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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN MATEO

TANNIA AYALA, individually, and on behalf
of other members of the general public similarly
situated,

Plaintiff,

v.

RHR CALIFORNIA SERVICES, L.L.C., a
California limited liability company;
ROSEWOOD HOTELS AND RESORTS,
LLC, a Delaware limited liability company; and
DOES 1through 10, inclusive,

Defendants.

Case No.: 23-CIV-02830

**JOINT STIPULATION OF CLASS ACTION
AND PAGA SETTLEMENT AND RELEASE**

1 Microsoft Office Excel and will include each Class Member's full name; most recent mailing address
2 and telephone number; Social Security number; dates of employment, and; the respective number of
3 Workweeks that each Class Member worked during the Class Period and PAGA Period. The Settlement
4 Administrator will treat the Class List as confidential and will not use the Class List for any purpose
5 other than for administering the Settlement as set forth in this Settlement Agreement.

6 5. "Class Member(s)" or "Settlement Class" means all persons who worked for Defendant
7 RHR California Services, LLC, as non-exempt, hourly paid employees in California at any time during
8 the Class Period. There are approximately nine-hundred thirty (930) Class Members.

9 6. "Class Notice" means the Notice of Class Action Settlement, substantially in the form
10 attached as Exhibit A.

11 7. "Class Period" means the period from March 12, 2019 to the earlier of the date of
12 Preliminary Approval or March 12, 2024.

13 8. "Class Representative Enhancement Payments" means the amounts to be paid to
14 Plaintiffs in recognition of their effort and work in prosecuting the Actions on behalf of Class Members,
15 and for their general release of claims against the Released Parties. Subject to the Court granting final
16 approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiffs
17 will request Court approval of Class Representative Enhancement Payments of up to Ten Thousand
18 Dollars (\$10,000) for each Plaintiff, to be paid out of the Gross Settlement Amount.

19 9. "Court" means the San Mateo County Superior Court.

20 10. "Defendants" means Defendants RHR California Services, L.L.C. and Rosewood
21 Hotels and Resorts, LLC.

22 11. "Effective Date" means the later of: (a) if no timely objections are filed, or are
23 withdrawn prior to Final Approval, then the date of Final Approval; or (b) if a Class Member files an
24 objection to the Settlement, the Effective Date shall be the sixty-first (61st) calendar day after the date of
25 Final Approval, provided no appeal is initiated by an objector; or (c) if a timely appeal is initiated by an
26 objector, then the Effective Date will be the date of final resolution of that appeal (including any requests
27 for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

28 12. "Final Approval" means the date on which the Court enters an order granting final

1 approval of the Settlement Agreement.

2 13. “Gross Settlement Amount” means the Gross Settlement Amount of Eight Hundred
3 Thousand Dollars (\$800,000), to be paid by Defendants in full satisfaction of all Released Class Claims
4 and Released PAGA Claims, which includes all Individual Settlement Payments, Attorneys’ Fees and
5 Costs, the Class Representative Enhancement Payments, the PAGA Settlement Amount, and Settlement
6 Administration Costs. In no event will Defendants be liable for more than the Gross Settlement Amount
7 except as otherwise explicitly set forth herein. There will be no reversion of the Gross Settlement
8 Amount to Defendants. Defendants will be separately responsible for any employer payroll taxes
9 required by law, including the employer FICA, FUTA, and SDI contributions, which shall not be paid
10 from the Gross Settlement Amount.

11 14. “Individual Settlement Payment” means each Participating Class Member’s and PAGA
12 Member’s respective shares of the Net Settlement Fund and PAGA Fund.

13 15. “Net Settlement Fund” means the portion of the Gross Settlement Amount remaining
14 after deducting the Attorneys’ Fees and Costs, the Class Representative Enhancement Payments, the
15 PAGA Settlement Amount, and Settlement Administration Costs. The Net Settlement Fund will be
16 distributed to Participating Class Members. There will be no reversion of the Net Settlement Fund to
17 Defendants.

