

SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIM

This Settlement Agreement and Release of PAGA Claim (“Settlement Agreement”) is made by and between Plaintiffs Ines Arnulfo Lopez Contreras, Alexandra Johnson, and Natividad Campos (“Plaintiffs”), on behalf of themselves and as representatives for all allegedly aggrieved individuals and the California Labor Workforce Development Agency (“LWDA”), and Defendants Corecare III LP, a California limited partnership d/b/a Morningside of Fullerton; Corecare V LP, a California limited partnership d/b/a Park Vista at Morningside; Park Vista at Home, LLC, a California limited liability company; La Costa Glen Carlsbad CCRC LLC, a Delaware limited liability company; Glenbrook at Home, LLC, a Delaware limited liability company; Glenbrook HC LLC, a Delaware limited liability company; Stoneridge Creek Pleasanton CCRC LLC, a Delaware limited liability company; Creekview HC LLC, a California limited liability company; University Village Thousand Oaks CCRC LLC, a Delaware limited liability company; Oakview HC LLC, a California limited liability company; Oakview at Home LLC, a California limited liability company; Continuing Life, LLC, a Delaware limited liability company; and Warren E. Spieker, Jr., an individual (collectively, “Defendants”), who may collectively be referred to herein as the “Parties,” and each may be individually referred to as a “Party.”

A. Definitions

The following terms, when used in this settlement agreement, shall have the following meanings:

1. “Actions” or “Lawsuits” means and refers to *Ines Arnulfo Lopez Contreras v. CoreCare III LP, et al.*, Orange County Superior Court Case No. 30-2016-00851086-CU-OE-CXC (referred to individually as the “Contreras Action”), *Alexandra Johnson v. CoreCare III LP, et al.*, Orange County Superior Court Case No. 30-2017-00925572-CU-OE-CXC (referred to individually as the “Johnson Action”), and *Natividad Campos v. Parkvista at Home LLC, et al.*, Orange County Superior Court Case No. 30-2017-00946442-CU-OE-CJC (referred to individually as the “Campos Action”).

2. “Active Date” means the latest of: (i) the timely provision of this Settlement Agreement, the Final Order, and any other required items to the LWDA; (ii) if no appeal is filed, the expiration of the deadline for any appeals; and (iii) if an appeal is filed, the date that an appeal is resolved resulting in a court order approving this Settlement.

3. “Agreement,” “Stipulation,” or “Settlement Agreement,” shall mean this Settlement Agreement and Release of PAGA Claim, including any attached Exhibits.

4. “Attorneys’ Fees” means the amount of money Plaintiffs’ Counsel have incurred in attorneys’ fees, which shall not exceed \$320,000.00 and which shall be paid out of the Settlement Amount. The Settlement Agreement shall be binding and enforceable regardless of the final amount of Attorneys’ Fees approved by the Court.

5. “Attorneys’ Litigation Costs” means the amount of litigation costs Plaintiffs’ Counsel have incurred in prosecuting the Actions, which shall not exceed \$45,000.00 and which shall be paid out of the Settlement Amount. The Settlement Agreement shall be binding and enforceable regardless of the final amount of Attorneys’ Litigation Costs approved by the Court.

6. “Covered Position” means a non-exempt and/or hourly paid employee working for

Defendants in California during the PAGA Release Period.

7. “Court” (or “Judge”) means the California Superior Court, County of Orange.

8. “Defendants” means and refers to Corecare III LP, a California limited partnership d/b/a Morningside of Fullerton; Corecare V LP, a California limited partnership d/b/a Park Vista at Morningside; Park Vista at Home, LLC, a California limited liability company; La Costa Glen Carlsbad CCRC LLC, a Delaware limited liability company; Glenbrook at Home, LLC, a Delaware limited liability company; Glenbrook HC LLC, a Delaware limited liability company; Stoneridge Creek Pleasanton CCRC LLC, a Delaware limited liability company; Creekview HC LLC, a California limited liability company; University Village Thousand Oaks CCRC LLC, a Delaware limited liability company; Oakview HC LLC, a California limited liability company; Oakview at Home LLC, a California limited liability company; Continuing Life, LLC, a Delaware limited liability company; and Warren E. Spieker, Jr., an individual.

9. “Defendants’ Counsel” means and refers to Thomas Ingrassia, Jenna Leyton-Jones, and Shannon Finley of Pettit Kohn Ingrassia Lutz & Dolin LLP.

10. “Effective Date” means the date that the Superior Court enters the Final Order.

11. “Eligible Pay Period” means any full or partial pay period worked in a Covered Position by a PAGA Employee during the PAGA Release Period.

12. “Final Order” means the Superior Court’s order approving this Private Attorneys General Act of 2004 (“PAGA”) Settlement and dismissing the Actions and all PAGA Representative Claims during the PAGA Release Period with prejudice.

13. “Funding Date” means twenty-one (21) calendar days after the Active Date.

14. “LWDA Settlement Proceeds” means the seventy-five percent (75%) of the Civil Penalties Fund that shall be paid to the Labor Workforce and Development Agency.

15. “Net Settlement Amount” is the remainder of the Settlement Amount after deducting Plaintiffs’ Counsel’s Attorneys’ Fees, Attorneys’ Litigation Costs, the Settlement Administrator’s fees and costs, and a service award to the PAGA representative Plaintiffs, in the amount not to exceed \$5,000.00 to Plaintiff Johnson and \$7,500.00 each to Plaintiffs Contreras and Campos (\$20,000.00 total).

