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on behalf of himself and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SHASTA

RAMON ESTRADA, on behalf of himself and all others similarly situated, Plaintiffs, v. URBAN RETREAT, INC., a California corporation; and DOES 1 to 10, inclusive, Defendants.	**CLASS ACTION** Case No.: 23CV-0201662 **JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE** Honorable Benjamin L. Hanna Department 8 Action filed: February 28, 2023 Trial Date: January 30, 2024

JOINT STIPULATION OF CLASS ACTION

AND PAGA SETTLEMENT AND RELEASE

IT IS HEREBY STIPULATED, by and between the parties in the civil action entitled Ramon Estrada, individually and on behalf of all others similarly situated, (hereinafter "Plaintiff"), on the one hand, and Defendant Urban Retreat, Inc. (hereinafter "Defendant") on the other hand, and subject to the approval of the Court, that the Action is hereby compromised and settled under the terms and conditions set forth in this Joint Stipulation of Class Action and PAGA Settlement and Release ("Agreement," "Settlement," or "Stipulation of Settlement") and that the Court shall make and enter judgment, subject to the continuing jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and terms set forth herein, which, by this reference, become an integral part of this Stipulation of Settlement.

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DEFINITIONS

1. "Action" means the putative class and representative action entitled *Ramon Estrada v. Urban Retreat Inc.*, Shasta County Superior Court Case No. 23CV-0201662.

2. "Class Counsel" means Gregg Lander, Esq. and Vanessa M. Ruggles, Esq. of D.Law, Inc.

3. "Class Counsel Award" means the Court-approved attorneys' fees for Class Counsel's litigation and resolution of the Action (not to exceed one-third of the Maximum Settlement Amount, or $66,666.67), and the Court-approved costs incurred by Class Counsel in connection with this Action (not to exceed $15,500.00).

4. "Class Information" or "Class List" means information regarding Class Members that Defendant shall in good faith compile from its records and shall be authorized by the Court to transmit in a secured manner to the Settlement Administrator. Class Information shall be transmitted in Microsoft Excel format and shall include each Class Member's: (i) full name; (ii) last known address; (iii) Social Security number; and (iv) the number of Workweeks worked (as defined under "Workweek Verification" below) for Defendant in California as non-exempt employees during the Class Period.

5. "Class Members" or "Settlement Class" means all non-exempt persons employed by Defendant in the State of California during the Settlement Period. It shall be an opt-out class.

6. "Class Period" means the period of February 28, 2019, through the date of preliminary approval of this Agreement or October 20, 2023, whichever is earlier.

7. "Class Representative Service Award" means the Court-approved amount to be paid to Plaintiff Ramon Estrada, in the amount of $10,000.00 and in addition to Plaintiff's Individual Settlement Award, in recognition of Plaintiff's efforts and risks in prosecuting the Action.

8. "Defendant" means Defendant Urban Retreat, Inc.

9. "Defense Counsel" means Timothy B. Nelson, Esq. and Kyle W. Owen, Esq. of Medina McKelvey LLP.

10. "Effective Date" means the date when all of the following events have occurred: (i)

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the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defense Counsel; (ii) the Court has given preliminary approval to the Stipulation of Settlement; (iii) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Stipulation of Settlement or opt out of the settlement; (iv) the Court has held a Final Approval Hearing and entered a Final Order and Judgment certifying the Settlement Class, and approving the Stipulation of Settlement, and no objections or motions to intervene have been filed, or they were withdrawn before the Court entered a Final Order and Judgment; or, if an objection or motion to intervene have been filed and were not subsequently withdrawn, the next business day after the period for filing any appeal, writ or other appellate proceeding opposing the Court's Final Order and Judgment has elapsed without any appeal, writ or other appellate proceeding having been filed; or (v) if a Class Member objects, intervenes or files a motion to vacate the judgment approving the Settlement Agreement, and if a timely appeal is filed, the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement Agreement.

11. "Employer's Share of Payroll Taxes" means Defendant's portion of payroll taxes, including but not limited to FICA and FUTA, on the portion of the Individual Settlement Awards that constitutes wages.

12. "Final Approval Hearing" means the hearing to be conducted by the Court after the filing by Plaintiff of an appropriate motion and following appropriate notice to Class Members giving Class Members an opportunity to request exclusion from the Settlement Class and Settlement and to object to the Settlement, at which time Plaintiff shall request that the Court finally approve the Settlement, enter the Final Order and Judgment, and take other appropriate action.

13. "Final Order and Judgment" means the order and judgment to be entered by the Court upon granting final approval of the Settlement and this Stipulation of Settlement as binding upon the Parties and Participating Class Members. A proposed Final Order and Judgment shall be mutually agreed upon by the Parties and submitted to the Court concurrently with Plaintiff's

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Motion for Final Approval of the Settlement.

14. "Final Report" means the report to be prepared by the Settlement Administrator (after the expiration of the 180-day period in which Participating Class Members must cash/deposit their Individual Settlement Award payment checks) regarding the distribution of the Maximum Settlement Amount, including the total amount that was cashed/deposited by Participating Class Members and the total amount of any unpaid residue or unclaimed or abandoned funds pursuant to California Code of Civil Procedure section 384.

15. "Individual PAGA Payment" means the amount payable from the PAGA Payment to each Class Member.

16. "Individual Settlement Award" means the amount payable from the Net Settlement Amount to each Participating Class Member.

17. "Maximum Settlement Amount" means the maximum amount Defendant shall have to pay in connection with this Settlement, by way of a common fund, which shall be inclusive of all Individual Settlement Awards to Participating Class Members, the Class Counsel Award, the Class Representative Service Awards, PAGA Payment, and Settlement Administration Costs. Subject to Court approval and the terms of this Stipulation of Settlement, the Maximum Settlement Amount Defendant shall be required to pay is $200,000.00. The Maximum Settlement Amount is exclusive of Employer's Share of Payroll Taxes.

18. "Net Settlement Amount" means the Maximum Settlement Amount, less the Class Counsel Award, Class Representative Service Award, PAGA Payment to the California Labor Workforce Development Agency ("LWDA"), and Settlement Administration Costs.

19. "Notice of Objection" means a Class Member's valid and timely submission of a written objection to the Settlement to the Settlement Administrator within the Response Deadline. An objection should include: (a) the objector's full name, signature, address, telephone number, and the last four digits of his/her Social Security number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection, and (c) copies of any papers, briefs, or other documents upon which the objection is based. Objecting Class Members may appear at the Final Approval Hearing either in person, or through counsel retained at Class

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Member's own expense, to have their objection heard, whether or not they had submitted a prior written objection as specified in this section. The Court will rule on any objections to the settlement at the Final Approval Hearing. An objection may be withdrawn at any time. The Settlement Administrator shall provide objections, if any, to Class Counsel and Defense Counsel via email within three (3) calendar days of receipt, and the Settlement Administrator shall attach any objections to its declaration of due diligence, which is to be filed with the Court prior to the Final Approval Hearing. Any Participating Class Member who files an objection remains eligible to receive monetary compensation from the Settlement. At no time shall any of the Parties, Class Counsel, or Defense Counsel seek to solicit or otherwise encourage or discourage Class Members from submitting a Notice of Objection or filing an appeal from the Final Order and Judgment.

20. "PAGA Notice" means the February 27, 2023 letter that Class Counsel sent to the LWDA pursuant to Labor Code §2699.3(a)/(c) seeking to exhaust Plaintiff's administrative remedies under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), California Labor Code §§ 2698, *et seq.*, and specifically alleging that Defendant failed to pay all wages, failed to provide all meal periods, failed to authorize and permit all paid rest periods, failed to fully reimburse work expenses, independently and derivatively failed to provide accurate itemized wage statements, failed to timely pay wages, and owes statutory and/or civil penalties under the Labor Code.

21. "PAGA Payment" means the amount of $10,000.00, subject to Court approval, to be paid from the Maximum Settlement Amount for satisfaction of Plaintiff's and Class Members' claims under PAGA. Under PAGA, 75% or $7,500.00 of this sum will be paid to the LWDA and 25%, or $2,500.00 will be distributed as the Individual PAGA Payments to Class Members.