18 16. “Notice of Objection” means a Class Member’s valid and timely written objection to the
19 Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector’s full
20 name, signature, address, and telephone number, (b) a written statement of all grounds for the objection
21 accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other
22 documents upon which the objection is based; and (d) a statement whether the objector intends to appear
23 at the final fairness hearing.

24 17. “PAGA Members” means all persons who worked for Defendant RHR California
25 Services, LLC, as non-exempt, hourly paid employees in California at any time during the PAGA
26 Period. There are approximately four hundred ninety-five (495) PAGA Members.

27 18. “PAGA Period” means the period from November 15, 2021 to the earlier of the date of
28 Preliminary Approval or March 12, 2024.

1 19. “PAGA Settlement Amount” means the amount that the Parties have agreed to pay to
2 the Labor and Workforce Development Agency (“LWDA”) and PAGA Members in connection with
3 Plaintiffs’ claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698,
4 *et seq.*, “PAGA”) (“PAGA Settlement”). The Parties have agreed that Twenty Thousand Dollars
5 (\$20,000) of the Gross Settlement Amount will be allocated as the PAGA Settlement Amount. Pursuant
6 to PAGA, Seventy-Five Percent (75%), or Fifteen Thousand Dollars (\$15,000), of the PAGA Settlement
7 Amount will be paid to the California Labor and Workforce Development Agency (“Labor and
8 Workforce Development Agency Payment”), and Twenty-Five Percent (25%), or Five Thousand
9 Dollars (\$5,000) (“PAGA Fund”), of the PAGA Settlement Amount will be disbursed to PAGA
10 Members, and regardless whether they request to be excluded from the Settlement Class.

11 20. “Parties” means Plaintiffs and Defendants collectively.

12 21. “Participating Class Members” means all Class Members who do not submit timely and
13 valid Requests for Exclusion.

14 22. “Plaintiffs” means Plaintiffs Tannia Ayala, Angel Gutierrez, and Jesus Martinez-
15 Arisceta.

16 23. “Preliminary Approval” means the date on which the Court enters an order granting
17 preliminary approval of the Settlement Agreement.

18 24. “Released Class Claims” means all claims, rights, demands, liabilities, and causes of
19 action, reasonably arising from, or reasonably related to, the same set of operative facts as those set forth
20 in any of the complaints filed in the Actions during the Class Period, including: (1) Labor Code §§ 218.6,
21 510 and 1198 (unpaid overtime); (2) Labor Code §§ 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198
22 (unpaid minimum wages); (3) Labor Code §§ 226.7, 512, 516, and 1198 (failure to provide meal
23 periods); (4) Labor Code §§ 226.7, 516, and 1198 (failure to authorize and permit rest periods); (5) Labor
24 Code §§ 226, 1174, and 1198 (non-compliant wage statements and failure to maintain payroll records);
25 (6) Labor Code §§ 201 and 202 (wages not timely paid upon termination); (7) Labor Code § 204 (failure
26 to timely pay wages during employment); (8) Labor Code § 2802 (unreimbursed business expenses); (9)
27 regulations and wage orders relating to any of the Labor Code provisions identified above; (10)
28 California Business & Professions Code sections 17200, *et seq.* (unlawful business practices) based on

the preceding claims; and (11) California Business & Professions Code sections 17200, *et seq.* (unfair business practices) based on the preceding claims.

25. “Released PAGA Claims” means all claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the same facts alleged in Plaintiffs’ LWDA letters during the PAGA Period.

26. “Released Parties” means Defendants, SHR Hotel LLC, Miramar Acquisition Co., LLC, any of their respective successors, assigns, predecessors in interest, subsidiaries, affiliates, and parents, together with any of their respective past or present officers, directors, shareholders, members, owners, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and attorneys.

27. “Request for Exclusion” means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the name, address, telephone number and last four digits of the Social Security Number of the Class Member requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement Administrator; (d) clearly state that the Class Member does not wish to be included in the Settlement; and (e) be faxed or postmarked on or before the Response Deadline.

