

**PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND
RELEASE**

This Private Attorneys General Act (“PAGA”) Settlement Agreement and Release (“Settlement Agreement” or “Settlement”) is entered into by and between Haydee Alcantar (“Plaintiff Alcantar”), Alexandria Perkins (“Plaintiff Perkins”), and Devastasia Parker (“Plaintiff Parker”) (collectively, the “Plaintiffs”), for themselves and as representatives of the State of California with respect to the PAGA Group (as defined in Section 3(a)(5) below) and Covenant Care California, LLC (“Defendant Covenant Care”) and Royal Care Skilled Nursing Facility, Inc. (“Defendant Royal Care”) (collectively, the “Defendants”), subject to approval by the Court. The term “Party” or “Parties” as used herein shall refer to Plaintiffs, Defendants, or both, as may be appropriate.

1. **Recitals.** This Settlement Agreement is made with reference to the following facts:

(a) Plaintiff Alcantar is a former employee of Covenant Care California, LLC doing business as Royal Care Skilled Nursing Facility, Inc. Plaintiff was employed by Defendants from approximately February 2021 to approximately April 2022;

(b) Plaintiff Perkins is a former employee of Defendant Covenant Care. Plaintiff was employed by Defendant Covenant Care from approximately November 2021 to approximately April 2022;

(c) Plaintiff Parker is a former employee of Defendant Covenant Care. Plaintiff was employed by Defendant Covenant Care from approximately April 2022 to approximately May 2022;

(d) On June 1, 2022, Aegis Law Firm, PC (“Aegis”), submitted a letter on behalf of Plaintiff Alcantar to the California Labor and Workforce Development Agency (“LWDA”) and Defendant Covenant Care, to notify the LWDA and Defendants, pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”) of Plaintiff Alcantar’s intent to seek civil penalties under PAGA for Defendants’ alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, and 1198, thereby initiating LWDA Case Number LWDA-CM-886859-22 (the “*Alcantar* PAGA Notice”);

(e) On June 1, 2022, Plaintiff Alcantar filed a class action complaint alleging claims against Defendants for (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Permit Rest Breaks; (5) Failure to Provide Accurate Itemized Wage Statements; (6) Failure to Pay Wages Timely During Employment; (7) Failure to Pay all Wages Due Upon Separation of Employment; and (8) Violation of California Business and Professions Code §§ 17200, *et seq.*, commencing a putative class action entitled *Haydee Alcantar v. Royal Care Skilled Nursing Facility, Inc.; Covenant Care California, LLC*, Superior Court of California for the County of Santa Clara (“Court”) Case No. 22CV398814 (the “*Alcantar* Action”). On August 9, 2022, Plaintiff Alcantar filed a First Amended Complaint adding a claim for enforcement under the PAGA.

(f) On January 18, 2023, Lawyers *for* Justice, PC (“Lawyers *for* Justice” and together with Aegis, “Plaintiffs’ Counsel”), submitted a letter on behalf of Plaintiff

Perkins to the LWDA and Defendant Covenant Care, to notify the LWDA and Defendants, pursuant to the PAGA of Plaintiff Perkins' intent to seek civil penalties under PAGA for Defendants' alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and 2810.5 and Industrial Welfare Commission ("IWC") Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001, thereby initiating LWDA Case Number LWDA-CM-930197-23 (the "*Perkins* PAGA Notice");

(g) On March 27, 2023, Plaintiff Perkins filed her Complaint for enforcement under the Private Attorneys General Act, California Labor Code § 2698, et seq. ("*Perkins* Complaint"), commencing a representative action under PAGA against Defendant Covenant Care, entitled *Alexandria Perkins v. Covenant Care California, LLC*, Superior Court of California for the County of Sacramento ("Court") Case No. 34-2023-00337015-CU-OE-GDS (the "*Perkins* Action", and together with the *Alcantar* Action, the "Actions"). The *Perkins* Complaint asserts a single cause of action for civil penalties under PAGA, and for violations of multiple provisions of the California Labor Code and applicable Industrial Welfare Commission Wage Orders;