16. “Notice” means the notice that will be sent to the PAGA Employees with payment after the Final Order is entered by the Court and the Active Date occurs.

17. “PAGA Employees” means all persons who were engaged by Defendants as hourly employees in California at any time from April 1, 2015, through the Effective Date, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, and assigns.

18. “PAGA Employees Civil Penalties Fund” means the twenty-five percent (25%) of the Net Settlement Amount that shall collectively be paid to the PAGA Employees.

19. “PAGA Representative Claims” means Plaintiffs’ PAGA claims under California Labor Code § 2698 *et. seq.* based on alleged predicate violations of Labor Code §§ 201, 202, 203, 204, 210, 226,

226.7, 510, 512, 1174, 1194, 1197, 1198, 2802 and the applicable Industrial Welfare Commission Wage Order §§ 3(A), 4, 7, 9, 11 and 12.

20. “PAGA Settlement” or “Settlement” means the settlement of the Actions as memorialized in this Agreement.

21. “PAGA Release Period” means April 1, 2015, through the Effective Date.

22. “Plaintiffs” means Ines Arnulfo Lopez Contreras, Alexandra Johnson, and Natividad Campos, on behalf of themselves, their heirs, spouses, executors, administrators, attorneys, agents, and assigns.

23. “Plaintiffs’ Counsel” refers to Andrew J. Sokolowski and Matthew J. Matern of Matern Law Group, PC and Samuel Wong, Kashif Haque, Jessica Campbell and Simon Kwak of Aegis Law Firm, PC.

24. “Released Parties” means Defendants Corecare III LP, a California limited partnership d/b/a Morningside of Fullerton; Corecare V LP, a California limited partnership d/b/a Park Vista at Morningside; Park Vista at Home, LLC, a California limited liability company; La Costa Glen Carlsbad CCRC LLC, a Delaware limited liability company; Glenbrook at Home, LLC, a Delaware limited liability company; Glenbrook HC LLC, a Delaware limited liability company; Stoneridge Creek Pleasanton CCRC LLC, a Delaware limited liability company; Creekview HC LLC, a California limited liability company; University Village Thousand Oaks CCRC LLC, a Delaware limited liability company; Oakview HC LLC, a California limited liability company; Oakview at Home LLC, a California limited liability company; Continuing Life, LLC, a Delaware limited liability company; and Warren E. Spieker, Jr., an individual, and their respective past and present direct and indirect affiliates, parents, subsidiaries, divisions, predecessors, successors and assigns, and their past and present partners, principals, employees, officers, directors, attorneys, representatives and agents, whether acting as agents or in individual capacities, any of Defendants’ welfare benefit plans (and their respective administrators, fiduciaries, trustees and insurers, whether acting as agents or in individual capacities), and any third-party payroll provider.

25. “Settlement Administrator” means CPT Group.

26. “Settlement Amount” means the maximum settlement amount that Defendants will pay in connection with this Settlement, which is Eight Hundred Thousand Dollars and Zero Cents (\$800,000.00).

B. General

27. On September 4, 2015, Plaintiff Contreras submitted a PAGA letter to the LWDA and Defendants via certified mail. The LWDA did not respond after thirty-three days. On May 4, 2016, Plaintiff Contreras filed the complaint in the Contreras Action in the Orange County Superior Court, entitled *Contreras v. Corecare III, LP, et al.*, Orange County Superior Court Case No. 30-2016-00851086-CU-OE-CXC. The Contreras Action complaint referenced Plaintiffs’ PAGA letter to the LWDA and alleged a PAGA claim based on the following predicate Labor Code violations: (1) violation of Labor Code §§ 226.7 and 512 for failure to provide meal periods and paid rest periods; (2) violation of Labor Code §§ 510, 1194, 1197, and 1198 for failure to pay wages for all hours worked, including minimum and overtime wages; (3) violation of Labor Code §§ 201, 202, 203, 204, and 210 for failure to timely pay all earned wages owed to Plaintiff and other aggrieved employees during employment and upon separation

of employment, (4) violation of Labor Code §§ 226(a) and 1174 for failure to provide accurate itemized wage statements and maintain required records; (5) violation of Labor Code § 2802 for failure to reimburse for business expenses, and seeking civil penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, and 2699(f).

28. On March 17, 2017, Plaintiff Johnson submitted a PAGA letter to the LWDA through its online submission website and also sent a copy to Defendants by certified mail. The LWDA did not respond after sixty-five days. On June 12, 2017, Plaintiff Johnson filed the complaint in the Johnson Action in the Orange County Superior Court, entitled *Johnson v. Corecare III, LP, et al.*, Orange County Superior Court Case No. 30-2017-00925572-CU-OE-CXC. The Johnson Action complaint referenced Plaintiffs' PAGA letter to the LWDA and alleged a PAGA claim based on the following predicate Labor Code violations: (1) violation of Labor Code §§ 226.7 and 512 for failure to provide meal periods and paid rest periods; (2) violation of Labor Code §§ 510, 1194, 1197, and 1198 for failure to pay wages for all hours worked, including minimum and overtime wages; (3) violation of Labor Code §§ 201, 202, 203, 204, and 210 for failure to timely pay all earned wages owed to Plaintiff and other aggrieved employees during employment and upon separation of employment, (4) violation of Labor Code §§ 226(a) and 1174 for failure to provide accurate itemized wage statements and maintain required records; (5) violation of Labor Code § 2802 for failure to reimburse for business expenses, and seeking civil penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, and 2699(f).