22. "PAGA Release" or "PAGA Released Claims" means the release by all Class Members for all claims for PAGA that arise out of or relate to California Labor Code sections 201-204, 226, 226.7, 510, 512, 516, 1182.12, 1194, 1197, 1198, 2802, and 2804 and California Business and Professions Code section 17200 as pled in the PAGA Notice and operative complaint, from February 28, 2022, through the date of preliminary approval of this Agreement

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or October 20, 2023, whichever is earlier. In light of the binding nature of a PAGA judgment on non-party employees, Class Members employed by Defendant on or after February 28, 2022, who exclude themselves from this Settlement shall still receive an Individual PAGA Payment directly from the Settlement Administrator for the amount of each such individual's estimated share of the PAGA Payment as calculated by the Settlement Administrator.

23. "Participating Class Members" means Plaintiff and all other Class Members who do not submit a valid and timely Request for Exclusion.

24. "Participating PAGA Members" means all Class Members who submit a valid and timely Request for Exclusion but are nevertheless bound by the PAGA Release.

25. "Parties" means Plaintiff and Defendant.

26. "Plaintiff" means Plaintiff Ramon Estrasa.

27. "Preliminary Approval Order" means the order to be issued by the Court approving and authorizing the mailing of the Settlement Notice by the Settlement Administrator, setting the date of the Final Approval Hearing and granting preliminary approval of the Settlement set forth in this Stipulation of Settlement, among other things. A proposed Preliminary Approval Order shall be mutually agreed upon by the Parties and submitted to the Court concurrently with Plaintiff's Motion for Preliminary Approval of the Settlement.

28. "Released Claims" includes all claims under state or local law, whether statutory, common law, or administrative law, whether in law or equity, for the claims that were pled in the PAGA Notice and operative complaint in this action, based on the factual allegations therein, that arose during the Class Period, including: all claims under California Labor Code sections 201-204, 226, 226.7, 510, 512, 516, 1182.12, 1194, 1197, 1198, 2802, and 2804. The settlement class shall also waive claims under California Business and Professions Code section 17200 and California's Private Attorneys' General Act based on violations of the California Labor Code sections in the preceding sentence including injunctive relief, liquidated damages, interest, fees, and costs.

29. "Released Parties" means Defendant and its agents, officers, directors, owners, subsidiaries, affiliates and parent companies.

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30. "Released Claims Period" means from February 28, 2019, through the date of preliminary approval of this Agreement or October 20, 2023, whichever is earlier.

31. "Request for Exclusion" means a written statement submitted by a Class Member indicating a request to be excluded from the Settlement. The Request for Exclusion must be in writing and should: (i) be signed by the Class Member; (ii) contain the name, address, telephone number, and the last four digits of the Social Security number of the Class Member requesting exclusion; (iii) clearly state that the Class Member does not wish to be included in the Settlement; (iv) be returned by fax or mail to the Settlement Administrator at the specific address and/or facsimile number; and (v) be postmarked or faxed on or before the Response Deadline. The date of the fax or postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not request exclusion from the Settlement will be deemed a "Participating Class Member" and will be bound by all terms of the Settlement, if the Settlement is granted final approval by the Court. Any Class Member who validly requests to be excluded from the Settlement will no longer be a member of the Settlement Class and will not have any right to object, appeal, or comment on the Settlement, but will remain as Participating PAGA Member(s), and will receive an Individual PAGA Payment for the PAGA Released Claims. No later than ten (10) calendar days after the Response Deadline, the Settlement Administrator shall provide counsel for the Parties a complete list of all Class Members who submitted a timely and valid Request for Exclusion.

32. "Response Deadline" means the deadline by which Class Members must postmark or fax to the Settlement Administrator a valid Request for Exclusion, objection, or workweeks dispute. The Response Deadline will be thirty (30) calendar days from the initial mailing of the Settlement Notices by the Settlement Administrator unless the 30th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant. Under no circumstances, however, will the Administrator have the authority to extend the deadline for Class Members to submit a Request for Exclusion, objection, or workweeks dispute to the settlement.

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33. "Settlement" means the final and complete disposition of the Action under this Stipulation of Settlement.

34. "Settlement Administrator" or "Administrator" means Simpluris, Inc. or any other third-party action settlement administrator agreed to by the Parties and approved by the Court for purposes of administering this settlement. The Parties each represent that they will 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.

35. "Settlement Administration Costs" means the reasonable costs and fees of administering the Settlement to be paid from the Maximum Settlement Amount, not to exceed $7,000.00, including, but not limited to: (i) printing, mailing and re-mailing (if necessary) of Settlement Notices to Class Members; (ii) preparing and submitting to Class Members and government entities all appropriate tax filings and forms; (iii) computing the amount of and distributing Individual Settlement Awards, the Class Representative Service Awards, the Class Counsel Award; (iv) processing and validating Requests for Exclusion; (v) establishing a Qualified Settlement Fund, as defined by the Internal Revenue Code; (vi) calculating and remitting to the appropriate government agencies all employer and employee payroll tax obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement; and (vii) transmitting uncashed Individual Settlement Award payments to California Controller's Office Unclaimed Property Division, with an identification of the Participating Class Member to whom the funds belong to be held on behalf of the Class Member.

36. "Settlement Notice" means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit A**, which shall be subject to Court approval and which the Settlement Administrator shall mail to each Class Member containing: (i) information regarding the nature of the Action; (ii) a summary of the Settlement's principal terms; (iii) the Class definitions; (iv) the total number of Workweeks the respective Class Member worked for Defendant (according to Defendant's records); (v) the Class Member's estimated Individual Settlement Award and the formula for calculating Individual Settlement Awards; (vi) the dates which comprise the Class

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Period; (vii) instructions on how to submit disputes regarding Workweeks, Requests for Exclusion, and/or Notices of Objection; (viii) the Response Deadline; and (ix) the claims to be released pursuant to the Settlement of the Action.

37. "Workweeks" means the number of workweeks worked by each Class Member for Defendant as a non-exempt employee during the Class Period. Workweeks shall be calculated as follows: total number of hours worked by each Class Member, divided by 4.5 (the average number of work days in a workweek), divided by 5.8 (the average hours worked in a shift).

38. "Workweek Dispute" means a written statement that a Class Member disputes the number of Workweeks listed on his/her Settlement Notice. Any such Workweek Dispute must be faxed or mailed to the Settlement Administrator by the Response Deadline. The date of the fax or postmark on the written statement will be the exclusive means to determine whether a Workweek Dispute has been timely submitted. A valid Workweek Dispute must be in writing and should contain: (i) the Class Member's full name, signature, address, telephone number, and the last four digits of his/her Social Security number; (ii) the number of Workweeks the Class Member contends is correct; and (iii) any evidence supporting his/her contention. The dates of employment identified for each Class Member in the applicable Class List will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible evidence. All Workweek Disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all Workweek Disputes will be final and non-appealable.

39. "Workweek Value" means the value of each compensable Workweek, as determined by the formula set forth herein.

40. "Workweek Verification" means Defendant certifies that the number of Workweeks for all class members from February 28, 2019, to August 15, 2023 (the data set prior to mediation), is 6,163 ("Certified Workweeks Amount"). If the number of Workweeks actually accrued for that time frame should exceed the Certified Workweek Amount by more than ten percent (10%), the Maximum Settlement Amount shall be increased by the percentage difference between the Certified Workweeks Amount and the actual number of Workweeks that accrued for all class members from February 18, 2019, to August 15, 2023. If this escalator provision is

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triggered, however, then Defendant can elect to increase the Maximum Settlement Amount as described herein or Defendant may adjust the release period so that the escalator clause is not triggered. However, the release period shall not, in any event, be extended beyond the date of the Preliminary Approval hearing.