28. “Response Deadline” means the deadline by which Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, postmark or fax disputes concerning the calculation of Individual Settlement Payments, or postmark Notices of Objection to the Settlement Administrator. The Response Deadline will be forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the forty-fifth (45th) calendar day falls on a Sunday or State holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open.

29. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary,

any such costs in excess of the amount represented by the Settlement Administrator as being the maximum costs necessary to administer the Settlement. Settlement Administration Costs are currently estimated to be Fifteen Thousand Dollars (\$15,000).

30. “Settlement Administrator” means CPT Group, Inc., or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering 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.

31. “Workweeks” means the number of days of employment for each Class Member during the Class Period, subtracting days on leave of absence (if any), dividing by seven (7), and rounding up to the nearest whole number. All Class Members will be credited with at least one Workweek during the Class Period, and all PAGA Members will be credited with at least one Workweek during the PAGA Period.

TERMS OF AGREEMENT

The Plaintiffs, on behalf of themselves and the Settlement Class, and Defendants agree as follows:

32. Funding of the Gross Settlement Amount. Defendants will make a one-time deposit of the Gross Settlement Amount of Eight Hundred Thousand Dollars (\$800,000) into a Qualified Settlement Account to be established by the Settlement Administrator. Defendants will pay the employer’s share of payroll taxes separately. After the Effective Date, the Gross Settlement Amount will be used for: (a) Individual Settlement Payments; (b) the Labor and Workforce Development Agency Payment; (c) the Class Representative Enhancement Payments; (d) Attorneys’ Fees and Costs; and (e) Settlement Administration Costs. Defendants will deposit the Gross Settlement Amount and the employer’s share of payroll taxes within thirty (30) calendar days of the Effective Date (“Funding Date”).

33. Attorneys’ Fees and Costs. Defendants agree not to oppose or impede any application or motion for attorneys’ fees and costs by Class Counsel for Attorneys’ Fees and Costs of not more than Two Hundred Sixty Six Thousand Six Hundred Sixty Seven Dollars (\$266,667), plus up to Twenty-Five

1 Thousand Dollars (\$25,000) in costs and expenses associated with Class Counsel's litigation and
2 settlement of the Actions (including expert/consultant fees, investigations costs, etc.), both of which will
3 be paid from the Gross Settlement Amount. The Court's award of attorneys' fees will be divided
4 between Class Counsel as follows: (a) 87.5% to Capstone Law APC and (b) 12.5% to Messrelian Law
5 Inc.

6 34. Class Representative Enhancement Payments. In exchange for a general release, and in
7 recognition of their effort and work in prosecuting the Actions on behalf of Class Members, Defendants
8 agree not to oppose or impede any application or motion for Class Representative Enhancement
9 Payments of up to Ten Thousand Dollars (\$10,000) to each Plaintiff. The Class Representative
10 Enhancement Payments will be paid from the Gross Settlement Amount and will be in addition to
11 Plaintiffs' Individual Settlement Payment paid pursuant to the Settlement. Plaintiffs will be solely and
12 legally responsible to pay any and all applicable taxes on the Class Representative Enhancement
13 Payments. Plaintiffs understand and agree that this Settlement Agreement shall remain in full force and
14 effect even if the full amount of Class Representative Enhancement Payments sought by Plaintiffs is not
15 ultimately awarded by the Court.

16 35. Settlement Administration Costs. The Settlement Administrator will be paid for the
17 reasonable costs of administration of the Settlement and distribution of payments from the Gross
18 Settlement Amount, which is currently estimated to be Fifteen Thousand Dollars (\$15,000). These costs,
19 which will be paid from the Gross Settlement Amount, will include, *inter alia*, the required tax reporting
20 on the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, distributing Class
21 Notices, calculating and distributing the Gross Settlement Amount, and providing necessary reports and
22 declarations.

