

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Haydee Leon (“Plaintiff”) and defendant ALAL, LLC (“ALAL”). The Agreement refers to Plaintiff and ALAL collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against ALAL captioned *Leon v. ALAL, LLC dba Kei-Ai Los Angeles Healthcare Center, et al.*, Case No. 22STCV07259 initiated on February 28, 2022, and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Aggrieved Employee” means all non-exempt employees who were employed by ALAL in California and worked at least one day during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in ALAL’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee 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 Aggrieved Employees.
- 1.7. “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.8. “Court” means the Superior Court of California, County of Los Angeles.
- 1.9. “Defense Counsel” means David L. Martin, Esq., and Ethan Lai, Esq. of Martin Law Firm, PC, 19800 MacArthur Boulevard, Suite 680 Irvine, CA 92612.
- 1.10. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment.

- 1.11. “Gross Settlement Amount” means \$350,000 which is the total amount ALAL agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, the Service Award, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.12. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.13. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.14. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.15. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.16. “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, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Service Award, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.17. “PAGA Counsel” means David Alami, Esq. of Alami Law Group and Daniel J. Hyun, Esq. of the Law Office of Daniel J. Hyun, the attorneys representing the Plaintiff in the Action.
- 1.18. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.19. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for ALAL for at least one day during the PAGA Period.
- 1.20. “PAGA Period” means the period from November 22, 2020 to the date the Court approves the PAGA settlement unless ALAL elects an earlier end date per Paragraph 9 below.
- 1.21. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.22. “PAGA Notice” means Plaintiff’s November 22, 2021, January 19, 2022, and August 15, 2023 letters to ALAL and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.23. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid

from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to LWDA in settlement of PAGA claims.

- 1.24. “Plaintiff” means Haydee Leon, the named plaintiff in the Action.
- 1.25. “Released PAGA Claims” means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.
- 1.26. “Released Parties” means: ALAL and its former and present directors, officers, shareholders, owners, members, attorneys, insurers, agents, independent contractors, employees, predecessors, successors, parents, subsidiaries, affiliates, and assigns.
- 1.27. “Service Award” is the amount from the Gross Settlement Amount that the Court approves to be paid to Plaintiff in exchange for a general release of claims against the Released Parties (as defined herein) and all other defendants named in the Action, including a release of unknown claims under Civil Code section 1542. Plaintiff shall apply for a service award of up to \$15,000, subject to court approval, and any amount not awarded will be returned to the Net Settlement Amount.
- 1.28. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

- 2.1. On February 28, 2022, Plaintiff commenced this Action by filing a Complaint alleging causes of action against ALAL and defendant Aspen Skilled Healthcare, Inc. for violations of the PAGA for failure to pay all wages, failure to provide meal periods, failure to provide rest periods, failure to reimburse necessary business expenses, failure to timely pay wages due upon separation of employment, failure to maintain accurate payroll records and issue accurate itemized wage statements, and related claims. On March 30, 2022, Plaintiff filed a First Amended Complaint adding defendants SKBM, LLC, ALHL, LLC dba Lodi Nursing & Rehabilitation, ALGT, LLC dba Woodlands Healthcare Center, ALGD, LLC dba Stonebrook Health and Rehabilitation, AOTN, LLC dba Oakland Heights Nursing and Rehabilitation, APTB, LLC dba Petaluma Post-Acute Rehabilitation, ASFP, LLC dba Pacific Heights Transitional Care Center, ASCC, LLC dba Riverwood Healthcare Center, AWCY, LLC dba La Casa Via Transitional Care Center, AWHC, LLC dba Mission Palms Healthcare Center, and SKBM II, LLC. As a condition of this Settlement, Plaintiff will file a Second Amended Complaint to add allegations and claims regarding defendants’ alleged failure to include all remunerations when calculating the rate of pay for vacation pay, sick pay, overtime, and meal and rest period premiums, failure to provide suitable seating, failure to provide reporting time pay, unlawful rounding of time, and unlawful deductions from wages (the “Operative Complaint.”). ALAL denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint, and denies any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to

ALAL and the LWDA by sending the PAGA Notice.