(h) On March 9, 2023, Lawyers *for* Justice, submitted a letter on behalf of Plaintiff Parker to the LWDA and Defendant Covenant Care, to notify the LWDA and Defendants, pursuant to PAGA of Plaintiff Parker's intent to seek civil penalties under PAGA for Defendants' alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and IWC Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001, thereby initiating LWDA Case Number LWCA-CM-940999-23 (the "*Parker* PAGA Notice");

(i) On May 16, 2023, Plaintiff Perkins filed a First Amended Complaint for enforcement under the PAGA ("First Amended Complaint") in the *Perkins* Action, adding Plaintiff Parker as a named plaintiff in the *Perkins* Action;

(j) On April 13, 2023, Plaintiff Alcantar filed a Third Amended Complaint, alleging a single claim for enforcement of California Labor Code § 2698 et seq. ("*Alcantar* Complaint"). The putative class claims that had been asserted in the *Alcantar* Action were dismissed without prejudice and the *Alcantar* Complaint asserts a single cause of action for civil penalties under PAGA, for violations of multiple provisions of the California Labor Code and applicable IWC Wage Orders;

(k) In order to effectuate the terms of the Settlement, Plaintiffs agree to file a Second Amended Complaint in the *Perkins* Action to add Plaintiff Alcantar as a named plaintiff and incorporate her PAGA cause of action into the *Perkins* Action. Upon the filing of the contemplated Second Amended Complaint, it shall be the "Operative Complaint" for this settlement. If this Settlement is not approved or Defendants withdraw from this Settlement, and the Parties are unable to reach an agreement after good-faith efforts are exhausted, Plaintiffs will dismiss Plaintiff Alcantar from the *Perkins* Action and Plaintiff Alcantar's claims will revert to the *Alcantar* Action, which will proceed separately from the Perkins Action;

(l) Plaintiff Alcantar agrees to dismiss the *Alcantar* Action with prejudice and withdraw her claims pending in arbitration, JAMS Case No. 1200060475 within five (5) business days of the effective date of the settlement;

(m) On April 16, 2024, the Parties mediated the Actions with Jeffrey Ross, Esq. and, while the matter did not settle at the mediation, the Parties agreed to and engaged in continued settlement negotiations, and with the aid of the mediator's evaluation, the Parties ultimately reached the Settlement described herein to resolve the Actions in their entirety;

(n) There has been no determination on the merits of the Actions. In order to avoid additional costs and the uncertainty of litigation, the Parties desire to resolve the Actions and Released Claims pursuant to the terms of the settlement reached by the Parties (as defined in Section 8(a) below).

(o) Unless otherwise specified herein, all citations and references to the PAGA are to the version of the statute prior to the amendment effective July 1, 2024; the amended statute does not apply to the Actions and the Settlement pursuant to California Labor Code section 2699(v), as amended, because the *Alcantar* PAGA Notice, *Perkins* PAGA Notice, and *Parker* PAGA Notice (collectively, "PAGA Notices") were all submitted to the LWDA before June 19, 2024.

2. **No Admission of Wrongdoing.** The Parties agree that neither this Settlement Agreement nor the furnishing of the consideration for this Settlement Agreement shall be deemed or construed at any time for any purpose as an admission by the Released Parties (as defined herein) of wrongdoing or evidence of any liability or unlawful conduct of any kind.

3. **Consideration.**

(a) In consideration for Plaintiffs signing this Settlement Agreement and complying with its terms, Defendants shall pay the maximum gross sum of Three Million Dollars and Zero Cents (\$3,000,000.00) ("Total Settlement Amount") to resolve the Actions and Released Claims (as defined herein), which will be paid as follows:

(1) Attorneys' fees in the amount of Forty Percent (40%) of the Total Settlement Amount, which is One Million Two Hundred Thousand Dollars and Zero Cents (\$1,200,000.00) ("Attorneys' Fees Payment") and reimbursement of litigation costs and expenses incurred in the Action in the amount of up to Sixty Thousand Dollars and Zero Cents (\$60,000.00) ("Litigation Costs and Expenses Payment") (collectively, "Attorneys' Fees and Costs Payment") to Plaintiffs' Counsel, which Defendants will not contest, subject to Court approval.