RECITALS

41. Procedural History.

a. On February 27, 2023, Plaintiff Estrada submitted the PAGA Notice to the LWDA for the purpose of complying with Labor Code section 2699.3's notice requirement, giving notice of Plaintiff's intentions to file the Action.

b. On February 27, 2023, Plaintiff Estrada filed the Action entitled *Ramon Estrada v. Urban Retreat Inc.,* alleging: (1) Failure to Pay All Wages; (2) Failure To Provide All Meal Periods; (3) Failure to Authorize and Permit All Rest Periods; (4) Failure to Fully Reimburse Work Expenses; (5) Independent Failure To Timely Furnish Accurate Itemized Wage Statements; (6) Derivative Failure To Timely Furnish Accurate Itemized Wage Statements; (7) Violations of Labor Code §§ 201-202; and (8) Unfair Business Practices. Plaintiff filed a First Amended Complaint on May 16, 2023, adding a claim under PAGA.

c. On August 21, 2023, the Parties participated in a full-day mediation before experienced mediator Mark LeHocky. Although the matter did not settle at the formal mediation, the parties continued settlement communications through the mediator and the parties ultimately settled the case, which is now confirmed in this long form settlement agreement.

d. The parties shall seek approval of this Agreement by filing a motion for approval.

42. Benefits of Settlement to Plaintiff and the Class Members. Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiff's disputes in the Action through trial and through any possible appeals. Plaintiff also has taken into account the uncertainty and risks of the outcome of further litigation, and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, both

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generally and in response to Defendant's defenses thereto, and the difficulties in establishing damages, penalties, restitution and other relief sought in the Action. Plaintiff and Class Counsel also have taken into account Defendant's agreement to enter into a settlement that confers substantial benefits upon the Class Members. Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement set forth in this Stipulation of Settlement is fair, adequate, and reasonable and is in the best interests of all Class Members.

43. Defendant's Reasons for Settlement. Defendant has concluded that further defense of the Action would be protracted and expensive. Substantial amounts of Defendant's time, energy, and resources have been, and unless this Settlement is completed, shall continue to be, devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken into account the risks of further litigation in reaching its decision to enter into this Settlement. Even though Defendant contends it is not liable for any of the claims alleged by Plaintiff in the Action and denies any liability whatsoever, Defendant, nonetheless, has agreed to settle in the manner and upon the terms set forth in this Stipulation of Settlement and to fully and finally put to rest the claims alleged in this Action. Defendant has asserted and continues to assert that the claims alleged by Plaintiff have no merit and do not give rise to any liability, damages, restitution, penalties or other payments. This Stipulation of Settlement is a compromise of disputed claims. Nothing contained in this Stipulation of Settlement, no documents referred to herein, and no action taken to carry out this Stipulation of Settlement, shall be construed or used as an admission by or against Defendant as to the merits or lack thereof of the claims asserted in the Action. Defendant contends that it has complied with all applicable state, federal and local laws. In the event this Settlement does not obtain final approval, Defendant retains all rights it has to defend itself in this matter and to take any actions in defense of itself that are available to it.

CLASS CERTIFICATION

44. Solely for purposes of settling the Action, and not for purposes of class certification should the Settlement not be approved or for any other reason, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Settlement Class have been met and are met. More specifically, for purposes of settlement only, the Parties

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stipulate and agree that:

a. The Settlement Class is ascertainable and so numerous as to make it impracticable to join all Class Members;

b. There are common questions of law and fact including, but not limited to, the following:

i. Whether Defendant's failure to pay all wages are illegal with regard to Class Members;

ii. Whether Defendant failed to provide legally-requisite meal periods to Class Members in violation of the California Labor Code and section 11 of the IWC Wage Orders;

iii. Whether Defendant failed to authorize and permit paid legally-requisite rest periods to Class Members in violation of the California Labor Code and section 12 of the IWC Wage Orders;

iv. Whether Defendant's failure to reimburse for all business expenses are illegal with regard to Class Members;

v. Whether Defendant independently failed to timely furnish accurate itemized wage statements;

vi. Whether Defendant's derivatively failed to timely furnish accurate itemized wage statements to Class Members the members of the Wage Statement Class;

vii. Whether Defendant is liable pursuant to California Labor Code section 203 to the Class Members;

viii. Whether the Class Members are entitled to injunctive relief; and

ix. Whether Defendant is liable for attorneys' fees and costs.

c. Class Representative's claims are typical of the claims of the Settlement Class;

d. Class Representative and Class Counsel will fairly and adequately protect the interests of the Settlement Class;

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e. The prosecution of separate actions by individual members of the Settlement Class would create the risk of inconsistent or varying adjudications, which would establish incompatible standards of conduct; and

f. Questions of law and fact common to the members of the Settlement Class predominate over any questions affecting any individual Class Member, and a class action is superior to other available means for the fair and efficient adjudication of the controversy.

45. Should this Settlement not be approved or be terminated, all stipulations set forth in the immediately preceding paragraph shall be null and void and shall not be admissible for any purpose whatsoever.

TERMS OF SETTLEMENT

NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

46. Binding Settlement. This Settlement shall bind the Parties and all Participating Class Members and Participating PAGA Members subject to the terms and conditions herein and the Court's approval.

47. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments specified herein, and Class Members are not relying on any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard. Participating Class Members, Participating PAGA Members, and Class Counsel understand and agree that they shall be solely and legally responsible for the payment of all applicable taxes and penalties assessed on the payments specified herein.

48. Circular 230 Disclaimer. The Parties acknowledge and agree that (i) no provision of this Stipulation of Settlement, and no written communication or disclosure between or among the Parties, Class Counsel, or Defense Counsel and other advisers, is or was intended to be, nor shall 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 C.F.R. Part 10, as amended); (ii) the acknowledging party (a) has relied exclusively upon his, her, or its own,

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independent legal and tax counsel for advice (including tax advice) in connection with this Stipulation of Settlement, (b) has not entered into this Stipulation of Settlement 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 Stipulation of Settlement.

49. Preliminary Approval of Settlement. Class Counsel will reserve a date for a hearing on Plaintiff's Motion for Preliminary Approval to take place at a time mutually agreed to by the Parties so that the Parties may request provisional certification of the Settlement Class for settlement purposes only and the setting of a Final Approval Hearing date. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for preliminary approval. The proposed Order granting Plaintiff's Motion for Preliminary Approval shall be mutually agreed to by the Parties prior to Plaintiff submitting the proposed Order to the Court. The Preliminary Approval Order shall provide for, among other things, the Settlement Notice to be sent to Class Members as specified herein.

50. Release by All Participating Class Members. All Participating Class Members, including Plaintiff, shall be deemed to have released their respective Released Claims against the Released Parties on the date on which the payment of the Maximum Settlement Amount is made by Defendant as provided in paragraph 55 below. Plaintiff and Class Members who do not Request Exclusion will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged with respect to all of the Released Parties for any and all Released Claims that accrued during the Released Claims Period. The Settlement Class and each Class Member who has not submitted a valid Request for Exclusion, fully releases and discharges the Released Parties for the Released Claims for any period during the Released Claims Period.

51. PAGA Release by All Class Members. All Class Members, including Plaintiff

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and Participating PAGA Members, shall be deemed to have released their respective PAGA Released Claims, premised in whole or in part on any of the claims, facts, or allegations set forth in the PAGA Notice and operative complaint, against the Released Parties on the date on which the payment of the Maximum Settlement Amount is made by Defendant, as provided in paragraph 55 below. Class Members will not have the opportunity to opt out of, or object to, the PAGA Release. Further, the Class Members are bound by the PAGA Release regardless of whether they cash and/or otherwise negotiate their Individual PAGA Payment.

52. Additional Release and Waiver of Claims by Plaintiff. In addition to the release of Released Claims against the Released Parties made by all Participating Class Members, as set forth above, Plaintiff, in his individual capacity, agrees to release the Released Parties from any and all claims, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, arising as of the date of execution of this Agreement including but not limited to claims arising from or related to his employment with Defendant and his compensation while an employee of the Defendant ("Plaintiff's Released Claims").Plaintiff shall provide a general release of any and all claims against Defendant as well as its agents, officers, directors, owners, subsidiaries, affiliates, parent companies, and other related parties standard in such an agreement.

Plaintiff's Released Claims include all claims, whether known or unknown. Even if Plaintiff discovers facts in addition to or different from those that he now knows or believes to be true with respect to the subject matter of Plaintiff's Released Claims, those claims will remain released and forever barred. To effect a full and complete general release as described above, Plaintiff expressly waives and relinquishes all rights and benefits of section 1542 of the Civil Code of the State of California, and does so understanding and acknowledging the significance and consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the State of California states as follows:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by**

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him or her, would have materially affected his or her settlement with the debtor or released party.

Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Plaintiff expressly acknowledge this Stipulation of Settlement is intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Stipulation of Settlement, and that this Stipulation of Settlement contemplates the extinguishment of any such claims. Plaintiff warrants that he has read this Stipulation of Settlement, including this waiver of California Civil Code section 1542, and that Plaintiff has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Stipulation of Settlement and specifically about the waiver of section 1542, and that Plaintiff understands this Stipulation of Settlement and the section 1542 waiver, and so Plaintiff freely and knowingly enters into this Stipulation of Settlement. Plaintiff further acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff now knows or believes to be true regarding the matters released or described in this Stipulation of Settlement, and even so Plaintiff agree that the releases and agreements contained in this Stipulation of Settlement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiff expressly assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Stipulation of Settlement or with regard to any facts now unknown to Plaintiff relating thereto.

53. Non-Monetary Relief. Without admitting any liability or that it is required by law to do so, Defendant agrees to implement the following policy changes that impact Class Members who are current employees. Defendant will ensure that these policies, or reasonable facsimiles thereof, remain in place for five years from the Effective Date. Nothing described herein will inhibit, prevent, or limit Defendant from making changes to its employment policies as it deems appropriate provided that such changes are consistent with the relief described below, or to comply with the law. The parties agree that Plaintiff and Class Counsel were a substantial and motivating factor for thie relief that Defendant agrees to take, as follows:

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a. Defendant's current handbook policy states, "Clocking in 15 minutes before scheduled shift or clocking out past shift's conclusion will be considered time theft and will be disciplined as such." Defendant will change this policy language to state, "Service Providers may clock in up to 20 minutes prior to their first appointment. Service Providers are to clock out after their last service has concluded and their workstation/treatment room has been cleaned, tools sanitized, and the area is ready to go for the next practitioner utilizing the area."

b. For every five service providers "on the clock," Defendant will have one additional employee available to assist in the sanitization and cleaning of the workstation/treatment rooms, allowing the service providers to have a larger window to take their uninterrupted rest periods.

c. Defendant's current handbook policy states, "All products and tools will be provided by Urban Retreat for services and treatments." Defendant will change the policy language to state, "All products, equipment, and tools will be provided by Urban Retreat for all services and treatments. Should any additional items be deemed necessary to perform your job, you may make a request to management and if approved, the item will be provided by Urban Retreat."

d. Defendant shall list its address on all forms of wage statements.

54. Settlement Administration.

a. Within fifteen (15) calendar days of entry of the Preliminary Approval Order, Defendant shall provide the Settlement Administrator with the Class Lists for purposes of mailing the Settlement Notices to Class Members. The Settlement Administrator shall not be permitted to share any Class Information included in the Class Lists with Plaintiff or Class Counsel absent express approval by Defendant or Defense Counsel.

i. Notice by First Class U.S. Mail. Upon receipt of the Class Lists, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes. Within fifteen (15) calendar days after receiving the Class Lists from Defendant as provided herein, the Settlement Administrator shall mail copies of the Settlement Notice to all Class

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Members via regular First-Class U.S. Mail. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Class Member. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the most current mailing address for each Class Member. The Parties agree that this procedure for notice provides the best notice practicable to Class Members and fully complies with due process.

ii. Undeliverable Settlement Notices. Any Settlement Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto within five (5) calendar days of receipt of the returned Settlement Notice by the Settlement Administrator. If no forwarding address is provided, the Settlement Administrator shall attempt to determine a correct address by the use of skip-tracing, or other type of automated search, using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing to the Class Member whose Settlement Notice was returned as non-deliverable within five (5) calendar days of receipt of the returned Settlement Notice by the Settlement Administrator, assuming another mailing address is identified by the Settlement Administrator. Class Members who are sent a re-mailed Settlement Notice shall have their Response Deadline extended by ten (10) calendar days from the date the Settlement Administrator re-mails the Settlement Notice. If these procedures are followed, notice to Class Members shall be deemed to have been fully satisfied, and if the intended recipient of the Settlement Notice does not receive the Settlement Notice, the intended recipient shall nevertheless remain a Class Member and shall be bound by all terms of the Settlement and the Final Order and Judgment.

iii. Determination of Individual Settlement Awards and Individual PAGA Payments. The Settlement Administrator shall determine the eligibility for, and the amounts of, each Individual Settlement Award and Individual PAGA Payment under the terms of this Stipulation of Settlement. The Settlement Administrator's determination of the eligibility for and amount of each Individual Settlement Award and Individual PAGA Payment shall be binding upon the Class Members and the Parties. In the absence of fraud or gross negligence, Defendant's workweek estimates shall be presumed accurate.

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iv. Disputes Regarding Administration of Settlement. Any dispute not resolved by the Settlement Administrator concerning the administration of the Settlement shall be resolved by the Court.

b. Monitoring and Reviewing Settlement Administration. The Parties have the right to monitor and review the administration of the Settlement to verify that the monies allocated under the Settlement are distributed in the correct amount, as provided for in this Stipulation of Settlement.

c. Certification Reports Regarding Individual Settlement Award Calculations. The Settlement Administrator will provide Defense Counsel and Class Counsel a weekly report that certifies: (i) the number of Class Members who have submitted valid Requests for Exclusion or objections; and (ii) whether any Class Member has submitted a challenge to any information contained in their Settlement Notice, including but not limited to the number of Class Members from the Settlement Class who have submitted a dispute of Workweeks. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

d. Best Efforts. The Parties agree to use their best efforts to carry out the terms of this Settlement.

55. Funding and Allocation of Maximum Settlement Amount. The Maximum Settlement Amount shall be paid by Defendant in one lump sum payment within fifteen (15) calendar days after the Effective Date. Defendant shall provide the Maximum Settlement Amount to the Settlement Administrator in any feasible manner, including, but not limited to, by way of a wire transfer. Within fifteen (15) calendar days thereafter, the Settlement Administrator will distribute the payments to Plaintiff for his awarded Class Representative Service Award, to Class Counsel for their awarded attorneys' fees and costs, to the LWDA, and to the Participating Class Members. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled, or fails to become effective for any reason, or if the Effective Date does not occur, then no portion of the Maximum Settlement Amount shall be paid.

a. Payments to the Settlement Class. Class Members shall not be required to

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submit a claim in order to receive a share of the Net Settlement Amount, and no portion of the Maximum Settlement Amount shall revert to Defendant or result in an unpaid residue. The Settlement Administrator shall first compute the Net Settlement Amount by deducting from the Maximum Settlement Amount approved by the Court for the Class Counsel Award, Class Representative Service Award, PAGA Payment to the LWDA, and Settlement Administration Costs. To the extent the Court does not approve the full requested attorneys' fees, litigation costs, service award, or settlement administration costs, the Net Settlement Amount will increase accordingly, by the difference between the request amount and the amount awarded by the Court.

i. Individual Settlement Award: From the Net Settlement Amount, the Settlement Administrator will calculate each Individual Settlement Award by dividing the Net Settlement Amount by the total number of Workweeks resulting in the Workweek Value and then multiplying the Workweek Value by the number of Workweek worked by each Class Member. All Class Members will be entitled to payment for at least one Workweek. Defendant will provide the total number of Workweeks for each Class Member to the Settlement Administrator. The Settlement Administrator will calculate the number of Workweeks worked by the Class Members during the Class Period, the amount to be paid per Workweek, and the Individual Settlement Awards to eligible Class Members.

ii. Individual PAGA Payment: The Settlement Administrator will calculate each Class Member's Individual PAGA Payment by dividing the 25% of the PAGA Payment to be distributed to Class Members, i.e., $2,500.00 by the total number of Pay Periods for the entire Settlement Class resulting in the PAGA Pay Period Value; and then multiplying the PAGA Pay Period Value by the number of Pay Periods worked by each Class Member. All Class Members will be entitled to payment for at least one Pay Period.

iii. Each Participating Class Member's Individual Settlement Award and Individual PAGA Payment shall be calculated solely by the Settlement Administrator using Defendant's Workweek data. Defendant's Workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Claims Administrator by credible evidence. All Workweek Disputes will be resolved and decided by the Claims Administrator and the

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Claims Administrator's decision on all Workweek Disputes will be final and non-appealable.