- 2.3. On February 23, 2023, the Parties participated in an all-day mediation presided over by Michael D. Young, Esq. of Judicate West. Although the Parties did not reach a resolution at the mediation, the Parties continued to negotiate with the assistance of the mediator, which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through informal discovery substantial data and documents pertaining to Plaintiff's PAGA claim against ALAL.
- 2.5. The Parties, PAGA Counsel, and Defense Counsel are aware of another matter pending before the Los Angeles Superior Court captioned *Huerta v. ALAL, LLC*, Case No. 23STCV05884. Similar PAGA claims are asserted against ALAL, LLC in the *Huerta* matter. The Parties anticipate that the *Huerta* action will be extinguished once the settlement in the Leon matter is approved.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, ALAL promises to pay \$350,000 and no more as the Gross Settlement Amount. ALAL has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to ALAL.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
 - 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than \$140,000 and PAGA Counsel Litigation Expenses Payment of not more than \$25,000. ALAL will not oppose requests for Court approval of these payments provided that they do not exceed these amounts unless increased pursuant to Paragraph 8 below. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds ALAL harmless, and indemnifies ALAL, from any dispute or controversy regarding any division or sharing of any of these Payments.
 - 3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$8,850 except for a showing of good cause and as approved by the Court. To the

extent the Administration Expenses are less or the Court approves payment less than \$8,850, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.3. To the Plaintiff: As a Service Award and in exchange for the releases made as set forth herein, Plaintiff will receive a payment of up to \$15,000, subject to court approval. Any amount not awarded will be returned to the Net Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: 75% of the PAGA Penalties will be allocated to the LWDA PAGA Payment and 25% of the PAGA Penalties will be allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, ALAL estimates there are 987 Aggrieved Employees who worked a total of 29,000 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within 21 calendar days after the Court approves the PAGA settlement, ALAL will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. ALAL has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which ALAL must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. ALAL shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 21 calendar days

after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 10 calendar days after ALAL funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Service Award, the PAGA Counsel Expenses Payment, and PAGA Counsel Litigation Expenses Payment.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose 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 State Controller's Office's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4. The payment of Individual PAGA Payments shall not obligate ALAL to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when ALAL fully funds the entire Gross Settlement Amount, Plaintiff will release claims as follows:

5.1 Plaintiff's Release. Plaintiff and his or her respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties and Aspen Skilled Healthcare, Inc., SKBM, LLC, ALHL, LLC dba Lodi Nursing & Rehabilitation, ALGT, LLC dba Woodlands Healthcare Center, ALGD, LLC dba Stonebrook Health and Rehabilitation, AOTN, LLC dba Oakland Heights Nursing and Rehabilitation, APTB, LLC dba Petaluma Post-Acute Rehabilitation, ASFP, LLC dba Pacific Heights Transitional Care Center, ASCC, LLC dba Riverwood Healthcare Center, AWCY, LLC dba La Casa Via Transitional Care Center, AWHC, LLC dba Mission Palms

Healthcare Center, and SKBM II, LLC from all claims, transactions, or occurrences, including, but not limited to any and all claims: (1) which arose out of or are in any way connected with Plaintiff's employment; (2) which are related to or concern any law, including, but not limited to: (i) discrimination, harassment, and retaliation under local, state, or federal law based on age, sex, race, color, national origin, religion, disability status, or any other category protected by any such law including, but not limited to, the Americans with Disabilities Act, 42 U.S.C. § 12112, et seq., and all other Federal and State Civil Rights Statutes; (ii) wrongful termination, breach of express and implied-in-fact contract, breach of the covenant of good faith and fair dealing, intentional and negligent infliction of emotional distress, defamation and self-compelled defamation, invasion of privacy, breach of employment contract, fraud or negligent misrepresentation, assault, battery, intentional interference with contractual relations and prospective economic advantage, violation of public policy, and other torts; and (iii) failure to pay wages, overtime, meals and rest breaks, penalties, interest, severance pay, commissions, bonuses, sick leave, holiday pay, and vacation pay, either individually or as part of a class action, collective action, and/or representative action; (3) which are related to or concern any violation of California Business and Professions Code Section 17200, et seq., and/or the California Labor Code, including Labor Code section 1102.5; the California Fair Employment and Housing Act; the California Industrial Welfare Commission Wage Orders; and the California Private Attorney General Act; (4) which are related to or concern any violation of the CFRA or the FMLA or other leave statute, or; (5) which are related to allegations of sexual harassment, discrimination based on sex, retaliation, failure to prevent sexual harassment, failure to prevent retaliation, failure to accommodate, failure to engage in a good faith interactive process, and wrongful termination, or; (6) which arose out of or are in any way connected with any transactions, occurrences, acts, omissions, loss, damage or injury whatsoever resulting from any act committed or omission made prior to the date of this Agreement ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits (other than Labor Code sections 132(a) and 4553) that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