(2) A general release fee of up to the amount of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) ("General Release Fee") to each of the named Plaintiffs, which Defendants will not contest, subject to Court approval.

(3) Costs and expenses of administration of the Settlement up to the amount of twenty-five thousand dollars (\$25,000.00) ("Settlement Administration Costs") to ILYM Group, Inc. (the "PAGA Settlement Administrator"), subject to Court approval.

(4) The amounts stated in Sections 3(a)(1) – 3(a)(3) above, once approved by the Court, shall be paid from the Total Settlement Amount. The balance remaining after these deductions is referred to as the "Net Settlement Amount."

(5) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA ("LWDA Payment"); and the remaining twenty-five percent

(25%) will be distributed to all current and former hourly-paid, non-exempt employees of either of the Defendants who worked in California at any time during the PAGA Period (the “PAGA Group” or “PAGA Members”). The period June 1, 2021 through November 30, 2024 is the “PAGA Period.” Twenty-five percent (25%) of the Net Settlement Amount will be distributed to the PAGA Members; this portion of the Net Settlement Amount that is payable to PAGA Members is referred to as the “Employees’ Portion.”

(6) The Total Settlement Amount shall be funded by Defendants in twelve (12) equal installments, in accordance with the following schedule:

- i. Installment Payment 1: \$250,000.00 paid on or before the thirtieth (30) day following the Court’s order approving the Settlement Agreement (“Installment Payment 1”).
- ii. Installment Payment 2: \$250,000.00 paid out on the first of the month following sixty (60) days following the Court’s order approving the Settlement Agreement (“Installment Payment 2”).
- iii. Installment Payment 3: \$250,000.00 paid out on the first of the month following ninety (90) days following the Court’s order approving the Settlement Agreement (“Installment Payment 3”).
- iv. Installment Payment 4: \$250,000.00 paid out on the first of the month following one hundred and twenty (120) days following the Court’s order approving the Settlement Agreement (“Installment Payment 4”).
- v. Installment Payment 5: \$250,000.00 paid out on the first of the month following one hundred and fifty (150) days following the Court’s order approving the Settlement Agreement (“Installment Payment 5”).
- vi. Installment Payment 6: \$250,000.00 paid out on the first of the month following one hundred and eighty (180) days following the Court’s order approving the Settlement Agreement (“Installment Payment 6”).
- vii. Installment Payment 7: \$250,000.00 paid out on the first of the month following two hundred and ten (210) days following the Court’s order approving the Settlement Agreement (“Installment Payment 7”).
- viii. Installment Payment 8: \$250,000.00 paid out on the first of the month following two hundred and forty (240) days following the Court’s order approving the Settlement Agreement (“Installment Payment 8”).
- ix. Installment Payment 9: \$250,000.00 paid out on the first of the month following two hundred and seventy (270) days following the Court’s order approving the Settlement Agreement (“Installment Payment 9”).
- x. Installment Payment 10: \$250,000.00 paid out on the first of the month following three hundred (300) days following the Court’s order approving the Settlement Agreement (“Installment Payment 10”).

- xi. Installment Payment 11: \$250,000.00 paid out on the first of the month following three hundred and thirty (330) days following the Court's order approving the Settlement Agreement ("Installment Payment 11").
- xii. Installment Payment 12: \$250,000.00 paid out on the first of the month following three hundred and sixty (360) days following the Court's order approving the Settlement Agreement ("Installment Payment 12").

(b) Defendants estimate that there are approximately 6,550 individuals who are PAGA Members, and worked approximately 176,408 Compensable Pay Periods, as defined below, during the PAGA Period.

(c) Because this is a settlement of PAGA civil penalties only, no portion of the Settlement is allocated to unpaid wages. One Hundred Percent (100%) of the payments for Attorneys' Fees and Costs, General Release Fees, and the Net Settlement Amount to be paid to the LWDA and PAGA Members as described in Section 3(a) above will be treated and reported for tax purposes as non-wage payments and the PAGA Settlement Administrator will be responsible for issuing IRS Forms 1099 as required.