23 36. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount
24 of Twenty Thousand Dollars (\$20,000) from the Gross Settlement Amount will be designated for
25 satisfaction of Plaintiffs' PAGA claims. Pursuant to PAGA, Seventy-Five Percent (75%), or Fifteen
26 Thousand Dollars (\$15,000), of this sum will be paid to the LWDA and Twenty-Five Percent (25%), or
27 Five Thousand Dollars (\$5,000), will be paid to PAGA Members in proportion to the number of
28 Workweeks worked during the PAGA Period.

1 37. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement
2 resolves claims and actions brought pursuant to PAGA by Plaintiffs acting as proxies and as Private
3 Attorneys General of, and for, the State of California and the LWDA, the Parties agree that no PAGA
4 Member has the right to exclude himself or herself from the release of the Released PAGA Claims, and
5 all PAGA Members will receive their shares of the PAGA Fund. The Parties also agree that no PAGA
6 Member has the right to object to the PAGA Settlement Amount.

7 38. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating
8 Class Members. No portion of the Net Settlement Fund will revert to or be retained by Defendants.

9 39. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No
10 portion of the PAGA Fund will revert to or be retained by Defendants.

11 40. Individual Settlement Payment Calculations. Individual Settlement Payments will be
12 calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of
13 Workweeks a Class Member worked during the Class Period and PAGA Period. Specific calculations of
14 Individual Settlement Payments will be made as follows:

15 40(a) Payments from the Net Settlement Fund. Defendants will calculate the total
16 number of Workweeks worked by each Class Member during the Class
17 Period. To determine each Class Member's estimated "Individual
18 Settlement Payment" from the Net Settlement Fund, the Settlement
19 Administrator will use the following formula: The Net Settlement Fund will
20 be divided by the aggregate total number of Workweeks worked by all
21 Class Members during the Class Period, resulting in the "Workweek
22 Value." Each Class Member's "Individual Settlement Payment" will be
23 calculated by multiplying each individual Class Member's total number of
24 Workweeks by the Workweek Value. The Individual Settlement Payment
25 will be reduced by any required deductions for each Participating Class
26 Member as specifically set forth herein, including employee-side tax
27 withholdings or deductions. The entire Net Settlement Fund will be
28 disbursed to all Class Members who do not submit timely and valid

1 Requests for Exclusion. If there are any valid and timely Requests for
2 Exclusion, the Settlement Administrator shall proportionately increase the
3 Individual Settlement Payment for each Participating Class Member
4 according to the number of Workweeks worked, so that the amount actually
5 distributed to the Settlement Class equals 100% of the Net Settlement Fund.

6 40(b) Payments from the PAGA Fund. Defendants will calculate the total number
7 of Workweeks worked by each PAGA Member during the PAGA Period.
8 To determine each PAGA Member's estimated "Individual Settlement
9 Payment," the Settlement Administrator will use the following formula: The
10 PAGA Fund will be divided by the aggregate total number of Workweeks
11 worked by all PAGA Members during the PAGA Period, resulting in the
12 "PAGA Workweek Value." Each PAGA Member's "Individual Settlement
13 Payment" will be calculated by multiplying each individual PAGA
14 Member's total number of Workweeks by the PAGA Workweek Value.
15 The entire PAGA Fund will be disbursed to all PAGA Members.

16 41. No Credit Toward Benefit Plans. The Individual Settlement Payments made to
17 Participating Class Members under this Settlement, as well as any other payments made pursuant to this
18 Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any
19 Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k)
20 plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan.
21 Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions,
22 or amounts to which any Class Members may be entitled under any benefit plans.

23 42. Administration Process. The Parties agree to cooperate in the administration of the
24 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in
25 administration of the Settlement.

26 43. Delivery of the Class List. Within thirty (30) calendar days of Preliminary Approval,
27 Defendants will provide the Class List to the Settlement Administrator.

28 44. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class

1 List from Defendants, the Settlement Administrator will mail a Class Notice to all Class Members via
2 regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class
3 List.