iv. Individual Settlement Award and Individual PAGA Payments shall be mailed by the Settlement Administrator by regular First Class U.S. Mail to each Participating Class Member's last known mailing address within ten (10) calendar days after Defendant provides the Settlement Administrator with the Maximum Settlement Amount. Prior to mailing the Individual Settlement Awards and the Individual PAGA Payments, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes.

v. Should any of the following occur, the Settlement Administrator will proportionately increase the estimated Individual Settlement Award of each Participating Class Member to ensure that the entire Net Settlement Amount is distributed to Participating Class Members: (i) any Class Members submit timely and valid, or otherwise accepted, Requests for Exclusion following the provision of Settlement Notices and expiration of the Response Deadline; (ii) the Court approves the Class Representative Service Award in amounts less than those requested by Plaintiff, as detailed herein; (iii) the Court approves a Class Counsel Award in an amount less than that requested by Plaintiff, as detailed herein; and/or (iv) the Court approves Settlement Administration Costs in an amount less than that requested by Plaintiff, as detailed herein.

vi. Individual Settlement Award payments and Individual PAGA Payments shall be made by check and shall be made payable to each Participating Class Member as set forth in this Stipulation of Settlement.

vii. Individual Settlement Awards shall be allocated as follows: 20% as alleged unpaid wages subject to all applicable tax withholdings; and 80% as alleged unpaid interest and unpaid penalties. The Settlement Administrator shall issue an IRS Form W-2 to each Participating Class Member for the portion of each Individual Settlement Award payment allocated as alleged unpaid wages and subject to all applicable tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each Class Member for the portion of each

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Individual Settlement Award and for the Individual PAGA Payment allocated as alleged unpaid non-wage penalties and interest and not subject to payroll tax withholdings. The Settlement Administrator shall calculate the amount of the Employer's Share of Payroll Taxes and shall remit and report the applicable portions of the payroll tax payment to the appropriate taxing authorities in a timely manner. Defendant will be responsible for paying its share of the Payroll Taxes and this amount will not be deducted from the Maximum or Net Settlement Amount.

viii. Any Individual Settlement Award Payment Check and/or Individual PAGA Payment check issued by the Settlement Administrator to Participating Class Members after the expiration of the 180-day period, the Settlement Administrator will prepare the Final Report regarding the distribution of the Maximum Settlement Amount, including the total amount that was cashed/deposited by Participating Class Members and the total amount of any uncashed settlement checks pursuant to California Code of Civil Procedure section 384. After the Final Report is filed, the total amount of any uncashed settlement checks will be transmitted by the Settlement Administrator to the California Controller's Office Unclaimed Property Division, with an identification of the Participating Class Member to whom the funds belong, in accordance with California Code of Civil Procedure section 384.

ix. In the event a Class Member fails to cash/deposit his or her Individual Settlement Award check and/or Individual PAGA Payment check, the Participating Class Member shall nevertheless remain bound by the Settlement.

x. All monies received by Class Members under the Settlement which are attributable to wages shall constitute income to such Class Members solely in the year in which such monies actually are received by the Class Members. It is expressly understood and agreed that the receipt of Individual Settlement Awards shall not entitle any Class Member to additional compensation or benefits under any collective bargaining agreement or under any bonus, contest or other compensation or benefit plan or agreement in place during the period covered by the Settlement, nor shall it entitle any Class Member to any increased pension and/or retirement, or other deferred compensation benefits. It is the intent of the Parties that the Individual Settlement Awards and Individual PAGA Payments provided for in this Stipulation of Settlement are the sole

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payments to be made by Defendant to Class Members in connection with this Settlement, with the exception of Plaintiff, and that the Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Awards and/or and Individual PAGA Payments. Furthermore, the receipt of Individual Settlement Awards and Individual PAGA Payments by Class Members shall not, and does not, by itself establish any general, special, or joint employment relationship between and among the Class Member(s) and Defendant.

b. Class Representative Service Award. For the purposes of this Settlement only, the Parties agree to the designation of Plaintiff Estrada as Class/PAGA Representatives. In recognition of his time and effort in bringing and presenting the Action and for releasing his Released Claims, Plaintiff shall request Class Representative Service Award not to exceed $10,000.00. Plaintiff's request for such Class Representative Service Award shall be subject to approval from the Court. Defendant agrees not to oppose or object to Plaintiff's request for Class Representative Service Award in an amount not to exceed this amount. The Class Representative Service Award will be in addition to Plaintiff's Individual Settlement Payment paid under the Settlement. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for his Class Representative Service Award. Plaintiff shall be solely and legally responsible to pay any and all applicable taxes on this Class Representative Service Award. Any amount requested by Plaintiff for the Class Representative Service Award and not awarded by the Court shall become part of the Net Settlement Amount and shall be distributed to Participating Class Members as part of their Individual Settlement Awards.

c. Class Counsel Award. Class Counsel shall be entitled to request attorneys' fees in an amount not to exceed one-third (33.33%) of the Maximum Settlement Amount, which amounts to $66,666.67. In addition, Class Counsel shall also be entitled to request an award of costs associated with Class Counsel's prosecution of the Action not to exceed $15,500.00. Class Counsel's request for such attorneys' fees and costs shall be subject to approval from the Court. Defendant agrees not to oppose or object to Class Counsel's request for attorneys' fees or to Counsel's request for attorneys' costs. In the event the Court awards Class Counsel less than

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$66,666.67 in attorneys' fees and/or less than $15,500.00 in costs, the difference shall become part of the Net Settlement Amount and shall be distributed to Participating Class Members as part of their Individual Settlement Awards. Class Counsel shall be solely and legally responsible to pay all applicable taxes on the Class Counsel Award. Class Counsel shall provide the Settlement Administrator with properly completed and signed copies of IRS Form W-9 in order for the Settlement Administrator to process the Class Counsel Award approved by the Court. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Class Counsel Award.

56. Settlement Administration Costs. The Settlement Administration fees and expenses, which are estimated not to exceed $7,000.00, shall be paid from the Maximum Settlement Amount. Prior to Plaintiff filing a Motion for Final Approval of the Settlement, the Settlement Administrator shall provide the Parties with a statement detailing the Settlement Administration Costs to date. The Parties agree to cooperate in the Settlement Administration process and to make all reasonable efforts to control and minimize Settlement Administration Costs.

a. The Parties each represent 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.

b. The Settlement Administrator shall keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities required by the Settlement. The Settlement Administrator shall be authorized to establish a Qualified Settlement Fund ("QSF") under IRS rules and regulations in which the Maximum Settlement Amount shall be placed and from which payments required by the Settlement shall be made.

57. Payroll Taxes. In accordance with this Settlement and to the fullest extent possible, the Maximum Settlement Amount shall resolve, satisfy and completely extinguish all of Defendant's liability with respect to the Class Members, except that the Defendant shall solely be responsible for the employer portion of the payroll taxes on the portion of the Individual Settlement Awards that constitutes wages and these taxes shall be paid by the

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Defendant in addition to the Maximum Settlement Amount. Upon the transfer of the Maximum Settlement Amount and the employer portion of payroll taxes on the portion of the Individual Settlement Awards that constitutes wages, Defendant shall have no further payment or defense obligation whatsoever with respect to any claims covered by this Settlement made or asserted by any person or entity anywhere in the world in connection with the Class Members.

58. Final Settlement Approval Hearing and Entry of Final Order and Judgment. Following expiration of the Response Deadline, a Final Approval Hearing shall be conducted by the Court for the Court to determine whether to grant final approval of the Settlement, including determining the amounts properly payable for: (i) the Class Counsel Award; and (ii) the Class Representative Service Award. At least sixteen (16) court days prior to the Final Approval Hearing, the Settlement Administrator shall provide a written report or declaration to the Parties describing the process and results of the administration of the Settlement to date, which report or declaration shall be filed by Plaintiff with the Court prior to the Final Approval Hearing. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for final approval.

59. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this Settlement Agreement to the Court in support of Plaintiff's Motion for Preliminary Approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the Court for the entry of an order scheduling a fairness hearing on the question of whether the proposed settlement, including payment of attorneys' fees and costs, the Class Representative's Service Award payment, and the PAGA Payment, should be finally approved as fair, reasonable and adequate as to the members of the Settlement Class. As part of Plaintiff's Motion for Preliminary Approval, Plaintiff shall also apply to the Court for the entry of an Order as follows:

a. Certifying the Settlement Class for settlement purposes only;

b. Approving, as to form and content, the proposed Settlement Notice;

c. Approving the manner and method for Class Members to object or request exclusion from the Settlement, as contained herein and within the Settlement Notice;

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d. Directing the mailing of the Settlement Notices to Class Members, by first class mail;

e. Preliminarily approving the Settlement subject only to the objections of Class Members and final review by the Court; and

f. Setting a Final Approval Hearing.

60. Duties of the Parties Following Final Approval. Following final approval by the Court of the Settlement provided for in this Settlement Agreement, Class Counsel will submit a proposed Final Order of Approval and Judgment:

a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;

b. Approving Class Counsel's application for an award of attorneys' fees and costs;

c. Approving the Class Representative Service Award payment to Plaintiff;

d. Setting a date when the Parties shall submit the Final Report regarding the distribution of the Maximum Settlement Amount pursuant to California Code of Civil Procedure section 384, and, if necessary a date for a final accounting hearing following its receipt of the Final Report;

e. Entering judgment in this Action barring and enjoining all members of the Settlement Class from prosecuting against any of the Released Parties, any individual or class, or representative claims released herein pursuant to the Settlement Agreement, upon satisfaction of all payments and obligations hereunder.

61. Revocation of Settlement by Defendant. If ten percent (10%) or more of Class members opt-out of the Class, Defendant shall have the sole and absolute discretion to rescind/void the Settlement Agreement within twenty (20) days after receiving from the Settlement Administrator the final list of opt-outs. Defendant agrees to meet and confer in good faith with Class Counsel before rescinding or voiding the Settlement Agreement. In the event that Defendant elects to rescind/void the Settlement Agreement, it shall provide written notice of such rescission to Class Counsel. Such rescission shall have the same effect as a termination of

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this Settlement Agreement for failure to satisfy a condition of settlement, and the Settlement Agreement shall become null and void and have no further force or effect, and the Settlement Class certified pursuant to this Settlement Agreement will be decertified for all purposes. If Defendant chooses to terminate this Settlement Agreement under this provision, it shall be responsible to pay the Settlement Administrator's fees and costs incurred to that point. Not party will encourage any class member to opt out of the Settlement.

62. Nullification of Settlement. In the event: (i) the Court does not enter the Preliminary Approval Order; (ii) the Court does not grant final approval of the Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement does not become final for any other reason, this Stipulation of Settlement shall be rendered null and void, any order or judgment entered by the Court in furtherance of this Settlement shall be treated as void from the beginning and this Stipulation of Settlement and any documents related to it shall not be used by any Class Member or Class Counsel to support any claim or request for class certification in the Action, and shall not be used in any other civil, criminal or administrative action against Defendant or any of the other Released Parties. Additionally, should the Settlement not become final for any reason, the Parties will request that the Court reopen proceedings within thirty (30) calendar days, and any Settlement Administration Costs already incurred by the Settlement Administrator shall be split evenly amongst the Parties. If Defendant elects to revoke the Settlement, as specified in Paragraph 61, the Parties and any monies required to be paid under this Settlement shall be returned to their respective statuses as of the date and time immediately prior to the execution of this Stipulation of Settlement, and the Parties shall proceed in all respects as if this Stipulation of Settlement had not been executed, except that any Settlement Administration Costs already incurred by the Settlement Administrator shall be paid to the Settlement Administrator by Defendant. In the event an appeal is filed from the Court's Final Order and Judgment, or any other appellate review is sought, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review and the stay shall only be lifted if the end result of the appeal or other proceeding is that the terms of this settlement agreement are upheld.

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63. Plaintiff's Waiver of Right to Be Excluded. Plaintiff agrees that by signing this Settlement Agreement, he will be bound by the terms herein. Plaintiff further agrees that, upon signing this Settlement Agreement, he will not request to be excluded from this Settlement and that any such request for exclusion by Plaintiff will be void and of no force or effect.

64. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; and either party may appeal any court order that materially alters the Settlement Agreement's terms. Nothing in this Settlement Agreement shall preclude Plaintiff from appealing from a court order denying or failing to grant in full their requests for attorneys' fees, costs, or service awards.

65. No Admission by Defendant. Defendant denies all claims alleged in this Action and denies all wrongdoing whatsoever by Defendant. Neither this Stipulation of Settlement, nor any of its terms and conditions, nor any of the negotiations connected with it, is a concession or admission, and none shall be used against Defendant as an admission or indication with respect to any claim of any fault, concession, or omission by Defendant or that class certification is proper under the standard applied to contested certification motions. The Parties stipulate and agree to the certification of the proposed class for settlement purposes only. The Parties further agree that this Stipulation of Settlement will not be admissible in this or any other proceeding as evidence that either (i) a class action should be certified or (ii) Defendant is liable to Plaintiff or any Class Member, other than according to the terms of this Stipulation of Settlement.

66. Publicity.

a. Prior to the Filing of Plaintiff's Motion for Preliminary Approval. Class Representative and Class Counsel will not make any public disclosures of any kind regarding the Settlement, this Stipulation of Settlement, including but not limited to postings on Class Counsel's websites and postings on any social media sites/outlets, until after the Motion for Preliminary Approval is filed. Class Counsel will take all steps necessary to ensure the Class Representative is aware of, and will encourage him to adhere to, the restriction against any public disclosures regarding the Settlement, this Stipulation of Settlement, and the Confidential Memorandum of Understanding until after the Motion for Preliminary Approval is filed. Further,

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Class Counsel will not include, reference or use the Settlement for any marketing or promotional purposes, or for attempting to influence business relationships at Defendant's facilities, either before or after the Motion for Preliminary Approval is filed.

b. Following the Court's Order Granting Preliminary Approval. Class Representative and Class Counsel will not initiate any communications with the media or third parties, and, if contacted by the media or third parties, will only discuss information publicly available. Class Counsel will take all steps necessary to ensure the Class Representative are aware of, and will encourage them to adhere to, the restriction against initiating any media comment. Class Counsel further agrees not to use the Settlement or any of its terms for any marketing or promotional purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding this settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Further, as stated above, Class Counsel will not include, reference or use the Settlement for any marketing or promotional purposes, or for attempting to influence Defendant's business relationships, either before or after the Motion for Preliminary Approval is filed. Nothing herein will restrict Plaintiff or Class Counsel from communicating with putative members of the Settlement Class about the Settlement following the Court's Order granting Preliminary Approval.

67. 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.

68. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to the Court for its approval, under Rule 3.770 of the California Rules of Court. After entry of the Judgment, 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-Judgment matters as may be appropriate under court rules or as set forth in this Agreement

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69. Exhibits and Headings. The terms of this Stipulation of Settlement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. The Exhibits to this Stipulation of Settlement are an integral part of the Settlement. The descriptive headings of any paragraphs or sections of this Stipulation of Settlement are inserted for convenience of reference only.

70. Amendment or Modification. This Stipulation of Settlement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

71. Entire Agreement. This Stipulation of Settlement and any attached Exhibits constitute the entire agreement between the Parties, and no oral or written representations, warranties, or inducements have been made to Plaintiff or Defendant concerning this Stipulation of Settlement or its Exhibits other than the representations, warranties, and covenants contained and memorialized in this Stipulation of Settlement and its Exhibits. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

72. Authorization to Enter Into Settlement Agreement. Class Counsel and Defense Counsel warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Stipulation of Settlement and to take all appropriate actions required or permitted to be taken by such Parties pursuant to this Stipulation of Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Stipulation of Settlement. The Parties, Class Counsel and Defense Counsel shall cooperate with each other and use their best efforts to effect the implementation of the Settlement. In the event the Parties are unable to agree on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement. The person signing this Stipulation of Settlement on behalf of the Defendant represents and warrants that he/she is authorized to sign this Stipulation of Settlement on behalf of Defendant. Plaintiff represents and warrants that he is authorized to sign this Stipulation of Settlement and that he has not assigned any claim, or part of a claim, covered by this Settlement of Settlement to a third party. The Parties have

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cooperated in the drafting and preparation of this Stipulation of Settlement. Hence, in any construction made of this Stipulation of Settlement, the same shall not be construed against any of the Parties.