4. **Court Approval is Required.** Plaintiffs understand and agree that the State of California and PAGA Members, including Plaintiffs, would not receive the consideration specified in Section 3(a) above, except for Plaintiffs' execution of this Settlement Agreement, and the fulfillment of the promises contained herein, as well as Court approval of the Settlement. If this Settlement Agreement is not approved by the Court, it shall be null and void.

5. **Disbursal of Settlement Funds.**

(a) Subject to Section 4 above, Defendants shall remit payments, in accordance with the installment payment schedule herein, to the PAGA Settlement Administrator to fund the entire Total Settlement Amount, after all of the following has occurred: (i) the Settlement Agreement is fully executed by all Parties and their counsel; and (ii) the Court has entered an order approving the Settlement Agreement.

(b) Upon complete distribution of the Total Settlement Amount by the PAGA Settlement Administrator in accordance with this Settlement Agreement, the PAGA Settlement Administrator will so notify the Parties.

6. **Approval and Implementation of the PAGA Settlement.**

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and take any and all steps required by the Court in the Actions to implement the settlement and terminate the Actions pursuant to settlement (i.e., to terminate the Actions by way of judgment or dismissal).

(b) The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take

all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Section 3(a) above.

(c) The Parties shall seek to obtain Court approval of this Settlement Agreement by way of an unopposed motion to be filed by Plaintiffs' Counsel. Plaintiffs' Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Kathryn T. McGuigan and Hailey A. Phelan of Morgan, Lewis & Bockius LLP (together, "Defendants' Counsel") for review; Defendants' Counsel will be given at least a calendar week to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable.

(d) The Parties expressly acknowledge that the Court's approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Actions and/or close the Actions based on the Settlement, the entirety of this Settlement Agreement shall be null and void.

7. Payment of Total Settlement Amount / Notice to Recipients.

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Sections 3(a) above shall be made by Defendants by transmitting the required sums to a qualified settlement account established by the PAGA Settlement Administrator for administration of this Settlement commencing after the Court's entry of an order granting approval of this Settlement Agreement. If the date by which payment by Defendants is due falls on a Saturday, Sunday or legal holiday in the State of California, then the due date shall be extended the next following day which is not a Saturday, Sunday, or legal holiday in the State of California.

(b) Each PAGA Member will be entitled to a *pro rata* share of 25% of the Net Settlement Amount (i.e., the Employees' Portion) based upon the number of pay periods they each worked between June 1, 2021 through November 30, 2024 ("Compensable Pay Periods"), which will be calculated by the PAGA Settlement Administrator, based on Defendants' payroll records included in the PAGA Member List, by counting the number of paychecks issued to each PAGA Member, eliminating all but one check issued in a pay period, if more than one paycheck was issued in the same pay period. Specifically, to calculate each PAGA Member's share of the Employees' Portion ("Individual Settlement Share"), the PAGA Settlement Administrator shall: (i) for each PAGA Member, divide the number of Compensable Pay Periods they individually worked by the total aggregate number of Compensable Pay Periods worked by all PAGA Members, and then (ii) multiply this amount by the Employees' Portion to arrive at each PAGA Member's Individual Settlement Share.

(1) One Hundred Percent (100%) of all Individual Settlement Shares are to be considered penalties and the PAGA Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. PAGA Members' Individual Settlement Shares will be reported on an IRS Form 1099, as required by the IRS.

(c) The PAGA Settlement Administrator shall distribute each Individual Settlement Share by way of check, along with a cover letter ("Cover Letter") agreed to by the Parties

and approved by the Court, in substantially the form attached hereto as “Exhibit A”, in the following manner:

(1) No later than seven (7) calendar days after the Court’s order granting approval of the Settlement, Defendant shall provide the PAGA Settlement Administrator with a list of all PAGA Members (the “PAGA Members List”), containing the following information for each PAGA Member: (i) last known first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; (v) start and end dates of work as a current and former hourly-paid, non-exempt employee of Covenant Care California, LLC or Royal Care Skilled Nursing Facility, Inc. in California during the PAGA Period; (vi) paycheck issuance records during the PAGA Period; and (vii) such other information as is necessary for the PAGA Settlement Administrator to calculate the Compensable Pay Periods counts.