4 45. Confirmation of Updated Contact Information in the Class Lists. Prior to mailing, the
5 Settlement Administrator will perform a search based on the National Change of Address Database for
6 information to update and correct for any known or identifiable address changes. Any Class Notices
7 returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be
8 sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the
9 Settlement Administrator will indicate the date of such re-mailing on the Class Notice. If no forwarding
10 address is provided, the Settlement Administrator will promptly attempt to determine the correct address
11 using a skip-trace, or other search using the name, address and/or Social Security Number of the Class
12 Member involved, and will then perform a single re-mailing. Those Class Members who receive a re-
13 mailed Class Notice, whether by skip-trace or by request, will have either (a) an additional fifteen (15)
14 calendar days or (b) until the Response Deadline, whichever is later, to submit a Request for Exclusion
15 or an objection to the Settlement.

16 46. Class Notices. All Class Members will be mailed a Class Notice. Each Class Notice will
17 provide: (a) information regarding the nature of the Actions; (b) a summary of the Settlement's principal
18 terms; (c) the Settlement Class and PAGA Member definitions; (d) the total number of Workweeks each
19 respective Class Member and PAGA Member worked for Defendants during the Class Period and
20 PAGA Period; (e) each Class Member's and PAGA Member's estimated Individual Settlement Payment
21 and the formula for calculating Individual Settlement Payments; (f) the dates which comprise the Class
22 Period and PAGA Period; (g) instructions on how to submit Requests for Exclusion or Notices of
23 Objection; (h) the deadlines by which the Class Member must postmark or fax Request for Exclusions,
24 or postmark Notices of Objection to the Settlement; and (i) the claims to be released.

25 47. Disputed Information on Class Notices. Class Members will have an opportunity to
26 dispute the information provided in their Class Notices. To the extent Class Members dispute their
27 employment dates or the number of Workweeks on record, Class Members may produce evidence to the
28 Settlement Administrator showing that such information is inaccurate. Defendants' records will be

1 presumed correct, but the Settlement Administrator shall contact the Parties regarding the dispute and the
2 Parties will work in good faith to resolve it. All disputes must be submitted by the Response Deadline,
3 and will be decided within ten (10) business days after the Response Deadline.

4 48. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
5 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
6 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of
7 receiving the defective submission to advise the Class Member that his/her/their submission is defective
8 and that the defect must be cured to render the Request for Exclusion valid. The Class Member will have
9 until (a) the Response Deadline or (b) fifteen (15) calendar days from the date of the cure letter,
10 whichever date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for
11 Exclusion is not postmarked or received by fax within that period, it will be deemed untimely.

12 49. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
13 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
14 Administrator within the Response Deadline. In the case of Requests for Exclusion that are mailed to the
15 Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request
16 for Exclusion has been timely submitted.

17 50. Escalator. This Settlement is entered based on Defendants' representation that there are
18 Forty-Six Thousand One Hundred Ninety-Three (46,193) Workweeks at issue as of December 13, 2023.
19 If the number of Workweeks during the Class Period increases by more than 10% above Fifty Thousand
20 Eight Hundred Twelve (50,812) Workweeks (that is, if the number of Workweeks during the Class
21 Period should exceed 55,893), then Defendants will increase the Gross Settlement Amount on a
22 proportional percentage basis above 10% (*i.e.*, if the number of Workweeks in the Class Period should
23 increase by 11% more than 50,812, Defendants increase the Gross Settlement Amount by 1%).

24 51. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
25 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid
26 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class
27 Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the
28 Settlement.

1 52. Releases by Participating Class Members. Upon the Funding Date, and except as to such
2 rights or claims as may be created by this Settlement Agreement, each Participating Class Member,
3 together and individually, on their behalf and on behalf of their respective heirs, executors, successors,
4 assigns, administrators, agents, and attorneys, shall fully and forever release and discharge all of the
5 Released Parties, or any of them, from each of the Released Class Claims arising during the Class
6 Period.