29. On January 19, 2018, Plaintiff Campos filed the complaint in the Campos Action in the Orange County Superior Court, entitled *Natividad Campos v. Parkvista at Home LLC, et al.*, Orange County Superior Court Case No. 30-2017-00946442-CU-OE-CJC. The Campos Action complaint alleged exhaustion of PAGA's pre-filing procedural requirements and alleged a PAGA claim based on the following predicate Labor Code violations: (1) violation of Labor Code §§ 510, 1194, 1194.2, 1197, and 1198 for failure to pay wages for all hours worked, including minimum and overtime wages; (2) violation of Labor Code §§ 226.7 and 512 for failure to provide meal periods or compensation in lieu thereof; (3) violation of Labor Code §§ 226.7 for failure to provide rest periods or compensation in lieu thereof; (4) violation of Labor Code §§ 226 and 226.3 for failure to provide accurate itemized wage statements; (5) violation of Labor Code §§ 1174 and 1174.5 for failure to maintain accurate and complete records showing hours worked daily by Plaintiff and other aggrieved employees; and (6) violation of Labor Code §§ 201, 202, 203, 204, and 210 for failure to timely pay all earned wages owed to Plaintiff and other aggrieved employees during employment and upon separation of employment. Plaintiff Campos also sought civil penalties under Labor Code §§ 558, 2699(a) and (f), 2699.3, 2699.5, and for attorneys' fees and costs.

30. Defendants deny all of the allegations in the Lawsuits, including all PAGA Representative Claims, and deny that they have committed any misconduct, statutory or regulatory violation, wrongdoing, or any other actionable conduct of any kind.

31. The Parties have conducted a thorough investigation into the facts of the Actions. This included conducting extensive discovery in the Contreras Action and Campos Action and informal discovery in the Johnson Action, Plaintiff Contreras' deposition, Plaintiff Campos' deposition, the exchanging of information and documents relating to the PAGA Representative Claims. On November 1, 2018, the Parties in the Contreras and Johnson Actions also participated in a full day of mediation with respected wage and hour mediator Steven Rottman. The mediation and all settlement negotiations were adversarial and at arms-length. Based on the foregoing data and on their own independent investigation and evaluation, Plaintiffs' Counsel in all three Actions are of the opinion that the

settlement with Defendants for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the LWDA and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay, uncertainty associated with litigation, various defenses asserted by Defendants, and numerous potential appellate issues. Defendants and Defendants' counsel also agree that the settlement is fair and in the best interest of the PAGA Employees.

32. The Parties understand, acknowledge, and agree that this Agreement constitutes a compromise of Plaintiffs' PAGA Representative Claims, and that it is the desire and intention of the Parties to affect a final and complete resolution of the Actions, including the PAGA Representative Claims, against Defendants. The Parties further acknowledge that this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as an admission of liability by Defendants.

33. Under California Law, the State may assess and collect civil penalties from employers for violations of certain provisions of the Labor Code. (See Cal. Lab. Code §§ 2699 *et seq.*) Under PAGA, however, if an "aggrieved employee" "give[s] written notice by certified mail to the [State] and the employer of the specific provision of the [Labor Code] alleged to have been violated," and the State thereafter decides not to investigate, as was the case here, or does investigate and determines that a citation against the employer should not issue, the employee may, "as an alternative" to enforcement by the State, act as a proxy or agent of the state's labor law enforcement agencies and bring a civil action under PAGA to recover civil penalties "on behalf of himself or herself and other current or former employees." *Id.* "[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the state and 25 percent to the aggrieved employees." *Id.*

34. California Labor Code § 2699(1)(2) provides that "The superior court shall review and approve any settlement of any civil action filed pursuant to this part."

35. In consideration of the promises and agreements contained herein, the Parties agree and covenant as follows:

C. Terms of Settlement

36. Subject to the Court's approval of the Settlement pursuant to Labor Code § 2699(1)(2), which counsel and the Parties agree to recommend in good faith to the Court, the Parties agree to the following binding settlement of the Action.

37. Upon the Court entering the Final Order and the Effective Date occurring, Defendants shall pay a non-reversionary Settlement Amount of Eight Hundred Thousand U.S. Dollars (\$800,000) (the "Settlement Amount") which includes all Attorneys' Fees and Litigation Costs, service award payments for the Plaintiffs, LWDA Settlement Proceeds, the PAGA Employees Civil Penalties Fund, all moneys needed for the Settlement Administrator, and any and all other cost or expenses related in any way to the Settlement. Neither the Court nor the Settlement Administrator shall have any power to increase the Settlement Amount or depart from the express terms of the Settlement Agreement. Defendants shall not have any obligation to provide any portion of the Settlement Amount to the Settlement Administrator or any third party until after the Effective Date. The Settlement Amount will be distributed in the following manner:

- a. **Settlement Administrator Costs:** The costs associated with settlement administration (e.g. preparing and mailing payments to LWDA and PAGA Employees, tax documentation, etc.) shall be paid from the Settlement Amount and shall not exceed \$12,500.00. The parties agree to use CPT Group as the Settlement Administrator.
- b. **Attorneys' Fees and Litigation Costs:** The Parties agree that, subject to the Court's review and approval, Plaintiffs' Counsel will be paid their attorneys' fees incurred in prosecuting the Actions, not to exceed \$320,000.00, which will be paid from the Settlement Amount. In addition, the Parties agree that, subject to the Court's review and approval, Plaintiffs' Counsel will be paid their litigation costs incurred in prosecuting the Actions, not to exceed \$45,000.00.
- c. **Service Award to Plaintiffs:** The Parties agree that, subject to the Court's review and approval, Plaintiffs will be paid service awards of \$5,000.00 to Plaintiff Johnson and \$7,500.00 each to Plaintiffs Contreras and Campos (award totaling \$20,000.00), for their roles as the PAGA representatives in the Actions ("Service Award").
- d. **Net Settlement Amount:** After deducting Attorneys' Fees and Costs, Settlement Administration Costs, and the Service Awards to Plaintiffs from the Settlement Amount, the remainder forms the Net Settlement Amount (which totals \$402,500.00 if the amounts set forth above are approved by the Court). Any reduction by the Court to the Attorneys' Fees and Costs, Settlement Administration Costs, and/or the Service Award to Plaintiffs shall become part of the Net Settlement Amount. The Net Settlement Amount shall be all inclusive, encompassing (i) all payments to the LWDA and PAGA Employees and (ii) any and all other interest, costs or expenses relating to the Settlement. The Net Settlement Amount shall be allocated as 75% to the LWDA Settlement Proceeds and 25% to the PAGA Employees Civil Penalties Fund, as dictated by Labor Code section 2699(i).
- e. **Allocation of the PAGA Employees Civil Penalties Fund:** As provided in Labor Code section 2699(i), 25% of the Net Settlement Amount (\$100,625.00 if all other amounts are approved) is allocated for distribution to the alleged aggrieved employees, which will be done on a *pro rata* basis. Each PAGA Employee's *pro rata* share shall be determined based on the number of Eligible Pay Periods that he or she worked for Defendants in a Covered Position during the PAGA Release Period, and shall be calculated as follows:
 - i. The PAGA Employees' Civil Penalties Fund will be divided by the total number of Eligible Pay Periods worked by all PAGA Employees during the PAGA Release Period, and the resulting figure will be referred to as the "Multiplier."
 - ii. Each PAGA Employee's *pro rata* share of the PAGA Employees' Civil Penalties Fund will be determined by multiplying the Eligible Pay Periods that the PAGA Employee worked by the Multiplier.
- f. **The LWDA Settlement Proceeds:** As provided in Labor Code section 2699(i), 75% of the Net Settlement Amount (\$301,875.00 if all other amounts are approved) is allocated for distribution to the LWDA.
- g. **Taxes and Reporting:** Each PAGA Employee's share of the PAGA Employees Civil

Penalties Fund will be treated as non-wage income and reported by the Settlement Administrator on IRS Form 1099 to the respective PAGA Employee and applicable governmental authorities.

D. Release as to the PAGA Representative Claims

38. Upon the Effective Date, Plaintiffs, as the representatives for the State of California, will forever completely release and discharge the Released Parties of any and all PAGA Representative Claims during the PAGA Release Period for civil penalties under Labor Code § 2699 that were alleged in the Action, including but not limited to, claims for violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1197, 1198, and 2802; violations of the California Labor Code Private Attorney General Act, Labor Code § 2698 et seq.; and any damages, penalties, restitution, disgorgement, interest or attorneys' fees as a result thereof.

39. In accordance with *Arias v. Superior Court* (2009) 46 Cal.4th 969, 985, a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 ... is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding," which the Final Order shall so reflect. Further, in accordance with *Arias, supra*, the Final Order shall be binding on the PAGA Employees as to the Released Claims, including the PAGA Representative Claims. A statement to this effect shall be included in the Notice sent to the PAGA Employees. The Settlement shall not affect or release the PAGA Employees' separate individual claims against Defendants that are not based on PAGA.

E. Release by Plaintiffs

40. Plaintiffs expressly release all claims or rights against Released Parties arising out of or relating to alleged violations of any contracts, express or implied (including but not limited to any contract of employment); any contract or covenant of good faith and fair dealing (express or implied); any tort, including any claim for improper or unauthorized wage deductions, failure to pay the applicable wage, unpaid wages, penalties, liquidated damages, other damages, overtime, and alleged "off the clock" work under federal and state law, including California Labor Code Sections 204 and 558, waiting time penalties pursuant to California Labor Section 203, damages or penalties pursuant to California Labor Code Section 226, meal period and rest break payments pursuant to California Labor Code Sections 226.7 and 512, failure to provide itemized wage statements and maintain required records pursuant to California Labor Code Section 226, statutory or civil penalties pursuant to California Labor Code Sections 210, unfair competition and unfair business practices pursuant to Business and Professions Code Section 17200 et seq., interest and costs pursuant to California Civil Code Section 3287 and California Labor Code Section 218.6, statutory or common law rights to attorneys' fees and costs, including those pursuant to California Labor Code Section 1194 et seq.; claims under the Private Attorneys General Act of 2004, Labor Code section 2699 et seq., and the alleged violation or breach of any other state or federal statute, rule and or regulation; including all applicable Industrial Welfare Commission Wage Orders, and all similar causes of action, including but not limited to, any claim for restitution, equitable relief, interest, penalties, costs or attorneys' fees in connection with any of the foregoing, negligent infliction of emotional distress, intentional infliction of emotional distress, and defamation; any "wrongful discharge," "constructive discharge," and "retaliation" claims; any claims relating to any breach of public policy; any legal restrictions on Defendants' right to discharge employees; and any federal, state, or other governmental statute, regulation, or ordinance, including, without limitation: (1) Title VII of the Civil Rights Act of 1964 (race, color, religion, sex, and national origin discrimination or harassment, including retaliation for

