STIPULATION RE PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT

Plaintiffs Amel Haimes, Morine Devi, Kerry-Ann Lewin, and Sean Boyd (together, "Plaintiffs"), for themselves and on behalf of all allegedly aggrieved employees and as proxies of the State of California, on the one hand, and Defendants Sunrise Senior Living Management, Inc., Sunrise Senior Living, LLC, and Sunrise Senior Living Services, Inc. (together, "Defendants" or "Sunrise"), on the other hand (collectively, the "Parties" and each individually a "Party") hereby agree to the following binding settlement ("Settlement" or "Settlement Agreement") under the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA").

RECITALS

WHEREAS, on October 20, 2022, Plaintiff Haimes submitted a notice to the California Labor & Workforce Development Agency ("LWDA") pursuant to Section 2699.3(a)(1) of the PAGA, alleging that Sunrise violated provisions of the California Labor Code as to her and other allegedly aggrieved employees;

WHEREAS, on December 27, 2022, Plaintiff Haimes filed a PAGA-only action against Sunrise in Santa Clara County Superior Court;

WHEREAS, on February 22, 2023, Plaintiff Devi submitted a notice to the LWDA pursuant to Section 2699.3(a)(1) of the PAGA, alleging that Sunrise violated provisions of the California Labor Code as to her and other allegedly aggrieved employees;

WHEREAS, on March 15, 2023, Plaintiff Devi filed a class and PAGA action against Sunrise in Sacramento County Superior Court. Sunrise removed this action to the Eastern District of California on May 23, 2023. Plaintiff Devi thereafter voluntarily dismissed all class and individual claims from the action, in light of her arbitration agreement with Sunrise;

WHEREAS, on June 6, 2023, Plaintiff Lewin submitted a notice to the LWDA pursuant to Section 2699.3(a)(1) of the PAGA, alleging that Sunrise violated provisions of the California Labor Code as to her and other allegedly aggrieved employees;

WHEREAS, on August 11, 2023, Plaintiff Lewin filed a PAGA-only action against Sunrise in Sonoma County Superior Court;

WHEREAS, on September 18, 2023, Plaintiff Lewin submitted an amended notice to the LWDA pursuant to Section 2699.3(a)(1) of the PAGA to include Plaintiff Boyd;

WHEREAS, on March 4, 2024, Sunrise and Plaintiff Boyd entered into a tolling agreement, commencing as of November 22, 2023 (sixty-five (65) days after Plaintiff Boyd served notice to the LWDA), as to Plaintiff Boyd's claims against Sunrise in light of the Parties' settlement conversations;

WHEREAS, on April 15, 2024, the Parties participated in a full-day mediation with mediator Kevin Barnes, but did not reach a settlement;

WHEREAS, prior to the mediation, Sunrise provided Plaintiffs, through informal discovery, various documents and information that allowed both sides to evaluate the potential exposure and potential risks in the Actions;

WHEREAS, after the mediation, Mr. Barnes continued to facilitate arms-length settlement negotiations between the Parties, including issuing mediator's proposals on May 3, 2024 and June 17, 2024, which resulted in the Parties subsequently reaching a settlement;

WHEREAS, the LWDA has provided no response to Plaintiffs' respective PAGA notices to the LWDA, and, therefore, Plaintiffs were authorized to proceed under California Labor Code Section 2699.3 and enter into this Settlement Agreement on behalf of all allegedly aggrieved employees and as proxies of the State of California;

WHEREAS, Sunrise does not admit and specifically denies any liability or wrongdoing and is entering into this Settlement for the sole purpose of avoiding the time and expense incident to protracted litigation;

NOW, THEREFORE, in consideration of the mutual covenants set forth below, the Parties agree as follows:

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective.

1. **"Actions**" means the actions entitled *Haimes v. Sunrise Senior Living Management, Inc., et al.*, No. 22CV409059 (Santa Clara County Superior Court) (the "*Haimes* Action"); *Devi v. Sunrise Senior Living, LLC, et al.*, No. 2:23-cv-00978-DJC-JDP (E.D. Cal.) (the "*Devi* Action"); and *Lewin v. Sunrise Senior Living, LLC*, No. SCV-273914 (Sonoma County Superior Court) (the "*Lewin* Action").

2. **"Attorneys' Fees and Costs"** means attorneys' fees and reasonable costs sought by Plaintiffs' Counsel for litigation and resolution of the Actions, and all reasonable costs incurred and to be incurred by Plaintiffs' Counsel in the Actions. Plaintiffs' Counsel will request attorneys' fees in the amount of Eight Hundred Ninety-Three Thousand Three Hundred Thirty-Three Dollars ($893,333.00) (i.e., one-third of the Total Settlement Amount), plus reasonable actual out-of-pocket costs of not more than $30,000.

