA) and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination based on disability; and any other federal, state, or local laws prohibiting discrimination in employment based on actual or perceived race, religion, color, national origin, ancestry, physical or mental disability, medical condition, marital status, sex, age, sexual orientation, or association with a person who has, or is perceived to have, any of those or other protected characteristics.

Federal employment statutes, such as the Worker Adjustment and Retraining Notification Act (WARN Act), which requires that advance notice be given of certain work force reductions; the Employee Retirement Income Security Act of 1974 (ERISA), which, among other things, protects employee benefits; and any other federal laws relating to employment, such as veterans' reemployment rights laws.

Other laws, such as any federal, state, or local laws mandating leaves of absence, restricting an employer's right to terminate employees, or otherwise regulating employment; any federal, state, or local law enforcing express or implied employment contracts or requiring an employer to deal with employees fairly or in good faith; any other federal, state, or local laws providing recourse for alleged wrongful discharge, tort, physical or personal injury, emotional distress, fraud, negligent misrepresentation, defamation, and similar or related claims; any other law relating to salary, commission, compensation, benefits, and other matters; and family and medical leave laws.

Examples of released Claims include, but are not limited to the following (except to the extent explicitly preserved by Section 2(b) of this Agreement): (i) Claims that in any way relate to or arose during Muniz's employment with the Company, or the termination of that employment, such as Claims for compensation, bonuses, commissions, lost wages, or unused accrued vacation or sick pay; (ii) Claims that in any way relate to the design or administration of any employee benefit program; (iii) Claims that Muniz has not received alleged irrevocable or vested rights to severance or similar benefits or post-employment health or group insurance benefits; (iv) any Claims to attorneys' fees or other indemnities (such as under the Civil Rights Attorneys' Fees Act), with respect to Claims Muniz is releasing; or (v) claims under state anti-discrimination laws, such as California's Fair Employment and Housing Act.

If, despite this Agreement, Muniz sues asserting any Claim that Muniz released, Muniz will be liable to the Released Parties (as defined below) for their attorneys' fees, other defense costs, and any other damages that the suit or arbitration causes, except those attributable to ADEA Claims.

Muniz promises not to accept any relief or remedies not set forth in this Agreement as to any Claim Muniz has released by signing it.

(b) **Claims Not Released:** This Agreement does not include, and Muniz does not waive, any rights or claims: (a) that may arise after Muniz signs this Agreement; (b) for alleged workplace injuries or occupational disease that arise under any state's workers' compensation laws; (c) that cannot be released by law; (d) to enforce this Agreement; or (e) to participate in any proceedings before an administrative agency responsible for enforcing labor and/or employment laws, e.g., the Equal Employment Opportunity Commission (EEOC). Muniz agrees, however, to waive and release any right to receive any monetary award from any such proceedings before an administrative agency. In addition, nothing in this Agreement shall be construed to limit Muniz's right to respond accurately and fully to any question, inquiry or request for information when required by legal process.

(c) **Unknown Claims:** Muniz expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and any other similar provision of applicable law, and does so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 of the Civil Code of the State of California states 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.

Thus, notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release, Muniz expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all Claims which the parties do not know of or suspect to exist in either of their favor at the time of signing this Agreement, and that this Agreement contemplates the release of any such Claim or Claims.

(d) **Released Parties:** The Released Parties are the Company, all current and former parents, subsidiaries, related companies, partnerships, or joint ventures, and, with respect to each of them, their predecessors and successors; and, with respect to each such entity, all of its past, and present, employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, insurers, employee benefit programs (and the trustees, administrators, fiduciaries, and insurers of such programs), and any other persons acting by, through, under, or in concert with any of the persons or entities listed in this subsection, and their successors.

Section 3 -- Promises

(a) **No Disparagement or Harm:** Muniz agrees to refrain from making any defamatory, malicious, or false oral or written statements about the Company or any of its past or present employees, officers, directors, or owners, or any general matter concerning the Company's reputation, standing in the business community, or business practices. Nothing in this paragraph shall limit any Party's ability to make truthful, good-faith competitive statements in the course of future employment. Nothing in this Agreement prevents Muniz from discussing or disclosing information about unlawful acts in the workplace, such as harassment or

discrimination or any other conduct that Muniz has reason to believe is unlawful. Further, nothing in this Agreement should be construed to interfere with Muniz's rights to exercise, assert, or enforce Muniz's rights under the National Labor Relations Act generally, or Section 7 specifically.

(b) **Implementation:** Muniz agrees to sign any documents and do anything else that in the future is needed to implement this Agreement.