reporting discrimination or harassment); (2) 42 U.S.C. § 1981 (discrimination); (3) Equal Pay Act, 29 U.S.C. § 209(d)(1) (equal pay); (4) Americans with Disabilities Act, 42 U.S.C. § 12100 et seq. (disability discrimination); (5) Family and Medical Leave Act, 29 U.S.C. § 2601 et seq. (family/medical leave); (6) California Fair Employment and Housing Act, Cal. Government Code § 12900 et seq. (discrimination or harassment in employment and/or housing, including discrimination or harassment based on race, religious creed, color, national origin, ancestry, disability, marital status, sex (including pregnancy), or age, including retaliation for reporting discrimination or harassment); (7) California Family Rights Act, Cal. Government Code § 12945.1 et seq. (family/medical leave); (8) California Labor Code, including Section 1720 et seq., or any Industrial Welfare Commission Wage Order; (9) Executive Order 11246 (race, color, religion, sex, and national origin discrimination or harassment); (10) Executive Order 11141 (age discrimination); (11) Sections 503 and 504 of the Rehabilitation Act of 1973 (handicap discrimination); (12) the Fair Labor Standards Act; and (13) Employee Retirement Income Security Act, 29 U.S.C. § 1000 et seq. (employee benefits).

41. Plaintiffs expressly waive and relinquish all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and do so understanding and acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code of the State of California states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of all parties, Plaintiffs and Plaintiffs' Counsel expressly acknowledge that this Settlement Agreement is intended to include in its effect, without limitation, all claims that Plaintiffs know of, as well as all claims that they do not know or suspect to exist in their favor against Defendants, or any of them, for the time period from the beginning of time to the date of the Final Order, and that this Settlement Agreement contemplates the extinguishment of any such claims. This shall not affect the PAGA Employees' individual claims.

42. Plaintiffs agree that Plaintiffs will not disparage or encourage or induce others to disparage any of the Released Parties. For purposes of this Agreement, "disparage" includes, without limitation, making comments or statements to any person or entity, including, without limitation, to the press and/or media, employees, partners or principals of Defendants, Defendants' residents or any entity with which Defendants have a business relationship, which would adversely affect in any manner (a) the conduct of the business of Defendants, or (b) the reputation of any Released Party. Nothing herein prevents Plaintiffs from providing truthful information in response to a subpoena, in testimony, or to government authorities. Defendants will respond to any inquiry from prospective employers regarding Plaintiffs by providing their dates of employment and job title, but shall not provide any further information or comment on their performance or whether they would be re-hired.

43. Plaintiffs agree to waive their right to file an appeal and/or writ or any challenge whatsoever to the terms of this Settlement Agreement.

44. Plaintiffs' general release shall become effective on the Active Date.

F. Settlement Approval and Implemental Procedures.

45. Plaintiffs' Counsel shall prepare a motion for approval of the settlement pursuant to California Labor Code § 2699(1)(2), advocating that the Settlement is fair, adequate, and reasonable, and Defendants or Defense Counsel shall not oppose such a motion provided that Plaintiffs' Counsel sends a draft of the motion for approval to Defendants' Counsel allowing sufficient time for review and comment. Defendants' Counsel will provide Plaintiffs' Counsel with and allow Plaintiffs' Counsel to submit to the Court, adequate information related to the released claims to obtain approval of the Settlement. Plaintiffs' Counsel will further provide this Settlement Agreement, the Final Order, and any other required items to the LWDA on a timely basis.

46. Upon the Court entering the Final Order, and within seven (7) calendar days after the Active Date, the Settlement Administrator shall send counsel for Defendants electronic wiring instructions to fund the Settlement Amount.

47. Fourteen (14) calendar days after the Active Date, Defendants will send to the Settlement Administrator a list of all PAGA Employees including each PAGA Employee's: (1) full name; (2) last known address; (3) social security number; and (4) hire date and, if applicable, last date of employment (the "PAGA Employees List"). This information shall be treated as and remain confidential and shall be used solely to manage the notice and payment process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendants, the individual in question, or by order of the Court.

48. On or before the Funding Date, Defendants shall wire to the Settlement Administrator the non-reversionary Settlement Amount of Eight Hundred Thousand Dollars and Zero Cents (\$800,000.00).

49. The Settlement Administrator will perform all settlement administration duties, including (i) performing a National Change of Address ("NCOA") search to update the addresses of the PAGA Employees, (ii) issuing the Notice and payments to the PAGA Employees, (iii) issuing any required IRS forms, and (iv) issuing payment to the LWDA and Plaintiffs' Counsel.

50. PAGA Employees shall have 180 calendar days after mailing to cash their settlement checks. If any PAGA Employee's check is not cashed within that period, the check will be voided and a stop-payment will be issued. Any funds in the Settlement Administrator's account as a result of a failure to timely cash a settlement check shall be forwarded to the California State Controller pursuant to the Unclaimed Property Law, California Code of Civil Procedure sections 1500 *et seq.*, to be held in the name of the PAGA Employee who did not cash the check from which the PAGA Employee may claim the funds. Neither Defendants, Defense Counsel, Plaintiffs' Counsel nor Plaintiff will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, unauthorized negotiation of settlement checks or failure to timely cash a settlement check within the 180 day period.