3. **"Court"** means the California Superior Court for the County of Santa Clara.

4. **"Effective Date"** means the later of either: (i) if no timely objections are filed, or if filed are withdrawn prior to approval, the date upon which the Court enters an order granting approval of the Settlement; or (ii) if timely objections are filed and not withdrawn, then either five (5) days from the final resolution of any appeals timely filed, or from the expiration date of the time for filing or noticing any such appeals, provided that the Settlement is finally approved; or (iii) if Plaintiffs' Counsel appeals any reduction to the Attorneys' Fees and Costs in accordance with Paragraph 48 then five (5) days from the final resolution of such appeal, or from the expiration

date of the time for filing or noticing any such appeals, provided that the Settlement is finally approved.

5. **"Enhancement Payments"** means the amounts to be paid to Plaintiffs in recognition of their effort and work in prosecuting the Actions on behalf of PAGA Settlement Group Members, and for their general release of claims.

6. **"Individual PAGA Payment(s)"** means that portion of the PAGA Settlement Fund to be paid to each of the PAGA Settlement Group Members. Pursuant to PAGA, Twenty-Five Percent (25%) of the PAGA Settlement Fund will be paid to all PAGA Settlement Group Members in *pro rata* shares.

7. **"LWDA Payment"** means the portion of the PAGA Settlement Fund to be paid to the LWDA. Pursuant to PAGA, Seventy Five Percent (75%) of the PAGA Settlement Fund will be paid to the LWDA.

8. **"PAGA Settlement Fund"** means the total sum available for payment to the PAGA Settlement Group Members and the LWDA. The PAGA Settlement Fund will be calculated by deducting the (a) Attorneys' Fees and Costs, (b) Enhancement Payments, and (c) Settlement Administration Costs from the Total Settlement Amount.

9. **"PAGA Settlement Group Members"** means all persons who were employed in non-exempt positions at Sunrise's California communities at any time during the Settlement Period of October 20, 2021 through April 15, 2024. Plaintiffs' Counsel represent that the PAGA Settlement Group Members include all of Plaintiffs' Counsel's clients who have asserted claims (or intend to assert claims) against Sunrise.

10. **"PAGA Settlement Group Members List"** means a complete list of all PAGA Settlement Group Members that Sunrise has compiled from its records. The PAGA Settlement Group Members List will be formatted in Microsoft Office Excel and will include each PAGA Settlement Group Member's full name, Social Security number, last known mailing address, telephone number, if any, contained in Sunrise's Human Resources personnel records, and total number of pay periods worked during the Settlement Period according to Sunrise's records.

11. **"PAGA Settlement Group Members' Released Claims"** means all claims and/or causes of action for PAGA civil penalties based on the facts alleged in the Actions that arose during the Settlement Period, including any rights, demands, penalties, costs, and attorneys' fees arising from or based on such a claim under PAGA, including but not limited to claims based on alleged violations of Labor Code §§ 201, 202, 203, 204, 210, 216, 225.5, 226, 226.3, 226.7, 510, 512, 516, 558, 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2810.5.

12. **"Plaintiffs' Counsel"** means Raul Perez, Bevin Allen Pike, and Daniel S. Jonathan of Capstone Law APC and James R. Hawkins and Christina M. Lucio of James Hawkins APLC.

13. **"Plaintiffs"** means Plaintiffs Amel Haimes, Morine Devi, Kerry-Ann Lewin, and Sean Boyd.