(2) The PAGA Settlement Administrator shall conduct one (1) National Change of Address (“NCOA”) search for all individuals identified on the PAGA Members List, and update addresses for PAGA Members to the extent updated addresses are located through the NCOA search at least one (1) week prior to mailing, and no earlier than one (1) month prior to mailing, the below-referenced PAGA Settlement Package.

(3) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the PAGA Members List and Installment Payment 2, the PAGA Settlement Administrator shall mail the agreed-upon Cover Letter and Individual Settlement Share checks (together, the “PAGA Settlement Package”) to all PAGA Members by first-class United States mail. If the Court reduces the Attorneys’ Fees Payment, or otherwise increases the Net Settlement Amount, resulting in an increase to the Individual Settlement Shares in an amount greater than is available for distribution after Installment Payment 2, distribution of the Individual Settlement Shares will instead occur at the soonest time thereafter, when there are sufficient funds in the qualified settlement account to pay the Individual Settlement Shares in full. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the PAGA Settlement Administrator shall promptly attempt to locate an alternate, updated address for the PAGA Member at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package if an alternate address is located as a result of the skip trace.

(4) The Individual Settlement Share checks issued to PAGA Members shall remain valid for one hundred eighty (180) calendar days, and thereafter, shall be canceled. Funds associated with canceled checks shall be transmitted to the State Controller’s Office Unclaimed Property Division in the name of the PAGA Member(s) at issue and in the amount of his or her respective Individual Settlement Share(s).

(d) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the PAGA Members List and Installment Payment 7, the PAGA Settlement Administrator shall transmit the LWDA Payment to the LWDA. If the Court reduces the Attorneys’ Fees Payment, or otherwise increases the Net Settlement Amount, resulting in an increase to the LWDA Payment in an amount greater than is available for distribution after Installment Payment 7, distribution of the Individual Settlement Shares will instead occur at the soonest time thereafter, when there are sufficient funds in the qualified settlement account to pay the LWDA Payment in full.

(e) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the PAGA Members List and Installment Payment 12,, the PAGA

Settlement Administrator shall transmit the Attorneys' Fees and Costs Payments to Plaintiffs' Counsel, unless at the request of Plaintiffs' Counsel, the PAGA Settlement Administrator is instructed to delay transmitting payment and/or to purchase annuities, utilize United States Treasuries and bonds, or utilize any other attorney fee deferral vehicles on behalf of Plaintiffs' Counsel, and any additional expenses associated with doing so will be paid separately by Plaintiffs' Counsel.

(f) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the PAGA Member List and Installment Payment 2, the PAGA Settlement Administrator shall transmit the General Release Fee to Plaintiffs. If the Court reduces the Attorneys' Fees Payment, or otherwise increases the Net Settlement Amount, resulting in an increase to the Individual Settlement Shares in an amount greater than is available for distribution after Installment Payment 2, distribution of the General Release Fee and Individual Settlement Shares will instead occur at the soonest time thereafter, when there are sufficient funds in the qualified settlement account to pay the General Release Fee and Individual Settlement Shares in full.

(g) No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the PAGA Member List and Installment Payment 11, the PAGA Settlement Administrator shall transmit 50% of the Settlement Administration Costs to itself, but only after the PAGA Settlement Packages have been mailed to all PAGA Members. No later than fourteen (14) calendar days after the PAGA Settlement Administrator receives the PAGA Member List and Installment Payment 12, the PAGA Settlement Administrator shall transmit the remaining 50% of the Settlement Administration Costs to itself, but only after the PAGA Settlement Packages have been mailed to all PAGA Members.

8. **Release of Claims by Plaintiffs, PAGA Group, and the State of California.**

(a) Upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiffs and the State of California with respect to PAGA Members, will be deemed to have knowingly and voluntarily released and forever discharged Defendant Covenant Care California, LLC, Defendant Royal Care Skilled Nursing Facility, Inc., and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates (collectively, the "Released Parties"), to the full extent permitted by law, of and from any and all claims, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* ("PAGA") as well as any interest, fees, and costs available under PAGA, that were alleged or that could have been alleged based on the factual allegations in the Operative Complaint and the PAGA Notices (including attachments to those notices) including but not limited to, for failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon separation, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.3, 226.7, 510, 512, 512(a), 551, 552, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001 (collectively, the "Released Claims").