(c) **This Agreement to be Kept Confidential Before Settlement is Approved:** Except as required by applicable law, regulation, or legal process, Muniz agrees to keep confidential before this settlement has been approved by the Court the fact, terms, and conditions of this Agreement to third parties, unless (a) Muniz reasonably believes that such disclosure is required by applicable law, (b) Muniz is compelled to disclose by judicial or administrative process, or (c) Muniz makes such disclosure in any action or proceeding brought by a party to this Agreement in pursuit of its rights under this Agreement; provided, however, in the case of disclosure pursuant to (a) or (b) above, Muniz will disclose only such information that Muniz believes Muniz is required to disclose and, to the extent practicable, Muniz will give the Company advance written notice of such intended disclosure so that the Company may seek a protective order. Notwithstanding the foregoing, Muniz understands that Muniz may disclose the terms of this Agreement with Muniz's spouse, attorneys, accountants, mental health professionals, and licensed tax advisors, but that any breach of this Section by them shall be considered a breach of the same by Muniz. Muniz may also disclose the terms of this Agreement as required in connection with any application for benefits (such as unemployment or disability benefits). Muniz acknowledges that if Muniz (or any person to whom Muniz made an authorized disclosure) violates the confidentiality terms of this Section 3(f), the actual damages to the Released Parties resulting from the breach would be difficult or impossible to ascertain. Therefore, in the event of such a violation, Muniz agrees to pay the Company upon demand as liquidated damages, and not as a penalty, the sum of \$1,000.00 (Three Thousand Dollars) per breach. Nothing in this Agreement prevents Muniz from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Muniz has reason to believe is unlawful. Further, nothing in this Agreement should be construed to interfere with Muniz's rights to exercise, assert, or enforce Muniz's rights under the National Labor Relations Act generally, or Section 7 specifically.

Section 4 -- Consideration of Agreement

Muniz acknowledges that, before signing this Agreement, Muniz was given at least 21 days in which to consider it. Muniz further acknowledges that: (1) Muniz took advantage of the time Muniz was given to consider this Agreement before signing it; (2) Muniz carefully read it; (3) Muniz fully understands it; (4) Muniz is entering into it voluntarily; (5) Muniz is receiving valuable consideration in exchange for Muniz's execution of this Agreement that Muniz would not otherwise be entitled to receive; and (6) the Company, in writing, encouraged Muniz to discuss this Agreement with Muniz's attorney before signing it, and Muniz did so to the extent Muniz deemed appropriate. Muniz understands that Muniz is entitled to revoke this Agreement, in writing, within seven (7) days once Muniz signs it. Such revocation must be delivered to the Company, through its outside counsel, Tonkon Torp LLP, at 1600 Pioneer Tower, 888 SW 5th Ave, Portland, OR 97204, Attention: Megan Reuther, within the 7-day period, in which case

Muniz will receive no benefits and this Agreement will not go into effect. If Muniz does not revoke this Agreement, it will become enforceable on the eighth day after Muniz signs it (Effective Date).

Section 5 -- Miscellaneous

(a) **Entire Agreement:** This Agreement is the entire agreement between the Parties relating to Muniz's employment and the subject matters of this Agreement. It may not be modified or canceled in any manner, nor may any provision of it or any legal remedy with respect to it be waived, except by a writing signed by both Parties. Muniz acknowledges that the Company has made no representations or promises other than those in or referred to by this Agreement. If any provision in this Agreement is found to be unenforceable, all other provisions will remain fully enforceable.

(b) **Successors:** This Agreement binds Muniz's heirs, administrators, representatives, executors, successors, and assigns, and will inure to the benefit of all Released Parties and their respective heirs, administrators, representatives, executors, successors, and assigns.

(c) **Interpretation:** This Agreement shall be construed as a whole according to its fair meaning. It shall not be construed strictly for or against Muniz or any Released Party. Unless the context indicates otherwise, the term "or" shall be deemed to include the term "and" and the singular or plural number shall be deemed to include the other. Captions are intended solely for convenience of reference and shall not be used in the interpretation of this Agreement.

BEFORE SIGNING THIS AGREEMENT READ AND CAREFULLY CONSIDER IT. IF YOU CHOOSE, DISCUSS IT WITH YOUR ATTORNEY (AT YOUR OWN EXPENSE). BY SIGNING THIS AGREEMENT, YOU WILL BE WAIVING YOUR KNOWN AND UNKNOWN CLAIMS.

Executed at Tustin, California, this 5 day of September, 2023.
(print name of city) (print name of state)

—DocuSigned by:

Signature of Erika Muniz

Executed at _____, _____, this ____ day of _____, 2023.
(print name of city) (print name of state)

Signature of Company Representative

Name and Title of Company Representative

Executed at _____, _____, this ____ day of _____, 2023.
(print name of city) (print name of state)

Signature of Erika Muniz

Executed at Austin, Texas, this 5th day of September, 2023.
(print name of city) (print name of state)

LUIS SERRANO

Signature of Company Representative

LUIS SERRANO CEO

Name and Title of Company Representative