7 53. Releases by PAGA Members. Upon the Funding Date, and except as to such rights or
8 claims as may be created by this Settlement Agreement, each PAGA Member, together and individually,
9 on their behalf and on behalf of their respective heirs, executors, successors, assigns, administrators,
10 agents, and attorneys, shall fully and forever release and discharge all of the Released Parties, or any of
11 them, from each of the Released PAGA Claims during the PAGA Period.

12 54. Objection Procedures. To object to the Settlement Agreement, a Class Member may
13 either postmark a valid Notice of Objection to the Settlement Administrator on or before the Response
14 Deadline, or appear in person at the Final Approval Hearing. Class Members who fail to object either by
15 submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will be
16 deemed to have waived all objections to the Settlement and will be foreclosed from making any
17 objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the
18 Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written
19 objections to the Settlement Agreement or appeal from the final approval order and judgment. Class
20 Counsel will not represent any Class Members with respect to any such objections to this Settlement. If a
21 Class Member timely submits both a Notice of Objection and a Request for Exclusion, the Request for
22 Exclusion will be given effect and considered valid, the Notice of Objection shall be rejected, and the
23 Class Member shall not participate in or be bound by the Settlement.

24 55. Certification Reports Regarding Individual Settlement Payment Calculations. The
25 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report that
26 certifies the number of Class Members who have submitted valid Requests for Exclusion or objections to
27 the Settlement, and whether any Class Member has submitted a challenge to any information contained
28 in their Class Notice, including those received after the Response Deadline. Additionally, the Settlement

1 Administrator will provide to counsel for both Parties any updated reports regarding the administration
2 of the Settlement Agreement as needed or requested.

3 56. Defendants' Right to Withdraw. If more than ten percent (10%) of Class Members
4 request exclusion, then Defendants may, in their sole discretion, at any time before final approval, elect
5 to void this Settlement Agreement. Defendants must exercise this right of rescission in writing to Class
6 Counsel withing fourteen (14) calendar days after the Settlement Administrator notifies the Parties of the
7 total number of exclusions. The Parties agree that, if Defendants withdraw, the Settlement shall be void
8 *ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to
9 perform under this Agreement, except that Defendants will remain responsible for paying all Settlement
10 Administration Costs incurred to that point.

11 57. Distribution Timing of Individual Settlement Payments. Within ten (10) calendar days
12 of the Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class
13 Members and PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiffs; and
14 (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved
15 services performed in connection with the Settlement.

16 58. Un-cashed Settlement Checks. Proceeds represented by Individual Settlement Payment
17 checks returned as undeliverable and Individual Settlement Payment checks remaining un-cashed for
18 more than one hundred and eighty (180) calendar days after issuance will be tendered pursuant to Code
19 of Civil Procedure section 384 to the Justice Gap Fund maintained by The State Bar of California.

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

23 60. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
24 be allocated as follows: (a) Twenty-Five Percent (25%) of each Individual Settlement Payment will be
25 allocated as wages for which IRS Forms W-2 will be issued; and (b) Seventy-Five Percent (75%) will be
26 allocated as non-wages for which IRS Forms 1099-MISC will be issued. Payments issued to PAGA
27 Members from the PAGA Fund will be treated as non-wages for which IRS Forms 1099-MISC will be
28 issued.

1 61. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
2 will be responsible for issuing to Plaintiffs, Participating Class Members, PAGA Members, and Class
3 Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to
4 this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes
5 and penalties to the appropriate government authorities.

6 62. Tax Liability. The Parties make no representation as to the tax treatment or legal effect
7 of the payments called for hereunder, and Plaintiffs, Participating Class Members, and PAGA Members
8 are not relying on any statement, representation, or calculation by Defendants or by the Settlement
9 Administrator in this regard.

10 63. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
11 OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS
12 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”)
13 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND
14 NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES
15 OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR
16 WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED
17 OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES
18 TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
19 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS
20 OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX
21 ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS
22 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY
23 ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY
24 UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO
25 ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
26 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
27 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF
28 ANY SUCH ATTORNEY’S OR ADVISER’S TAX STRATEGIES (REGARDLESS OF WHETHER

1 SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
2 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
3 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
4 AGREEMENT.