- 5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.1.2 Plaintiff Was Employed by ALAL. Plaintiff acknowledges that she was solely employed by ALAL, LLC, and was not employed by Aspen Skilled Healthcare, Inc., SKBM, LLC, ALHL, LLC, ALGT, LLC, ALGD, LLC, AOTN, LLC, APTB, LLC, ASFP, LLC, ASCC, LLC, AWCY, LLC, AWHC, LLC, and SKBM II, LLC at any point in time. Plaintiff acknowledges that she lacks standing to proceed with PAGA claims against Aspen Skilled Healthcare, Inc., SKBM, LLC, ALHL, LLC, ALGT, LLC, ALGD, LLC, AOTN, LLC, APTB, LLC, ASFP, LLC, ASCC, LLC, AWCY, LLC, AWHC, LLC, SKBM II, LLC, and affiliated companies. Plaintiff agrees not to proceed on a PAGA, class, or other basis against Aspen Skilled Healthcare, Inc., SKBM, LLC, ALHL, LLC, ALGT, LLC, ALGD, LLC, AOTN, LLC, APTB, LLC, ASFP, LLC, ASCC, LLC, AWCY, LLC, AWHC, LLC, SKBM II, LLC, and affiliated companies. Plaintiff agrees not to proceed on a class basis against ALAL, LLC. Plaintiff agrees to dismiss any individual claims against ALAL, LLC, Aspen Skilled Healthcare, Inc., SKBM, LLC, ALHL, LLC, ALGT, LLC, ALGD, LLC, AOTN, LLC, APTB, LLC, ASFP, LLC, ASCC, LLC, AWCY, LLC, AWHC, LLC, and SKBM II, LLC with prejudice. Plaintiff acknowledges that her final day of employment with ALAL, LLC was November 8, 2022.

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and/or the PAGA Notice, which include but are not limited to the California Labor Code Private Attorneys General Act of 2004 (PAGA) claims based on the alleged failure to pay all wages, minimum wages, and overtime; failure to provide meal periods and rest periods; failure to maintain accurate records of all meal periods taken or missed; failure to pay meal period premiums and rest period premiums; failure to reimburse business expenses, failure to timely pay wages during employment; failure to timely pay wages at termination; failure to pay accrued vacation wages at termination; failure to provide accurate itemized wage statements; failure to maintain accurate records of the hours that employees worked; failure to include all remunerations when calculating the rate of pay for vacation pay, sick pay, overtime, and meal and rest period premiums; failure to provide suitable seating; failure to provide reporting time pay; unlawful rounding of time; failure to timely pay wages owed during employment; unlawful deductions from wages; violation of *Labor Code* sections 201, 202, 203, 204 *et seq.*, 206, 210, 221, 226, 226.3, 226.7, 227.3, 233, 246 *et seq.*, 510, 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 2800, and 2802; violation of California Code of Regulations, Title 8, Section 11040, Subdivisions 5(A) - (B); violation of California Code of Regulations, Title 8, Section 11070(14); violation of the applicable Industrial Welfare Commission Wage Orders; and all other claims and allegations made or which could have reasonably been made based on the facts and allegations pled in the

Operative Complaint and/or PAGA Notice.

- 5.3 Dismissal without Prejudice of all Defendants other than ALAL: Plaintiff will dismiss without prejudice all defendants other than ALAL as it relates to the aggrieved employees and the State of California.
- 5.4 Release by PAGA Counsel: PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA notice except for the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment provided for in this Settlement.

6. STIPULATION OR MOTION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application, motion, and/or stipulation for approval of this Settlement.

- 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (iv) a draft stipulation requesting that the Court grant approval of the Settlement; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator.
- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the stipulation and/or motion for approval of this Settlement or, if required by the Court, motion for approval of this Settlement no later than 10 days after the full execution of this Agreement and the filing of the Operative Complaint. If the stipulation and proposed order is rejected and a motion is required by the Court, PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval to the Administrator.

- 6.3 Duty to Cooperate. If the joint stipulation and proposed order are denied or the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by teleconference, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by teleconference, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Class Action Administration Solutions to serve as the Administrator and verified that, as a condition of appointment, the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE

Based on its records, ALAL estimates that, as of the date of this Settlement Agreement, there are 987 Aggrieved Employees who worked 29,000 Pay Periods during the PAGA Period. The Parties agree that if as of the end of the PAGA Period the actual number of Pay Periods is more than 10% larger than the estimated number of 29,000 Pay Periods (i.e., 31,900 or more pay periods), then the Gross Settlement Amount shall increase by \$12.07 for each additional pay period over 31,900 Pay Periods. However, ALAL may, at its sole discretion, adjust the length of the PAGA Period by moving the end date so as to keep the number of Pay Periods less than 31,900 and avoid triggering the escalation clause as long as it does so before the notices of settlement are sent to the Aggrieved Employees.