(b) Upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, and except as to the rights and obligations created by this Settlement Agreement, Plaintiffs, individually and on behalf of their heirs, executors, administrators, representatives, attorneys, successors and assigns, will be deemed to have knowingly and voluntarily released and forever discharged Released Parties, to the full extent permitted by law, from any and all claims of every nature whatsoever, known or unknown, suspected or unsuspected, which Plaintiffs have or may have as of the date the Court has entered an order approving the Settlement Agreement. This broader release includes, but is not limited to, all claims arising directly or indirectly from Plaintiffs' employment with Defendants and the termination of that employment, including without limitation claims arising under federal, state, or local laws and claims for unpaid wages, penalties, liquidated damages, breach of contract, breach of the implied covenant of good faith and fair dealing, infliction of emotional distress, wrongful or retaliatory discharge, harassment, discrimination, defamation, impairment of economic opportunity, and violations of public policy, the Fair Labor Standards Act, the California Labor Code, the California Fair Employment and Housing Act, the California Business and Professions Code, the California Constitution, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, and the Americans with Disabilities Act of 1990. With respect to those claims released by Plaintiffs in an individual capacity, Plaintiffs acknowledge and waive any and all rights and benefits available under California Civil Code Section 1542, which provides:

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.

Plaintiffs understand and agree that claims or facts in addition to or different from those which are now known or believed by them to exist may hereafter be discovered. It is Plaintiffs' intention to, upon the date the Court has entered an order approving the Settlement Agreement and full funding of the Total Settlement Amount, settle fully and release all claims they now have against the Released Parties, whether known or unknown, suspected or unsuspected. Notwithstanding the above, the general release by Plaintiffs shall not extend to claims for workers' compensation benefits, claims for unemployment benefits, or other claims that may not be released by law.

9. Governing Law and Interpretation.

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, then, such provision immediately shall become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

(b) In the event of a breach of any provision of this Settlement Agreement, any Party reserves the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement,

the prevailing Party in that action shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing Party.

10. **Amendment.** This Settlement Agreement may not be modified, altered, or changed except in writing and signed by both Parties' counsel, wherein specific reference is made to this Settlement Agreement, subject to approval by the Court.

11. **Miscellaneous.**

(a) The Parties agree to stay all proceedings in the Actions, including with respect to California Code of Civil Procedure section 583.310 *et seq.*, except such proceedings necessary to implement and complete the Settlement, pending approval of the Settlement.

(b) This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically transmitted copy of the Settlement Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(c) The section headings used in this Settlement Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof.

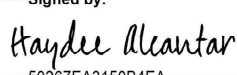
(d) This Settlement Agreement was the result of negotiations between the Parties and their respective counsel under the auspices of mediator Jeffrey Ross, Esq. and thereafter, additional negotiations among themselves. In the event of vagueness, ambiguity, or uncertainty, this Settlement Agreement shall not be construed against the Party preparing it but shall be construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(e) If any Party fails to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. The Settlement Agreement remains in full force and effect anyway.

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFFS AND DEFENDANTS, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

Date: 2/13/2026 | 9:16 AM PST, 2026

Signed by:

 50267EA3150B1EA...

Haydee Alcantar
 Individually and On Behalf of
 the State of California with Respect to Aggrieved
 Employees

Date: 02/17/2026, 2026

Electronically Signed
2026-02-17 22:40:02 UTC - 72.159.157.87
Nintex AssureSign® 48b5200f-5259-4287-8955-63f40166f61e

Alexandria Perkins
Individually and On Behalf of
the State of California with Respect to Aggrieved
Employees

Date: _____, 2026

Devastasia Parker
Individually and On Behalf of
the State of California with Respect to Aggrieved
Employees

COVENANT CARE CALIFORNIA, LLC

Date: _____, 2026

Andrew F. Torok
General Counsel

ROYAL CARE SKILLED NURSING FACILITY,
INC.