14. **"Plaintiffs' Released Claims"** means all claims, judgments, liens, losses, debts, liabilities, demands, obligations, guarantees, penalties (including but not limited to PAGA penalties, waiting time penalties and all other penalties available under the California Labor Code), costs, expenses, attorneys' fees, damages, indemnities, actions, causes of action, and obligations of every kind and nature in law, equity or otherwise, known or unknown, suspected or unsuspected, disclosed or undisclosed, contingent or accrued, arising out of or relating to Plaintiffs' employment with Sunrise or the causes of action asserted or which could have been asserted based on the allegations in each of the operative complaints in the Actions, including, and notwithstanding the theory on which such causes of action were, or could be, based. Plaintiffs' Released Claims specifically include all disputes relating to or arising out of any federal, state, or other governmental statute, regulation, ordinance, or order, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000(e) *et seq.*; the Civil Rights Act of 1866, as amended, 42 U.S.C. §§ 1981 *et seq.*; the Equal Pay Act, as amended, 29 U.S.C. § 206(d); the Fair Labor Standards Act of 1939, as amended, 29 U.S.C. § 201 *et seq.*; the Fair Employment & Housing Act; the California Family Rights Act; the California Labor Code, including but not limited to sections 201, 202, 203, 204, 210, 216, 218.5, 221, 223, 225.5, 226, 226.2, 226.3, 226.7, 226.8, 266.3, 266.7, 510, 512, 516, 558, 1174, 1174.5, 1175, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2699, *et. seq*., 2800, 2802, 2810.5; any and all California Industrial Welfare Commission Orders; the California Business & Professions Code section 17200, *et seq.*; Article 1 of the California Constitution; the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 701 *et seq.*; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12100 *et seq.*; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 *et seq.*; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 *et seq.*; the National Labor Relations Act, as amended, 29 U.S.C. § 151 *et seq.*; 34 C.F.R. § 688.16, 20 U.S.C. § 1082, 20 U.S.C. § 1085, 20 U.S.C. § 1094, 20 U.S.C. § 1099c, the Immigration Reform Control Act, and/or the Occupational Safety and Health Act; damages of any kind whatsoever, arising out of any common law torts, any contracts, express or implied, any covenant of good faith and fair dealing, express or implied, any theory of wrongful discharge, any theory of negligence, any theory of retaliation, any theory of discrimination or harassment in any form, any legal restriction on Sunrise's right to terminate employees, or any other statutory or common law limitation or regulation of the employment relationship of federal, state, or other government law.

15. **"Released Parties"** means Sunrise; any of its former and present parents, subsidiaries, holding companies, investors, sister and affiliated companies, divisions, and other related entities, as well as its and their successors, predecessors, shareholders, officers, directors, partners, assigns, agents, employees, principals, heirs, administrators, attorneys, vendors, accountants, auditors, consultants, fiduciaries, insurers, reinsurers, employee benefit plans, and representatives, both individually and in their official capacities, past or present, as well as all persons acting by, through, under or in concert with any of these persons or entities, including but not limited to entities holding ownership interests in Sunrise communities in California. This Settlement Agreement shall inure to the benefit of and shall be binding and enforceable by all such entities and individuals.

16. **"Settlement Administrator"** means ILYM Group, Inc., or any other third-party settlement administrator chosen by Plaintiffs' Counsel, subject to approval by Sunrise, and approved by the Court for purposes of administrating this Settlement. The Parties each represent

that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

17. **"Settlement Administration Costs"** means the costs payable to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, issuing Form 1099s to the PAGA Settlement Group Members, including Plaintiffs, tax reporting, distributing the Total Settlement Amount, and providing necessary reports and declarations, as may be requested by the Parties. The Settlement Administration Costs will be paid from the Total Settlement Amount. The Parties estimate that the Settlement Administration Costs will be $20,000.00.

18. **"Settlement Period"** means the period from October 20, 2021 through April 15, 2024.

19. **"Total Settlement Amount"** means the non-reversionary gross sum of Two Million Six Hundred Eighty Thousand Dollars ($2,680,000.00), to be paid by Sunrise in full satisfaction of all PAGA Settlement Group Members' Released Claims and Plaintiffs' Released Claims. The Total Settlement Amount includes all Individual PAGA Payments, Enhancement Payments, Attorneys' Fees and Costs, the LWDA Payment, and Settlement Administration Costs. In no event will Sunrise be liable for more than the Total Settlement Amount.

TERMS OF AGREEMENT

20. **Amendment of Complaint; Approval and Dismissal of Actions**. For purposes of this Settlement only, the Parties agree that, before or concurrent with the filing of approval, they will file a joint stipulation requesting that the Court allow Plaintiffs to file a mutually agreeable Amended Complaint in *Haimes v. Sunrise Senior Living Management, Inc., et al.*, No. 22CV409059 (Santa Clara County Superior Court) that includes all PAGA claims currently alleged in the Actions. The Parties further agree that Plaintiffs will take all necessary steps to seek the dismissal of the *Devi* Action and *Lewin* Action within five (5) business days after the Effective Date. All proceedings relating to the approval of the Settlement Agreement shall be before Judge Charles F. Adams in Santa Clara Superior Court.