73. Binding on Successors and Assigns. This Stipulation of Settlement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

74. California Law Governs. All terms of this Stipulation of Settlement and the Exhibits hereto shall be governed by and interpreted according to the laws of the State of California, without giving effect to any law that would cause the laws of any jurisdiction other than the State of California to be applied.

75. Counterparts. This Stipulation of Settlement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

76. This Settlement is Fair, Adequate, and Reasonable. Plaintiff represent that this Settlement is a fair, adequate, and reasonable settlement of the Action and he has arrived at this Settlement after extensive arm's-length negotiations, taking into account all relevant factors, present and potential.

77. Jurisdiction of the Court. Following entry of the Final Order and Judgment, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Stipulation of Settlement and all orders and judgments entered in connection therewith, and the Parties, Class Counsel and Defense Counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Stipulation of Settlement and all orders and judgments entered in connection therewith.

78. Invalidity of Any Provision. Before declaring any term or provision of this Stipulation of Settlement invalid, the Parties request that the Court first attempt to construe the terms or provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Stipulation of Settlement as valid and enforceable. In the event the Court declares any material provision of this Stipulation of Settlement invalid, the Stipulation of Settlement will be void and its terms will be of no force and effect, except as otherwise agreed to

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by the Parties in writing.

79. Binding Nature of Notice of Class Action Settlement. It is agreed that, because the Class Members are so numerous, it is impossible or impractical to have each Class Member execute the Stipulation of Settlement. The Class Notice shall advise all Class Members of the binding nature of the Settlement, and the release of Released Claims and shall have the same force and effect as if this Stipulation of Settlement were executed by each Participating Class Member.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff, on the one hand, and Defendant, on the other hand, as of the date(s) set forth below:

Dated: ~~12 / 01 / 2023~~

Plaintiff Ramon Estrada

Dated: 11/30/2023

DocuSigned by:
Janine Susich
C8A49440C831487...

Defendant Urban Retreat

Janine Susich

Print Name of Authorized Signatory

APPROVED AS TO FORM

D. LAW, INC.

Dated: December 1, 2023

Emil Davtyan, Esq.
Gregg Lander, Esq.
Vanessa M. Ruggles, Esq
Attorneys for Plaintiff Ramon Estrada

MEDINA MCKELVEY LLP

Dated: November 30, 2023

Timothy B. Nelson, Esq.
Kyle W. Owen, Esq.
Attorneys for Defendant

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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Ramon Estrada v. Urban Retreat, Inc, et al.
Superior Court of California – Shasta County
Case No. 23CV-0201662

IF YOU WERE EMPLOYED BY DEFENDENT IN CALIFORNIA AS AN HOURLY (NON-EXEMPT) EMPLOYEE WHO WORKED ANY TIME DURING THE FOLLOWING CLASS PERIOD: FEBRUARY 28, 2019, THROUGH OCTOBER 20, 2023, YOU ARE ENTITLED TO RECEIVE MONEY FROM A CLASS AND REPRESENTATIVE ACTION SETTLEMENT

The Court approved this notice. This is not an advertisement.

You are not being sued. However, your legal rights are affected whether you act or not.

PLEASE READ THIS NOTICE.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT INCLUDE THE FOLLOWING:	
DO NOTHING	You will receive a payment from the Settlement. No action is required for you to receive a share of this Settlement.
EXCLUDE YOURSELF	You will not receive a share of the Settlement.[1] This is the only option that allows you to file your own lawsuit against Defendant for the claims released in this Settlement.
OBJECT	If you choose, you may object to this Settlement. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from receiving a portion of the Settlement.

WHAT IS IN THIS NOTICE

1. Why Should You Read This Notice? ..... Page 2
2. What Is the Class Action Settlement? ..... Page 2
3. What Is the Case About? ..... Page 2
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[1] Regardless of whether you exclude yourself from the Settlement, you will still receive a portion of the settlement for release of the penalty claim pursuant to the Private Attorneys General Act, Labor Code sections 2698-2699.6.

1. Why Should You Read This Notice?

You have received this Notice because records indicate that you are a member of the settlement class settled in this action.

The settlement class is comprised of all current and former California hourly (non-exempt) employees ("Class Members") employed by Defendant Urban Retreat, Inc. ("Defendant") at any time from February 28, 2019, through October 20, 2023.

This Notice tells you of your rights to share in the Settlement. There was a Preliminary Approval hearing on January 8, 2024, at 8:30 a.m., in the Shasta County Superior Court. The Court determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that a final determination of the issues will be made at the final approval hearing. The Court also ordered that you receive this Notice.

The Court will hold a Final Approval Hearing concerning the proposed Settlement on _____, 2024, at _____ a.m./p.m. in Department 8, of the Shasta County Superior Court located at 1500 Court Street, Redding, CA 96001. The Final Approval Hearing may be continued to another date without further notice. Due to the ongoing COVID-19 pandemic, Class Members may appear remotely at the Final Approval Hearing and should contact the court clerk for Department 8 at (530) 245-6789 for instructions on how to appear remotely.

2. What is the Class Action Settlement?

The Court must approve the terms of the Settlement described herein as fair, adequate, and reasonable to the Class Members. The Settlement will affect all members of the class. You may get money from the Class and Representative Action Settlement. This Notice will explain the terms of the Settlement and the amount of money you may receive under the Settlement.

3. What Is the Case About?

Plaintiff makes the following claims against Defendant for alleged violations of the California Labor Code: (1) Failure to Pay All Wages; (2) Failure To Provide All Meal Periods; (3) Failure to Authorize and Permit All Rest Periods; (4) Failure to Fully Reimburse Work Expenses; (5) Independent Failure To Timely Furnish Accurate Itemized Wage Statements; (6) Derivative Failure To Timely Furnish Accurate Itemized Wage Statements; (7) Waiting Time Penalties for Failure to Timely Pay All Wages Owed; and (8) Violations of Business and Professions Code sections 17200, et seq., for the Labor Code claims asserted in the Complaint. Plaintiff also seeks civil penalties under the Private Attorneys General Act ("PAGA") as set forth in Labor Code sections 2698-2699.6, which allows a private citizen to pursue civil penalties on behalf of the State of California Labor Workforce Development Agency ("LWDA") related only to the above Released Claims.

Defendant denies the allegations raised in the lawsuit and believes it has no liability for any of Plaintiff's or the Class Members' claims under any statute, wage order, common law, or equitable theory.

The Parties reached a Settlement subject to Court approval as represented in the Joint Stipulation of Class Action and PAGA Settlement and Release (the "Settlement" or "Settlement Agreement"). Class Counsel believes that the Settlement is fair, reasonable, and adequate, and that it is in the best interests of Class Members. Likewise, Defendant has decided that settlement is favorable because it avoids the time, risk, and expense of a lengthy lawsuit, and settlement immediately resolves, finally and completely, the pending and potential claims. By settling this lawsuit, Defendant does not admit, concede, or imply that it has done anything wrong or legally actionable.

4. How Much Can I Expect to Receive?

Defendant will pay a total sum of $200,000 ("Maximum Settlement Amount"), which includes all settlement payments to Class Members, attorneys' fees and costs, costs of administering the Settlement, a payment to the LWDA under PAGA and the Class Representative's Payment.

As part of the Settlement, Defendant also agreed to make certain changes to its policies and practices that benefit Class Members who are current employees.

Defendant's records indicate that you worked approximately ___ workweeks during the Class Period. Based on these records, your estimated payment as a Class Member would be $_____.

Defendant's records indicate that you worked approximately ___ pay periods during the PAGA Period. Based on these records, your estimated payment under PAGA would be $_____.

It is your responsibility to keep a current address on file with the Settlement Administrator to ensure receipt of your payment under the Settlement. You should immediately notify the Settlement Administrator if you move or otherwise change your mailing address.

The front of every check issued for Individual Class Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically canceled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

5. Why Did Defendant Join in This Notice?

Defendant does not admit any claim alleged in the lawsuit and denies that it owes money for any of the claims in this matter. Defendant is settling the lawsuit as a compromise. Defendant reserves the right to object to and defend itself against any claim if, for any reason, the Settlement fails. The court file has the Settlement documents with more information on the lawsuit.