Date: _____, 2026

Andrew F. Torok
General Counsel

Approved as to form and content.

AEGIS LAW FIRM, PC

Date: _____, 2026

Kashif Haque
Carolyn M. Bell
Attorneys for Plaintiff Haydee Alcantar

LAWYERS *FOR* JUSTICE, PC

Date: _____, 2026

Edwin Aiwarzian
Joanna Ghosh
Attorneys for Plaintiffs Alexandria Perkins and
Devastasia Parker

Date: _____, 2026

Alexandria Perkins
Individually and On Behalf of
the State of California with Respect to Aggrieved
Employees

Date: 02/17/2026, 2026

Electronically Signed 2026-02-18 00:31:40 UTC - 67.166.149.101
Nintex AssureSign®  2dc1037a-2b38-4a85-bc40-b3f40168736f

Devastasia Parker
Individually and On Behalf of
the State of California with Respect to Aggrieved
Employees

COVENANT CARE CALIFORNIA, LLC

Date: _____, 2026

Andrew F. Torok
General Counsel

ROYAL CARE SKILLED NURSING FACILITY,
INC.

Date: _____, 2026

Andrew F. Torok
General Counsel

Approved as to form and content.

AEGIS LAW FIRM, PC

Date: _____, 2026

Kashif Haque
Carolyn M. Bell
Attorneys for Plaintiff Haydee Alcantar

LAWYERS *FOR* JUSTICE, PC

Date: March 30, 2026

 *Daniel Bass for*

Edwin Aiwazian
Joanna Ghosh
Attorneys for Plaintiffs Alexandria Perkins and
Devastasia Parker

Date: _____, 2026

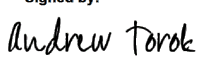
Alexandria Perkins
Individually and On Behalf of
the State of California with Respect to Aggrieved
Employees

Date: _____, 2026

Devastasia Parker
Individually and On Behalf of
the State of California with Respect to Aggrieved
Employees

COVENANT CARE CALIFORNIA, LLC

Date: March 17 _____, 2026

Signed by:


07DD5BB6083C4C2...
Andrew F. Torok
General Counsel

ROYAL CARE SKILLED NURSING FACILITY,
INC.

Date: March 17 _____, 2026

Signed by:


07DD5BB6083C4C2...
Andrew F. Torok
General Counsel

Approved as to form and content.

AEGIS LAW FIRM, PC

Date: _____, 2026

Kashif Haque
Carolyn M. Bell
Attorneys for Plaintiff Haydee Alcantar

LAWYERS *FOR* JUSTICE, PC

Date: _____, 2026

Edwin Aiwazian
Joanna Ghosh
Attorneys for Plaintiffs Alexandria Perkins and
Devastasia Parker

Date: _____, 2026

Alexandria Perkins
Individually and On Behalf of
the State of California with Respect to Aggrieved
Employees

Date: _____, 2026

Devastasia Parker
Individually and On Behalf of
the State of California with Respect to Aggrieved
Employees

COVENANT CARE CALIFORNIA, LLC

Date: _____, 2026

Andrew F. Torok
General Counsel

ROYAL CARE SKILLED NURSING FACILITY,
INC.

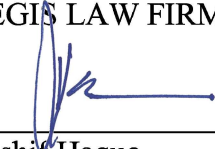
Date: _____, 2026

Andrew F. Torok
General Counsel

Approved as to form and content.

AEGIS LAW FIRM, PC

Date: February 13, 2026



Kashif Haque
Carolyn M. Bell
Attorneys for Plaintiff Haydee Alcantar

LAWYERS *FOR* JUSTICE, PC

Date: _____, 2026

Edwin Aiwazian
Joanna Ghosh
Attorneys for Plaintiffs Alexandria Perkins and
Devastasia Parker

LEECH TISHMAN

Date: March 30, 2026



Kathryn T. McGuigan
Attorneys for Defendants

Exhibit A

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>> <<State>> <<Zip>>

Re: Settlement Payment from *Alexandria Perkins, et al. v. Covenant Care California, LLC, et al.*, Sacramento Superior Court Case No. 34-2023-00337015-CU-OE-GDS

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> (“Individual Settlement Share”). This check is your payment from the settlement in the lawsuit entitled *Alexandria Perkins, et al. v. Covenant Care California, LLC, et al.*, Sacramento Superior Court Case No. 34-2023-00337015-CU-OE-GDS (the “Action”).