51. Upon the Court's entry of the Final Order, Plaintiffs will: (i) be bound by the terms and conditions of this Agreement, and the releases set forth herein; (ii) be deemed to have waived all objections and oppositions to the fairness, reasonableness, and adequacy of the settlement and the Court's Final Order; and (iii) be entitled to receive a share of the Net Settlement Amount along with all other PAGA Employees, as set forth herein.

G. Miscellaneous Provisions.

52. **Voiding the Agreement:** The Settlement Agreement shall be voidable and unenforceable as to all Parties herein at the option of either Party if (a) the Court does not approve this Settlement, or (b) the Court should for any reason fail to enter a judgment, or (c) the approval of the Settlement and judgment is reversed, modified or declared or rendered void. In that event, then neither the Settlement nor any of the related negotiations or proceedings shall be of any force or effect, and all parties to the Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in the Settlement to facilitate approval. Further, for avoidance of doubt, the Settlement Agreement shall be binding and enforceable regardless of the final amount of Attorneys' Fees and Litigation Costs and/or Service Award approved by the Court.

53. **Waiver:** The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

54. **Parties' Authority:** The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

55. **Mutual Full Cooperation:** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, executing documents and taking other actions that are reasonably necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Plaintiffs' Counsel shall, with the assistance and cooperation of Defendant and Defendants' counsel, take all necessary steps to secure the Court's approval of the settlement, and the Final Order.

56. **No Prior Assignments:** The Parties represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights released and discharged by this Settlement Agreement.

57. **No Admission:** Defendants deny any and all liability to Plaintiffs and/or the PAGA Employees in these Lawsuits, as to any and all causes of action that were asserted or that might have been asserted in these Actions. Nonetheless, Defendants wish to settle and compromise the matters at issue in the Complaint to avoid further substantial expense and the inconvenience and distraction of protracted and burdensome litigation. Defendants also have taken into account the uncertainty and risks inherent in litigation, and without conceding any infirmity in the defenses that it has asserted or could assert against Plaintiffs, have determined that it is desirable and beneficial that Plaintiffs' claims be settled in the manner and upon the terms and conditions set forth in this Agreement.

58. **Acknowledgment that the Settlement is Fair and Reasonable:** The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

59. **Circular 230 Disclaimer:** EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

60. **Confidentiality/Public Statements:** This Settlement and Agreement shall remain confidential in every respect until the Parties’ Motion for Approval of the Settlement is filed with the Court. Plaintiffs and Plaintiffs’ counsel will not (a) issue any press or other media release, (b) initiate any contact with the press, other media (including social media), or any third party, (c) respond to any inquiry from the press, or media, or (d) have any communication with the press or other media about the Actions, including, but not limited to the fact, amount, and/or terms of the Settlement, either before or after the Court approves this Agreement. Plaintiffs and Plaintiffs’ counsel agree to keep the terms of the Settlement Agreement confidential, except as reasonably necessary to obtain judicial approval of the Settlement Agreement. To the extent limited public disclosures are required to effectuate the Settlement Agreement or to notify courts or parties, such limited and necessary details may be revealed with the consent of all Parties. However, any such disclosures shall not constitute a waiver of confidentiality with respect to any information not publically disclosed.

61. **Binding Settlement:** Nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants or any of the other Released Parties. Each of the Parties has entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement.

62. **Enforcement Actions:** Except as otherwise provided in this Settlement Agreement, in the event that one or more of the Parties to this Settlement Agreement institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or

to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any enforcement actions.

Notices: Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed:

To Plaintiffs:

Matthew J. Matern, Esq.
Andrew J. Sokolowski, Esq.
Matern Law Group
1230 Rosecrans Avenue, Suite 200
Manhattan Beach, CA 90266
Tel: (310) 531-1900
Fax: (310) 531-1901
Email: asokolowski@maternlawgroup.com

Samuel Wong
Kashif Haque
Jessica Campbell
Simon Kwak
Aegis Law Firm, PC
9811 Irvine Center Drive, Suite 100
Irvine, CA 92618
Tel.: (949) 379-6250
Fax: (949) 379-6251
skwak@aegislawfirm.com

To Defendants:

Thomas S. Ingrassia
Jenna H. Leyton-Jones
Shannon R. Finley
Pettit Kohn Ingrassia & Lutz, PC
11622 El Camino Real, #300
San Diego, California 92130
Phone: (858) 755-8500
Fax: (858) 755-8504
Email: sfinley@pettitkohn.com

63. **Construction:** The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his or its counsel participated in the drafting of this Settlement Agreement.

64. **Captions and Interpretations:** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

65. **Modification:** This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

66. **Choice of Law:** This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

67. **Integration Clause:** This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

68. **Binding On Assigns:** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

69. **Dispute Resolution:** The Parties agree that any disputes regarding the language of this Settlement Agreement or forms or pleadings in support thereof that cannot be resolved between them shall be submitted to the Honorable Peter Wilson of the Orange County Superior Court, or such other judicial officer who is assigned to the Lawsuits, for final and binding resolution.