5 64. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
6 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
7 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
8 action or right herein released and discharged.

9 65. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally
10 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other
11 reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null
12 and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will
13 likewise be treated as void from the beginning.

14 66. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to
15 request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval
16 Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b)
17 preliminary approval of the proposed Settlement Agreement, (c) setting a date for a final fairness
18 hearing. The Preliminary Approval Order will provide for the Class Notice to be sent to all Class
19 Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will
20 submit this Settlement Agreement, which sets forth the terms of this Settlement, and will include the
21 proposed Notice of Class Action Settlement, attached as Exhibit A. Class Counsel will be responsible for
22 drafting all documents necessary to obtain preliminary approval.

23 67. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
24 deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the
25 Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the
26 Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b)
27 the Class Representative Enhancement Payments; (c) Individual Settlement Payments; (d) the Labor and
28 Workforce Development Agency Payment; (e) all Settlement Administration Costs. The final fairness

1 hearing will not be held earlier than thirty (30) calendar days after the Response Deadline. Class Counsel
2 will be responsible for drafting all documents necessary to obtain final approval. Class Counsel will also
3 be responsible for drafting the attorneys' fees and costs application to be heard at the final approval
4 hearing.

5 68. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the
6 Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its
7 approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of
8 addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement
9 administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as
10 set forth in this Settlement Agreement. A copy of the Judgment will be posted to the Settlement
11 Administrator's website.

12 69. Release by Plaintiffs. Upon the Funding Date, in addition to the claims being released by
13 all Participating Class Members, Plaintiffs will release and forever discharge the Released Parties, to the
14 fullest extent permitted by law, of and from any and all claims arising from or relating to their
15 employment, known and unknown, asserted and not asserted, which Plaintiffs have or may have against
16 the Released Parties as of the date of execution of this Settlement Agreement. To the extent the foregoing
17 release is a release to which Section 1542 of the California Civil Code or similar provisions of other
18 applicable law may apply, Plaintiffs expressly waive any and all rights and benefits conferred upon them
19 by the provisions of Section 1542 of the California Civil Code or similar provisions of applicable law
20 which are as follows:

21 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE
22 CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
23 EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE
24 AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY
25 AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED
26 PARTY.

27 70. 21-Day Consideration Period and 7-Day Revocation Period. Plaintiffs acknowledge
28 with their signatures that they have had at least twenty-one (21) days within which to consider this

1 Settlement and its consequences, or that they have been advised of their right to that 21-day period and
2 that they have voluntarily waived that 21-day period. Plaintiffs further agree that any modifications made
3 to this Settlement do not restart or affect or extend in any manner the 21-day consideration period. By
4 signing this Settlement Agreement, Plaintiffs acknowledge that they have taken sufficient time to
5 consider it. Plaintiffs further acknowledge that they have been advised that they have seven (7) days after
6 their execution of this Settlement Agreement to revoke it. Any such revocation must be in writing and
7 delivered to Jiyun Cameron Lee via email (jlee@folgerlevin.com). Should all Plaintiffs revoke this
8 Settlement Agreement, Defendants' obligations under the Settlement, including their obligations to
9 Plaintiffs and the Class Members, shall become null and void. Plaintiffs further acknowledge that they
10 have been advised prior to signing this Settlement Agreement to consult with an attorney, and that they
11 have in fact consulted with an attorney.

12 71. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the
13 terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth
14 herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

15 72. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the
16 entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements
17 may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section
18 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is
19 to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and
20 the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or
21 contradict the terms of this Settlement Agreement.

22 73. Amendment or Modification. No amendment, change, or modification to this Settlement
23 Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved
24 by the Court.