21. **Dismissal of Entities**. Plaintiffs will dismiss Defendants Sunrise Senior Living Development, Inc.; Sunrise Pleasanton CA Senior Living, LP; Sunrise Burlingame Senior Living, LLC; Sunrise Sabre Springs CA Senior Living Opco, LLC; Sunrise Pleasanton CA Senior Living Opco, LLC; Sunrise Torrance Senior Living LLC; and Sunrise Sabre Springs CA Senior Living, LP without prejudice from the Actions by not naming these entities in the Amended Complaint filed in the *Haimes* Action. Sunrise maintains that these entities are not properly named as defendants in the actions because, *inter alia*, it is Sunrise's position that some are not Sunrise entities, and these entities did not employ Plaintiffs.

22. **Settlement Procedure**. The Parties agree to present the Settlement to the Court for review and approval. The Parties agree that the Court shall have the authority to review and approve or reject this Settlement Agreement. *See* Cal. Lab. Code § 2699(s)(2).

Plaintiffs' Counsel will use best efforts to obtain the earliest available hearing date for a Motion for Court Approval of the Settlement. Not later than sixteen (16) court days prior to the hearing on Plaintiffs' Motion for Court Approval of the Settlement Agreement, the Parties will jointly submit the Settlement Agreement to the Court. The Parties will request that the Court not issue any decision regarding the approval of this Settlement Agreement until at least sixteen (16) court days following the submission of this Settlement Agreement to the Court and the LWDA (pursuant to Section 39) to provide the LWDA sufficient opportunity to review and respond to the Settlement Agreement, if it so chooses.

Plaintiffs' Counsel will be responsible for drafting and submitting the motion for approval of this Settlement Agreement. Plaintiffs' Counsel will provide counsel for Sunrise with a draft of the motion and proposed order/judgment at least fourteen (14) calendar days prior to the filing deadline. If the Parties disagree on any aspect of the proposed motion and/or the proposed order/judgment, Plaintiffs' Counsel and counsel for Sunrise will expeditiously work together on behalf of the Parties in good faith to resolve the disagreement. Except as provided herein, the Court's order shall be binding on the Parties, and the Parties agree to waive any appeals.

23. **Attorneys' Fees and Costs**. Sunrise agrees not to challenge or otherwise oppose Plaintiffs' Counsel's request for attorneys' fees and costs of not more than Eight Hundred Ninety-Three Thousand Three Hundred Thirty-Three Dollars ($893,333.00) (i.e., one-third of the Total Settlement Amount), plus reasonable actual out-of-pocket costs of not more than $30,000. The Court's award of attorneys' fees will be divided between Plaintiffs' Counsel as follows: (i) fifty percent (50%) to Capstone Law APC and fifty percent (50%) to James Hawkins APLC.

24. **Acknowledgements by Plaintiffs**. Plaintiffs acknowledge and agree that: (i) this Settlement may result in taxable income to Plaintiffs under applicable federal, state and local tax laws; (ii) Sunrise is providing no tax, accounting or legal advice to Plaintiffs, and makes no representations regarding any tax obligations or tax consequences on Plaintiffs' part relating to or arising from this Settlement Agreement; (iii) Plaintiffs shall be solely responsible for all taxes, including, without limitation, all federal, state and local taxes, and all tax liens or claims against Plaintiffs that may arise from this Settlement Agreement, and Plaintiffs shall not seek any indemnification from Sunrise with respect thereto; and, (iv) Plaintiffs have been advised that Sunrise must comply with its obligations to make reports of such taxable income to the appropriate federal, state and local tax authorities, and to issue IRS Form 1099s as appropriate.

25. **Cooperation**. The Parties agree to cooperate in the administration of the Settlement and make all reasonable efforts to control and minimize the costs and expenses incurred in the administration of the Settlement.

26. **Delivery of PAGA Settlement Group Members List**. Within fifteen (15) calendar days of the Effective Date, Sunrise will provide the Settlement Administrator the PAGA Settlement Group Members List.

27. **Funding of the Settlement**. Within fifteen (15) business days after the Effective Date, Sunrise will deposit the Total Settlement Amount into the qualified settlement fund to be established by the Settlement Administrator entitled "*Haimes, et al.* PAGA Settlement Fund." Within fourteen (14) calendar days of the funding of the Settlement, the Settlement Administrator will issue payments to: (a) PAGA Settlement Group Members; (b) the LWDA; (c) Plaintiffs; (d) Plaintiffs' Counsel; and (e) itself. The Settlement Administrator, and not Sunrise, will be

responsible for issuing to PAGA Settlement Group Members, Plaintiffs, and Plaintiffs' Counsel any 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all employer payroll taxes to the appropriate government authorities.