6. Who Is the Plaintiff in This Class Action?

Ramon Estrada is the Plaintiff and Class Representative in this class action lawsuit. He is acting on behalf of himself and on behalf of other members of the class and representing your interests as a representative under PAGA.

7. Who Are the Attorneys Representing the Parties?

Class Counsel

Emil Davtyan, Esq.
Gregg Lander, Esq.
Vanessa M. Ruggles, Esq.
D.LAW, INC.
1635 Pontius Avenue, Floor 2
Los Angeles, CA 90025-3361
Tel.: (424) 320-6420
Email: Gregg@d.law

Defense Counsel

Kyle Owen, Esq.
Timothy B. Nelson, Esq.
MEDINA MCKELVEY LLP
925 Highland Pointe Drive, Suite 300
Roseville, CA 95678
Tel.: (916) 960-2211
Email: Kyle@medinamckelvey.com

8. What are my Rights? How Will My Rights Be Affected?

Participating in the Settlement

Under the Settlement, you will **automatically** receive a settlement payment unless you opt out by following the opt-out procedure set forth below.

This Settlement Notice states the total number of workweeks you worked for Defendant during the Class Period. Your individual settlement payment as a Class Member will be based on that number. If you believe the information on this Notice is correct, then you do not need to take any further action to receive your settlement payment.

If you believe the workweek information shown above is incorrect, you must submit a written workweek dispute stating why you believe the listed workweeks are not correct. The workweek dispute must be mailed or faxed to the Settlement Administrator (whose contact information is listed below) and must be postmarked no later than _____, **2024**. You should submit to the Settlement Administrator documentation to support the number of workweeks you believe you worked during the Class Period. If there is a dispute about the workweeks you worked, the Settlement Administrator will review the records to resolve the dispute.

NOTE: UNLESS YOU DISPUTE THE WORKWEEK INFORMATION LISTED ABOVE OR OPT OUT OF THE SETTLEMENT, YOU WILL RECEIVE MONEY FROM THE SETTLEMENT BASED ON THE AMOUNTS SET FORTH ABOVE.

If you are a current employee of the Defendant, your decision as to whether to participate in this Settlement will not affect or in any way impact your employment.

Objecting to the Settlement

If you wish to Object to the Settlement in writing, you must submit a written Objection stating why you object to the Settlement. The Objection must be signed by you and include your full name, address, telephone number, and last four digits of your Social Security number. The Objection must be mailed or faxed to the Settlement Administrator (whose contact information is listed below) and must be postmarked no later than _____, **2024**. Late Objections will not be considered.

You may also, if you wish, appear at the Final Approval Hearing set for _____, 2024, at _____a.m./p.m. in Department 8, of the Shasta County Superior Court and discuss your objections with the Court and the Parties, regardless of whether you submitted a prior written objection. You may appear on your own, or through an attorney retained by you at your expense. The Final Approval Hearing may be continued to another date without further notice.

IF YOU OBJECT TO THE SETTLEMENT, YOU WILL STILL RECEIVE YOUR SHARE OF THE SETTLEMENT IF THE COURT APPROVES THE SETTLEMENT.

Opting Out of the Settlement

If you wish to be excluded from participating in the Settlement, you must complete and sign a written request to Opt-Out to the Settlement Administrator via fax or at the address below requesting to be excluded from the Settlement. To be considered valid, your Opt-Out must be signed by you, and contain your name, address, telephone number, and the last four digits of your Social Security number. Your Opt-Out also must clearly indicate that you desire to be excluded from the Settlement. To be considered timely, your Opt-Out must be faxed or postmarked no later than _____**, 2024**. Late Opt-Outs will not be considered.

If you timely mail a complete and valid Opt-Out, you will no longer be a member of the Class and you will **not** be eligible to object to the terms of the Settlement or receive money under the Settlement except for that portion of the settlement allocated to PAGA penalty payments. Except for the PAGA release, you will not be bound by the terms of the Settlement, and may pursue any valid claims you may have, at your own expense, against Defendant. Individuals otherwise meeting the definition of Class Members who exclude themselves from the class will still receive a payment for the amount of each such individual's estimated share of the PAGA Payment that was included by the Settlement Administrator in calculating the Claim Amount and shall still be bound by the PAGA release.

Effect of the Settlement on Your Rights

Upon final approval of the Settlement by the Court, all Participating Class Members will be deemed to have released the Released Parties from all Released Claims and PAGA Released Claims, as defined below. Regardless of whether an individual opts out of the Settlement, all Participating PAGA Members will be deemed to have released the Released Parties from all PAGA Released Claims.

"Released Parties" means Defendant and its agents, officers, directors, owners, subsidiaries, affiliates and parent companies.

"Released Claims" refers to all claims under state or local law, whether statutory, common law, or administrative law, whether in law or equity, for the claims that were pled in the PAGA Notice and operative complaint, based on the factual allegations therein, that arose during the Class Period, including: all claims under California Labor Code sections 201-204, 226, 226.7, 510, 512, 516, 1182.12, 1194, 1197, 1198, 2802, and 2804. The settlement class shall also waive claims under California Business and Professions Code section 17200 and California's Private Attorneys' General Act based upon violations of the California Labor Code sections in the preceding sentence including injunctive relief, liquidated damages, interest, fees, and costs.

"PAGA Released Claims" means any and all Released Claims that arise under PAGA.

"Effective Date" means the date when all of the following events have occurred: (i) the Stipulation of Settlement has been executed by all Parties, Class Counsel and Defense Counsel; (ii) the Court has given preliminary approval to the Stipulation of Settlement; (iii) the Notice of Class Action Settlement has been given to the putative members of the Settlement Class, providing them with an opportunity to object to the terms of this Stipulation of Settlement or opt out of the settlement; (iv) the Court has held a Final Approval Hearing and entered a Final Order and Judgment certifying the Settlement Class, and approving the Stipulation of Settlement, and no objections or motions to intervene have been filed, or they were withdrawn before the Court entered a Final Order and Judgment; or, if an objection or motion to intervene have been filed and were not subsequently withdrawn, the next business day after the period for filing any appeal, writ or other appellate proceeding opposing the Court's Final Order and Judgment has elapsed without any appeal, writ or other appellate proceeding having been filed; or (v) if a Class Member objects, intervenes or files a motion to vacate the judgment approving the Settlement Agreement, and if a timely appeal is filed, the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement Agreement.

Regardless of whether an individual opts out of the Settlement, all Participating PAGA Members will be deemed to have released Defendant of all PAGA Released Claims.

9. How Will the Attorneys for the Class Be Paid?

The attorneys for the Class Representative and the Settlement Class will be paid from the gross settlement. The attorneys are seeking a fee not to exceed $66,666.67 as well as reimbursement of their litigation costs, up to $15,500. Plaintiff is seeking Service Award not to exceed $10,000 from the Settlement for his service as Class Representative. Likewise, the Parties agree that $10,000 shall be allocated to settle the PAGA claim, with $7,500 to be paid to the LWDA, and the remaining $2,500 to be divided equally among the PAGA Members and included in their Individual Settlement Award payments. The Settlement Administrator estimates that the cost of administration will not exceed $7,000. All of these amounts are to be deducted from the gross settlement, with the remainder available for distributions to Class Members who do not opt out.

10. What If I Lose My Settlement Check?

If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund at (800) 992-4647 for instructions on how to retrieve the funds.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may call Class Counsel, Gregg Lander (424-320-6420) or email him at Gregg@d.law, or contact the Settlement Administrator at the contact information listed below.

Urban Retreat Settlement Administrator
c/o Simpluris, Inc.
[ADDRESS]

[PHONE NUMBER]
[WEBSITE]

You can find a copy of the Settlement Agreement as well as the Motions for Preliminary and Final Approval on the website of the Urban Retreat Settlement Administrator which is XXXXXXX.

DO NOT TELEPHONE THE COURT FOR LEGAL ADVICE OR FOR INFORMATION ABOUT THIS SETTLEMENT.

By Order of the Shasta County Superior Court, the Honorable Benjamin L. Hanna.