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, pursuant to California Code of Civil Procedure Section 664.6, the Court will

retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Service Award, and Gross Settlement Amount, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by ALAL that any of the allegations in the Operative Complaint have merit or that ALAL has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that ALAL's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, ALAL reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest ALAL's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

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

10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and

supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, ALAL nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 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.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 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.
- 10.10 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.
- 10.11 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.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by ALAL in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from ALAL unless, prior to the Administrator's payment of all Settlement Funds, ALAL makes a written request to PAGA Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

- 10.13 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.
- 10.14 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.
- 10.15 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 Plaintiff:

David Alami
david@alamilawgroup.com
ALAMI LAW GROUP
620 Newport Center Drive, Suite 1100
Newport Beach, CA 92660

Daniel J. Hyun
dh@danielhyunlaw.com
LAW OFFICE OF DANIEL J. HYUN
1100 West Town and Country Road, Suite 1250
Orange, California 92868

To ALAL:

David L. Martin
dave@employmentdefenselaw.com
Ethan Lai
ethan@employmentdefenselaw.com
MARTIN LAW FIRM, PC
19800 MacArthur Blvd, Ste 680
Irvine, CA 92612

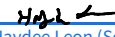
- 10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same 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.
- 10.17 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 section 583.310 for the entire period of this settlement process.

10.18 Representation. Plaintiff and her counsel represent and warrant that they are not currently aware of any: (a) unalleged claims against defendants named in the Operative Complaint (collectively “Defendants”) in addition to, or different from, those which are finally and forever settled and released against Defendants by this settlement; or (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendants, except such facts and theories specifically alleged in the operative complaint in this action. Plaintiff and her counsel further represent that, other than this action, they have no current intention of asserting any other claims against Defendants in any judicial or administrative forum, including but limited to any class claims. Plaintiff and her counsel represent that they do not currently know of or represent any persons who have expressed any interest in pursuing litigation or seeking any recovery against Defendants.

Dated: _____

PLAINTIFF HAYDEE LEON


Haydee Leon (Sep 14, 2023 10:55 PDT)

Haydee Leon

Dated: _____

ALAL, LLC

By: _____

Its: _____

Approved as to Form:

Dated: September 13, 2023

ALAMI LAW GROUP



David Alami
Attorney for Plaintiff Haydee Leon

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 section 583.310 for the entire period of this settlement process.

10.18 Representation. Plaintiff and her counsel represent and warrant that they are not currently aware of any: (a) unalleged claims against defendants named in the Operative Complaint (collectively "Defendants") in addition to, or different from, those which are finally and forever settled and released against Defendants by this settlement; or (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendants, except such facts and theories specifically alleged in the operative complaint in this action. Plaintiff and her counsel further represent that, other than this action, they have no current intention of asserting any other claims against Defendants in any judicial or administrative forum, including but limited to any class claims. Plaintiff and her counsel represent that they do not currently know of or represent any persons who have expressed any interest in pursuing litigation or seeking any recovery against Defendants.

Dated: _____

PLAINTIFF HAYDEE LEON

Haydee Leon

Dated: 9/19/2023

ALAL, LLC

DocuSigned by:

Jared Kirkwood

30C727E45DBC4D6...

By: Jared Kirkwood

Its: General Counsel

Approved as to Form:

Dated: _____

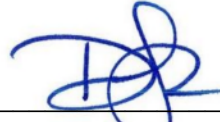
ALAMI LAW GROUP

David Alami

Attorney for Plaintiff Haydee Leon

Dated: September 13, 2023

LAW OFFICES OF DANIEL J. HYUN



Daniel J. Hyun
Attorney for Plaintiff Haydee Leon

Dated: _____

MARTIN LAW FIRM, PC

David L. Martin
Ethan Lai
Attorneys for Defendants ALAL, LLC,
Aspen Skilled Healthcare, Inc., SKBM,
LLC, ALHL, LLC, ALGT, LLC, ALGD,
LLC, AOTN, LLC, APTB, LLC, ASFP,
LLC, ASCC, LLC, AWCY, LLC, AWHC,
LLC, and SKBM II, LLC

Dated: _____

LAW OFFICES OF DANIEL J. HYUN

Daniel J. Hyun
Attorney for Plaintiff Haydee Leon

Dated: 9/19/2023

MARTIN LAW FIRM, PC

DocuSigned by:
David Martin

691E01AEE9B403...
David L. Martin
Ethan Lai
Attorneys for Defendants ALAL, LLC,
Aspen Skilled Healthcare, Inc., SKBM,
LLC, ALHL, LLC, ALGT, LLC, ALGD,
LLC, AOTN, LLC, APTB, LLC, ASFP,
LLC, ASCC, LLC, AWCY, LLC, AWHC,
LLC, and SKBM II, LLC