70. **Counterparts:** This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic delivery shall be deemed an original. The Parties further agree that the Settlement Agreement may be executed via electronic signature using DocuSign or another similar means of executing an electronic signature.

71. **Entire Agreement:** This Agreement sets forth the entire agreement between the Parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the Parties concerning the subject matter of this Agreement. Any modification to this Agreement must be in writing and signed by Plaintiffs and an authorized officer of Defendants.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Settlement Agreement and Release as of the date set forth below.

Dated: October 18, 2019

PLAINTIFF

Ines Arnulfo Lopez Contreras
Ines Arnulfo Lopez Contreras

Dated: October __, 2019

PLAINTIFF

Alexandra Johnson
Alexandra Johnson

Dated: October __, 2019

PLAINTIFF

Natividad Campos
Natividad Campos

Dated: October __, 2019

CORECARE III LP

Name:
Title:

Dated: October __, 2019

LA COSTA GLEN CARLSBAD CCRC LLC

Name:
Title:

APPROVED AS TO FORM AND CONTENT:

Dated: October __, 2019

MATERN LAW GROUP, PC

Matthew J. Matern
Andrew J. Sokolowski
Attorneys for Plaintiffs Ines Arnulfo Lopez
Contreras and Alexandra Johnson

Dated: October ___, 2019

PLAINTIFF

Ines Arnulfo Lopez Contreras

Dated: October ¹⁸ ___, 2019

PLAINTIFF

Alex Johnson
Alexandra Johnson

Dated: October ___, 2019

PLAINTIFF

Natividad Campos

Dated: October ___, 2019

CORECARE III LP

Name: _____
Title: _____

Dated: October ___, 2019

LA COSTA GLEN CARLSBAD CCRC LLC

Name: _____
Title: _____

APPROVED AS TO FORM AND CONTENT:

Dated: October ___, 2019

MATERN LAW GROUP, PC

Matthew J. Matern
Andrew J. Sokolowski
Attorneys for Plaintiffs Ines Arnulfo Lopez
Contreras and Alexandra Johnson

Dated: October __, 2019

PLAINTIFF

Ines Arnulfo Lopez Contreras

Dated: October __, 2019

PLAINTIFF

Alexandra Johnson

Dated: 10/22/2019

PLAINTIFF


Natividad Campos

Dated: October __, 2019

CORECARE III LP

Name: _____
Title: _____

Dated: October __, 2019

LA COSTA GLEN CARLSBAD CCRC LLC

Name: _____
Title: _____

APPROVED AS TO FORM AND CONTENT:

Dated: October __, 2019

MATERN LAW GROUP, PC

Matthew J. Matern
Andrew J. Sokolowski
Attorneys for Plaintiffs Ines Arnulfo Lopez
Contreras and Alexandra Johnson

Dated: October __, 2019

PLAINTIFF

Ines Arnulfo Lopez Contreras

Dated: October __, 2019

PLAINTIFF

Alexandra Johnson

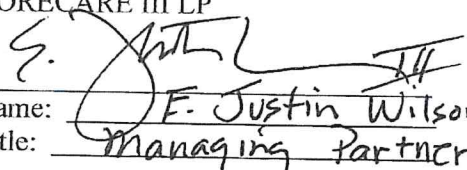
Dated: October __, 2019

PLAINTIFF

Natividad Campos

Dated: October 24, 2019

CORECARE III LP


Name: E. Justin Wilson III
Title: Managing Partner

Dated: October __, 2019

LA COSTA GLEN CARLSBAD CCRC LLC

Name: _____
Title: _____

APPROVED AS TO FORM AND CONTENT:

Dated: October __, 2019

MATERN LAW GROUP, PC

Matthew J. Matern
Andrew J. Sokolowski
Attorneys for Plaintiffs Ines Arnulfo Lopez
Contreras and Alexandra Johnson

Dated: October ___, 2019

PLAINTIFF

Ines Arnulfo Lopez Contreras

Dated: October ___, 2019

PLAINTIFF

Alexandra Johnson

Dated: October ___, 2019

PLAINTIFF

Natividad Campos

Dated: October ___, 2019

CORECARE III LP

Name: _____
Title: _____

Dated: October 31, 2019

LA COSTA GLEN CARLSBAD CCRC LLC


Name: R. ASCHENBRENNER
Title: MEMBER & MANAGER

APPROVED AS TO FORM AND CONTENT:

Dated: October ___, 2019

MATERN LAW GROUP, PC

Matthew J. Matern
Andrew J. Sokolowski
Attorneys for Plaintiffs Ines Arnulfo Lopez
Contreras and Alexandra Johnson

Dated: October ___, 2019

PLAINTIFF

Ines Arnulfo Lopez Contreras

Dated: October ___, 2019

PLAINTIFF

Alexandra Johnson

Dated: October ___, 2019

PLAINTIFF

Natividad Campos

Dated: October ___, 2019

CORECARE III LP

Name: _____
Title: _____

Dated: October ___, 2019

LA COSTA GLEN CARLSBAD CCRC LLC

Name: _____
Title: _____

APPROVED AS TO FORM AND CONTENT:

Dated: October 18, 2019

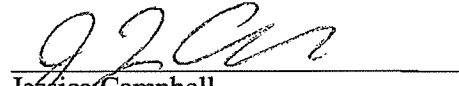
MATERN LAW GROUP, PC



Matthew J. Matern
Andrew J. Sokolowski
Attorneys for Plaintiffs Ines Arnulfo Lopez
Contreras and Alexandra Johnson