28. **Settlement Payments to PAGA Settlement Group Members**.

a. The Settlement Administrator will issue to each PAGA Settlement Group Member a check for his or her Individual PAGA Payment along with an explanatory letter, which is attached as **Exhibit A** to this Agreement. The PAGA Settlement Group Members' share of the PAGA Settlement Fund shall be paid *pro rata* based on the number of pay periods the PAGA Settlement Group Member worked during the Settlement Period.

b. Prior to mailing, the Settlement Administrator will perform a search through the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address provided, if any. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address or Social Security number of the PAGA Settlement Group Member involved, and will then perform a single re-mailing. Checks will remain negotiable for one hundred eighty (180) days.

c. None of the Total Settlement Amount will revert to Sunrise or any Released Parties. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than 180 days after issuance will be void and those amounts will be used to offset any outstanding costs of Settlement Administration. If after making any such payments additional funds remain, they will be tendered to the State Bar of California Justice Gap Fund.

d. All Individual PAGA Payments to PAGA Settlement Group Members will be treated as miscellaneous income for which an IRS Form 1099 will be issued. No person or entity shall have any claim against Sunrise, Sunrise's Counsel, the Released Parties, Plaintiffs, any PAGA Settlement Group Member, Plaintiffs' Counsel, or the Settlement Administrator based upon distributions and payments made in accordance with this Agreement.

29. **Plaintiffs' Enhancement Payments**. Plaintiffs will request, and Sunrise will not oppose, a reasonable enhancement payment not to exceed a total of Forty Thousand Dollars ($40,000.00), representing no more than Ten Thousand Dollars ($10,000.00) for each Plaintiff for their time and effort in bringing and prosecuting the Actions, and for general releases of all claims arising out of their employment with Sunrise. The Parties agree that a decision by the Court to award Plaintiffs an amount less than the amount stated above shall not be a basis for Plaintiffs to

void this Settlement Agreement. The Settlement Administrator shall issue a Form 1099 for the Enhancement Payments. Any amounts awarded for an Enhancement Payment to Plaintiffs less than the amount listed above will result in the non-awarded funds being part of the PAGA Settlement Fund, available for distribution to the LWDA and the PAGA Settlement Group Members.

Plaintiffs shall be solely and legally responsible to pay any and all applicable taxes on their Enhancement Payments and shall hold harmless Sunrise, Sunrise's Counsel, the Released Parties, Plaintiffs' Counsel, or the Settlement Administrator from any claim or liability for taxes, penalties or interest arising as a result of the payment. Sunrise and Plaintiffs' Counsel make no representations as to the tax treatment or legal effect of the payments called for herein, and Plaintiffs are not relying on any statement or representation by Sunrise or Plaintiffs' Counsel in this regard.

30. **Certification of Completion**. Upon completion of administration of the Settlement, the Settlement Administrator will provide to the Court and counsel for all Parties a written declaration under oath to certify such completion.

31. **Release and Waiver of Claims by Plaintiffs**.

a. **General Release by Plaintiffs**. In consideration of the Total Settlement Amount, Enhancement Payments, and other promises contained herein, Plaintiffs expressly waive any and all claims against Sunrise and, to the maximum extent permitted by law, releases Sunrise and the Released Parties from Plaintiffs' Released Claims (as defined above). This General Release by Plaintiffs (a) shall not affect any claims that Plaintiffs may have which arise solely after the Effective Date of this Settlement Agreement and (b) shall not serve as a release of any workers' compensation claims or any claims that cannot be released as a matter of law. Plaintiffs are making the releases contained within Section 31 of this Settlement Agreement in their individual capacities, and not in their capacities as private attorney generals for the State of California.

b. **Release of Unknown and Unsuspected Claims by Plaintiffs**. For the purpose of implementing a full and complete release and discharge of the Released Parties, Plaintiffs expressly acknowledge that their release of claims as outlined in Section 31 herein is intended to include in its effect, without limitation, all Plaintiffs' Released Claims (as defined above) which Plaintiffs do not know or suspect to exist in Plaintiffs' favor at the time of execution hereof, and this Release and Waiver of Claims by Plaintiffs contemplates the extinguishment of any and all such Plaintiffs' Released Claims. In this regard, Plaintiffs expressly waive the provisions of Section 1542 of the California Civil Code, which states:

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.

Furthermore, Plaintiffs hereby expressly waive and relinquish any rights and benefits Plaintiffs may have under other statutes or common law principles of similar effect. Plaintiffs understand that the facts under which they give this full and complete release and discharge of the Released Parties may hereafter prove to be different than now known or believed by them and Plaintiffs hereby accept and assume the risk thereof and agree that their full and complete release and discharge of the Released Parties shall remain effective in all respects and not be subject to termination, rescission, or modification by reason of any such difference in facts.