On June 1, 2022 Plaintiff Haydee Alcantar (“Plaintiff Alcantar”) submitted a letter to the California Labor and Workforce Development Agency (“LWDA”), pursuant to the California Private Attorneys General Act, California Labor Code section 2698 *et seq.* (“PAGA”), to provide notice of her intent to seek civil penalties under PAGA for Defendants’ alleged violations of California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1197, 1197.1, and 1198, thereby initiating LWDA Case Number LWDA-CM-886859-22 (the “Alcantar PAGA Notice”).

On January 18, 2023, Plaintiff Alexandra Perkins (“Plaintiff Perkins”) submitted a letter to the LWDA, pursuant to PAGA, to provide notice of her intent to seek civil penalties under PAGA for Defendants’ alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and 2810.5 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001, thereby initiating LWDA Case Number LWDA-CM-930197-23 (the “Perkins PAGA Notice”). On March 9, 2023, Plaintiff Devastasia Parker (“Plaintiff Parker”) submitted a letter to the LWDA pursuant to PAGA, to provide notice of her intent to seek civil penalties under PAGA for Defendants’ alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001, thereby initiating LWDA Case Number LWCA-CM-940999-23 (the “Parker PAGA Notice”). Collectively, the Alcantar PAGA Notice, Perkins PAGA Notice, and Parker PAGA Notice are referred to as the “PAGA Notices.”

Plaintiff Alcantar commenced her own lawsuit on June 1, 2022 in Santa Clara County Superior Court. Plaintiff Perkins commenced her own lawsuit on March 27, 2023 in Sacramento County Superior Court, and eventually filed an first amended complaint on May 16, 2023, adding Plaintiff Parker as a named plaintiff in the Perkins Complaint. On [REDACTED], Plaintiff Perkins filed a Second Amended Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *Et Seq.* (“Operative Complaint”), adding Plaintiff Alcantar as a named plaintiff in the Perkins Action. The Operative Complaint alleges a single cause of action for civil penalties under PAGA.

Defendant denies all of Plaintiffs’ allegations and denies any wrongdoing of any kind associated with Plaintiffs’ allegations.

A settlement was reached between Plaintiffs and Defendants Covenant Care California, LLC and Royal Care Skilled Nursing Facility, Inc. (together, “Defendants”).

On <<Date>>, the Court entered the order approving the Settlement Agreement, thereby ordering that the Net Settlement Amount be paid 75% to the LWDA and 25% to all current and former hourly-paid, non-exempt employees of Defendants who worked in California at any time during the PAGA Period (collectively, the “PAGA Members”). The period June 1, 2021 to November 30, 2024 is the “PAGA Period”.

You are receiving a portion of the settlement (the enclosed Individual Settlement Share) because you have been identified as a PAGA Member. Your Individual Settlement Share is based on the total number of pay periods that you worked for Defendants in California during the PAGA Period. The Individual Settlement Share is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, upon the date the Court entered the order approving the Settlement Agreement and full funding of the Total Settlement Agreement, Plaintiffs and the State of California with respect to PAGA Members fully released and forever discharged Released Parties of any and all Released Claims.

“Released Parties” means Defendant Covenant Care California, LLC, Defendant Royal Care Skilled Nursing Facility, Inc., and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

“Released Claims” means any and all claims, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* (“PAGA”) as well as any interest, fees, and costs available under PAGA, that were alleged or that could have been alleged based on the factual allegations in the

Operative Complaint and PAGA Notices, including but not limited to, for failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon separation, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.3, 226.7, 510, 512(a), 551, 552, 558, 1174, 1174(d), 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001.

The enclosed check is valid for 180 days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller's Office Unclaimed Property Division in your name and in the amount of your respective Individual Settlement Share.

Do not call or write the Court, Office of the Clerk of the Court, Defendants, or Defendants' counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [PAGA Settlement Administrator] at [toll-free phone number].