Dated: October 22, 2019

AEGIS LAW FIRM, PC



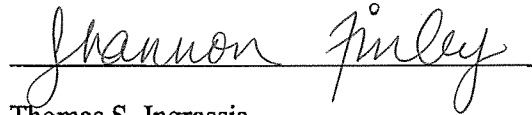
Jessica Campbell

Simon Kwak

Attorneys for Plaintiff Natividad Campos

^{November}
Dated: ~~October~~ 4, 2019

PETTIT KOHN INGRASSIA & LUTZ, PC



Thomas S. Ingrassia

Jenna H. Leyton-

Jones

Shannon R. Finley

Attorney for Defendants Corecare III LP, a California limited partnership d/b/a Morningside of Fullerton; Corecare V LP, a California limited partnership d/b/a Park Vista at Morningside; Park Vista at Home, LLC, a California limited liability company; La Costa Glen Carlsbad CCRC LLC, a Delaware limited liability company; Glenbrook at Home, LLC, a Delaware limited liability company; Glenbrook HC LLC, a Delaware limited liability company; Stoneridge Creek Pleasanton CCRC LLC, a Delaware limited liability company; Creekview HC LLC, a California limited liability company; University Village Thousand Oaks CCRC LLC, a Delaware limited liability company; Oakview HC LLC, a California limited liability company; Oakview at Home LLC, a California limited liability company; Continuing Life, LLC, a Delaware limited liability company; and Warren E. Spieker, Jr., an individual.

Exhibit A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Payment From *Ines Arnulfo Lopez Contreras v. Corecare III, LP, et al., Alexandra Johnson v. Corecare III, LP, et al., and Natividad Campos v. Parkvista at Home LLC, et al.*

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed is your payment from the settlement of the related lawsuits entitled *Arnulfo Lopez Contreras v. Corecare III, LP, et al.* (Orange County Superior Court Case No. 30-2016-00851086-CU-OE-CXC), *Alexandra Johnson v. CoreCare III LP, et al.* (Orange County Superior Court Case No. 30-2017-00925572-CU-OE-CXC), and *Natividad Campos v. Parkvista at Home LLC, et al.*, Orange County Superior Court Case No. 30-2017-00946442-CU-OE-CJC (the "Lawsuits").

These cases were filed against Corecare III LP, a California limited partnership d/b/a Morningside of Fullerton; Corecare V LP, a California limited partnership d/b/a Park Vista at Morningside; Park Vista at Home, LLC, a California limited liability company; La Costa Glen Carlsbad CCRC LLC, a Delaware limited liability company; Glenbrook at Home, LLC, a Delaware limited liability company; Glenbrook HC LLC, a Delaware limited liability company; Stoneridge Creek Pleasanton CCRC LLC, a Delaware limited liability company; Creekview HC LLC, a California limited liability company; University Village Thousand Oaks CCRC LLC, a Delaware limited liability company; Oakview HC LLC, a California limited liability company; Oakview at Home LLC, a California limited liability company; Continuing Life, LLC, a Delaware limited liability company; and Warren E. Spieker, Jr., an individual (collectively "the Employers") pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called "PAGA"). The claim was brought on behalf of the State of California and all similarly situated aggrieved employees of the Employers. You have been identified as one of the employees on whose behalf one or more of the Lawsuits was brought.

The plaintiffs in the Lawsuits claimed that the Employers owed penalties under PAGA for certain California Labor Code violations. The Employers deny that they did anything wrong or that they owe any penalties. The parties agreed to resolve the case, and as part of that settlement, the Employers agreed to pay a certain amount of money categorized as PAGA penalties.

The Court approved the Settlement on _____, 2019. Under California law, any settlement of a PAGA case results in 75 percent of the awarded PAGA penalty being paid to the State of California and 25 percent of the penalty being paid to the employees who worked during the applicable period. The Employers vigorously dispute that any PAGA penalties are due, but nonetheless have agreed to resolve the claims raised in the Lawsuits without further court action. You are receiving this payment as your share of the Settlement. In exchange for these payments, the settlement releases claims for civil penalties only alleged in the complaint under PAGA (Lab

or Code §§ 2699 et seq.) for the period of April 1, 2015, through _____, 2019. The settlement does not release any individual claims belonging to any employee that are not based on PAGA. You have 180 days to cash the settlement checks. You will receive a tax form 1099 for the check.

For additional information you may also contact the attorneys listed below:

Counsel for Plaintiff/Employees:	Counsel for the Employers:
Matthew J. Matern, Esq. Andrew J. Sokolowski, Esq. Matern Law Group 1230 Rosecrans Avenue, Suite 200 Manhattan Beach, CA 90266 Tel: (310) 531-1900 Fax: (310) 531-1901 asokolowski@maternlawgroup.com Jessica Campbell Simon Kwak Aegis Law Firm, PC 9811 Irvine Center Drive, Suite 100 Irvine, CA 92618 Tel.: (949) 379-6250 Fax: (949) 379-6251 skwak@aegislawfirm.com	Thomas S. Ingrassia Jenna H. Leyton-Jones Shannon R. Finley Pettit Kohn Ingrassia & Lutz, PC 11622 El Camino Real, #300 San Diego, California 92130 Phone: (858) 755-8500 Fax: (858) 755-8504 Email: sfinley@pettitkohn.com