32. **PAGA Release; Settlement Terms Bind All PAGA Settlement Group Members**. Except as provided for in this Settlement Agreement, Plaintiffs, on behalf of themselves and all PAGA Settlement Group Members, and as proxy of the State of California, hereby release, waive and forever discharge the Released Parties from the PAGA Settlement Group Members' Released Claims (as defined above). Upon Sunrise's funding of the Total Settlement Amount, Plaintiffs, all PAGA Settlement Group Members, and the State of California, will be bound by the Court's order granting approval of the Settlement and will be forever barred from pursuing any of the PAGA Settlement Group Members' Released Claims against any of the Released Parties.

33. **Escalator Provision**. Sunrise estimates that PAGA Settlement Group Members worked approximately 175,229 pay periods during the Settlement Period. If the total number of pay periods is 10% greater than that estimated by Sunrise, then the Total Settlement Amount shall be increased at a rate of Fifteen Dollars ($15.00) per pay period.

34. **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.

35. **Older Workers' Benefit Protection Act Waiver**.

a. Plaintiffs specifically intend that Plaintiffs' Released Claims they are releasing herein include any claims that Plaintiffs may have under the Age Discrimination in Employment Act of 1967, as amended by the Older Workers' Benefit Protection Act of 1990.

b. Plaintiffs are advised to consult with their counsel before signing this Settlement Agreement because Plaintiffs are permanently giving up significant legal rights. Plaintiffs acknowledge that they have been so advised.

c. Plaintiffs acknowledge that they have been given at least twenty-one (21) calendar days to execute and return this Settlement Agreement and have been advised that, after they execute this Settlement Agreement, Plaintiffs have seven (7) calendar days to reconsider and revoke the Settlement Agreement, recognizing that Plaintiffs will not be provided anything under this Settlement Agreement until at least that seven (7)-day revocation period has expired. The general release will then become effective on the eighth (8th) calendar day after it is signed, provided that Plaintiffs do not revoke it.

d. In order to effectively revoke Plaintiffs' general release, the Parties agree that Plaintiffs must provide written notice of such revocation within seven (7) calendar days after Plaintiffs execute this Settlement Agreement to counsel for Sunrise, Jason C. Schwartz, via email to JSchwartz@gibsondunn.com.

36. **No Prior Assignments**. The Parties and their counsel 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 right herein released and discharged.

37. **Nullification of Settlement Agreement**. In the event that (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions.

38. **Termination of Settlement Agreement**. Plaintiffs and Sunrise will each have the right to unilaterally terminate this Settlement Agreement by providing written notice of their election to do so ("Termination Notice") to all other Parties hereto within ten (10) business days of any of the following occurrences; provided, however, that the Parties agree to cooperate in good faith to address any issues the Court raises in connection with issuing approval of the Settlement:

a. the Court rejects, materially modifies, materially amends or changes, or declines to issue an order approving the Settlement Agreement ("Order") and the Parties are not permitted to remedy any deficiencies the Court identifies;

b. an appellate court reverses the Order, and the Settlement Agreement is not reinstated without material change by the Court on remand; or

c. any court incorporates terms into, or deletes or strikes terms from, or modifies, amends, or changes the Order, or the Settlement Agreement in any way that Plaintiffs or Sunrise reasonably consider material, unless the modification or amendment is accepted in writing by all Parties, except that, as provided above, the Court's refusal to approve the total amounts requested for the Attorneys' Fees and Costs and Enhancement Payments will not be a basis to terminate the Settlement Agreement.

39. **Submission of Settlement Agreement to LWDA**. Plaintiffs agree to submit this Settlement Agreement to the LWDA at the time that it is submitted to the Court for approval with a copy via e-mail to counsel for Sunrise, Jason C. Schwartz, at JSchwartz@gibsondunn.com.

40. **Order and Continued Jurisdiction**. Notwithstanding the issuance of the Order, and to the extent permitted by law, after entry of the order, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) Settlement administration matters, and (iii) such post-order matters as may be appropriate as set forth in this Settlement Agreement.

41. **Exhibits Incorporated by Reference**. The terms of this Settlement Agreement include the attached Exhibit, which is incorporated by this reference as though fully set forth herein. The Exhibit to this Settlement Agreement is an integral part of the Settlement.

42. **Entire Agreement**. This Settlement Agreement constitutes the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

43. **Authorization to Enter into Settlement Agreement**. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement.

44. **Binding on Successors and Assigns**. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

45. **Execution and Counterparts**. This Settlement Agreement is subject to the execution of all Parties. However, the Settlement Agreement may be executed in one or more

counterparts. All executed counterparts and each of them, including electronic signatures (e.g., Docusign), facsimiles, and scanned copies of the signature pages, will be deemed to be one and the same instrument.

46. **Governing Law**. All matters relating to or arising out of this Settlement Agreement will be governed by and interpreted according to the laws of the State of California.

47. **Acknowledgement that the Settlement Is Fair and Reasonable**. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Actions and have arrived at this Settlement after arm's-length negotiations by experienced counsel and mediator Kevin Barnes. 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.

48. **Waiver of Appeals**. The Parties agree to waive their right to appeal or seek other judicial review of any award that is materially consistent with the terms of this Settlement Agreement; except that Plaintiffs' Counsel may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court.

49. **Invalidity of Any Provision**. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to deem all provisions of this Settlement Agreement valid and enforceable.

50. **Captions**. The captions and section numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

51. **Waiver**. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

52. **Enforcement Action**. Per Section 40, the Court shall retain continuing jurisdiction for addressing any dispute relating to the enforcement of the terms of the Settlement. In the event that one or more of the Parties institutes any action with the Court to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party will be entitled to recover from the unsuccessful Party reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

53. **Mutual Preparation**. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

54. **Binding Agreement**. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

55. **No Admission of Liability**. The Parties enter into this Settlement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. The Parties expressly recognize that the making of this Settlement Agreement does not in any way constitute an admission or concession of wrongdoing on the part of the Released Parties. In entering into this Settlement, Sunrise does not admit, and specifically denies, that it violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; engaged in any other unlawful conduct with respect to its employees; or that a trial relating to the Actions would be manageable. Neither this Settlement Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Settlement Agreement, may be construed as, or may be used as an admission, concession or indication by or against Sunrise of any fault, wrongdoing or liability whatsoever. Notwithstanding the foregoing, this Settlement Agreement may be used in any proceeding with the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any order of the Court entered into in connection therewith.

56. **No Media Statements**. The Parties and their Counsel agree that they will not issue or make any press release or press statement, respond to any press inquiry, or initiate or respond to media coverage or other publicity regarding Sunrise, the Released Parties, or this Settlement Agreement, nor post any notice on any website related to the Settlement Agreement, nor otherwise publicize the Settlement. However, for the limited purpose of allowing Plaintiffs' Counsel to prove adequacy as Plaintiffs' counsel in other actions, or for purposes of seeking court approval of comparable wage and hour settlements, Plaintiffs' Counsel may disclose all information available in the public venue about the Actions and Settlement in court filings.

57. **Recitals**. The recitals to this Settlement Agreement are hereby deemed incorporated into this Settlement Agreement.

58. **Severability**. Should any court declare or determine any provision of this Settlement Agreement to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and the illegal or invalid part, term, or provision shall be deemed not to be a part of this Settlement Agreement.

WHEREFORE, the Parties hereto have caused this Settlement Agreement to be signed.

AMEL HAIMES, INDIVIDUALLY AND AS THE AUTHORIZED REPRESENTATIVE OF THE STATE OF CALIFORNIA, AND ON BEHALF OF ALLEGEDLY AGGRIEVED EMPLOYEES

Dated: 11-22/2024, 2024

Signed by:
D3E7CE52CA9D491...

Amel Haimes

MORINE DEVI, INDIVIDUALLY AND AS THE AUTHORIZED REPRESENTATIVE OF THE STATE OF CALIFORNIA, AND ON BEHALF OF ALLEGEDLY AGGRIEVED EMPLOYEES

Dated: ____________________, 2024

By: Morine Devi

KERRY-ANN LEWIN, INDIVIDUALLY AND AS THE AUTHORIZED REPRESENTATIVE OF THE STATE OF CALIFORNIA, AND ON BEHALF OF ALLEGEDLY AGGRIEVED EMPLOYEES

Dated: ____________________, 2024

By: Kerry-Ann Lewin

WHEREFORE, the Parties hereto have caused this Settlement Agreement to be signed.

AMEL HAIMES, INDIVIDUALLY AND AS THE AUTHORIZED REPRESENTATIVE OF THE STATE OF CALIFORNIA, AND ON BEHALF OF ALLEGEDLY AGGRIEVED EMPLOYEES

Dated: ______________________, 2024

____
By: Amel Haimes

MORINE DEVI, INDIVIDUALLY AND AS THE AUTHORIZED REPRESENTATIVE OF THE STATE OF CALIFORNIA, AND ON BEHALF OF ALLEGEDLY AGGRIEVED EMPLOYEES

Dated: 11/25/24

Morine Devi (Nov 25, 2024 11:59 PST)
____
By: Morine Devi

KERRY-ANN LEWIN, INDIVIDUALLY AND AS THE AUTHORIZED REPRESENTATIVE OF THE STATE OF CALIFORNIA, AND ON BEHALF OF ALLEGEDLY AGGRIEVED EMPLOYEES

Dated: ___________________________

____
By: Kerry-Ann Lewin

WHEREFORE, the Parties hereto have caused this Settlement Agreement to be signed.

AMEL HAIMES, INDIVIDUALLY AND AS THE AUTHORIZED REPRESENTATIVE OF THE STATE OF CALIFORNIA, AND ON BEHALF OF ALLEGEDLY AGGRIEVED EMPLOYEES

Dated: ______________________, 2024

____
By: Amel Haimes

MORINE DEVI, INDIVIDUALLY AND AS THE AUTHORIZED REPRESENTATIVE OF THE STATE OF CALIFORNIA, AND ON BEHALF OF ALLEGEDLY AGGRIEVED EMPLOYEES

Dated: __________________________

____
By: Morine Devi

KERRY-ANN LEWIN, INDIVIDUALLY AND AS THE AUTHORIZED REPRESENTATIVE OF THE STATE OF CALIFORNIA, AND ON BEHALF OF ALLEGEDLY AGGRIEVED EMPLOYEES

Dated: 11/25/24

Kerry-ann Lewin (Nov 25, 2024 10:18 PST)
By: Kerry-Ann Lewin

SEAN BOYD, INDIVIDUALLY AND AS THE AUTHORIZED REPRESENTATIVE OF THE STATE OF CALIFORNIA, AND ON BEHALF OF ALLEGEDLY AGGRIEVED EMPLOYEES

Dated: 11/22/24 ______________________________

Sean Boyd
Sean Boyd (Nov 22, 2024 10:42 PST)
____
By: Sean Boyd

SUNRISE SENIOR LIVING MANAGEMENT, INC., SUNRISE SENIOR LIVING, LLC, AND SUNRISE SENIOR LIVING SERVICES, INC.

Dated: December 13, 2024

____

By: Sara Sakagami, VP & Associate General Counsel
Authorized Representative

Exhibit A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>
<<ADDRESS 1>>
<<ADDRESS 2>>

Re: ***Haimes v. Sunrise Senior Living Management, Inc.*, No. 22CV409059**
(Santa Clara County Superior Court)

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

You are receiving this notice because a settlement has been reached in a litigation entitled *Haimes v. Sunrise Senior Living Management, Inc.*, Case No. 22CV409059 (Santa Clara County Superior Court) (the "Action").

The Action was filed against Defendants Sunrise Senior Living Management, Inc., Sunrise Senior Living, LLC, and Sunrise Senior Living Services, Inc. ("Defendants") pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called "PAGA"). The Action was initiated by former employees of Defendants on behalf of the State of California and all allegedly "aggrieved employees" of Defendants.

The Plaintiffs in the Action claimed that Defendants owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders. Defendants deny that they violated the Labor Code or California Wage Orders and deny further any liability or wrongdoing. Moreover, in agreeing to this settlement, Defendants do not admit that they are liable in any way for any penalties and assert that Defendants have at all times complied with the law.

On [DATE], the Santa Clara County Superior Court approved the settlement of this dispute. The settlement covers all persons who were employed in non-exempt positions at Defendants' California communities at any time during the period of October 20, 2021 through April 15, 2024. You have been identified as one of the employees covered by this litigation and settlement.

Enclosed with this letter is a check for your share of a portion of the civil penalties paid under this settlement.

In light of the binding nature of a PAGA judgment and that claims for these types of civil penalties belong to the State of California, the claims for civil penalties under PAGA that pertain to your work with Defendants during the period of October 20, 2021 and April 15, 2024 have been settled and released. You are responsible for paying any federal, state, or local taxes owed as a result of this payment. You will not be deemed to have released any individual wage and hour claims based on alleged violations of the Labor Code or of a California Wage Order, for which they have a private right of action, by virtue of the settlement.

The settlement represents a compromise of highly disputed claims. Nothing in the settlement is intended or will be construed as an admission by Defendants that Plaintiffs' claims are appropriately brought as a representative action, that the claims have merit, or that Defendants have any liability to the Plaintiffs or the allegedly "aggrieved employees" on those claims. By agreeing to settle, Defendants do not admit and specifically deny any liability or wrongdoing and have agreed to settle for the sole purpose of avoiding the time and expense incident to protracted litigation. There has been no ruling on the merits of the Action.

If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very Truly Yours,

[Administrator]