25 74. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
26 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
27 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
28 to this Settlement Agreement to effectuate its terms and to execute any other documents required to

1 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
2 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to
3 reach agreement on the form or content of any document needed to implement the Settlement, or on any
4 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
5 may seek the assistance of the Court to resolve such disagreement.

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

8 76. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto
9 will be governed by and interpreted according to the laws of the State of California.

10 77. Execution and Counterparts. This Settlement Agreement is subject only to the execution
11 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
12 executed counterparts and each of them, including electronic (e.g., DocuSign), facsimile, and scanned
13 copies of the signature page, will be deemed to be one and the same instrument.

14 78. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
15 Settlement Agreement is a fair, adequate and reasonable settlement of the Actions and have arrived at
16 this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into
17 account all relevant factors, present and potential. The Parties further acknowledge that they are each
18 represented by competent counsel and that they have had an opportunity to consult with their counsel
19 regarding the fairness and reasonableness of this Settlement.

20 79. Invalidity of Any Provision. Before declaring any provision of this Settlement
21 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
22 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
23 valid and enforceable.

24 80. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
25 certification for purposes of this Settlement only; except, however, that Plaintiffs or Class Counsel may
26 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court,
27 and either party may appeal any court order that materially alters the Settlement Agreement's terms.

28 81. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to

1 class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not
2 approved, the stipulation to certification will be void. The Parties further agree that certification for
3 purposes of the Settlement is not an admission that class action certification is proper under the standards
4 applied to contested certification motions, and that this Settlement Agreement will not be admissible in
5 this or any other proceeding as evidence that either (a) a class action should be certified or (b) Defendants
6 are liable to Plaintiffs or any Class Member, other than according to the Settlement's terms if the
7 Settlement is approved by the Court.

8 82. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute
9 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In
10 entering into this Settlement, Defendants do not admit, and specifically deny, that they violated any
11 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or
12 any other applicable laws, regulations or legal requirements; breached any contract; violated or breached
13 any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with
14 respect to their employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any
15 of the negotiations connected with it, will be construed as an admission or concession by Defendants of
16 any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to
17 enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be
18 offered or received as evidence in any action or proceeding to establish any liability or admission on the
19 part of Defendants or to establish the existence of any condition constituting a violation of, or a non-
20 compliance with, federal, state, local or other applicable law.

21 83. No Public Comment: Prior to Preliminary Approval, the Parties and their counsel agree
22 that they will not issue any press releases, initiate any contact with the press, respond to any press
23 inquiry, or have any communication with the press about the fact, amount or terms of the Settlement.

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

27 85. Enforcement Actions. In the event that one or more of the Parties institutes any legal
28 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement

1 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
2 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
3 expert witness fees incurred in connection with any enforcement actions.

4 86. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
5 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
6 more strictly against one party than another merely by virtue of the fact that it may have been prepared
7 by counsel for one of the Parties, it being recognized that, because of the arms'-length negotiations
8 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

9 87. Representation By Counsel. The Parties acknowledge that they have been represented
10 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
11 that this Settlement Agreement has been executed with the consent and advice of counsel. Further,
12 Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

13 88. All Terms Subject to Final Court Approval. All amounts and procedures described in
14 this Settlement Agreement herein will be subject to final Court approval.

15 89. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
16 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
17 Settlement Agreement.

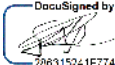
18 90. Binding Agreement. The Parties warrant that they understand and have full authority to
19 enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully
20 enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure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

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25 **THIS SECTION LEFT BLANK**
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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 2/16/2024

DocuSigned by:

788315241F77479

Tannia Ayala

PLAINTIFF

Dated: _____

Angel Gutierrez

PLAINTIFF

Dated: _____

Jesus Martinez-Arisceta

DEFENDANT

Dated: _____

[Name of Authorized Signatory]
RHR CALIFORNIA SERVICES, L.L.C.

DEFENDANT

Dated: _____

[Name of Authorized Signatory]
ROSEWOOD HOTELS AND RESORTS, LLC

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: 02/12/2024

By: 

Raul Perez
Attorneys for Plaintiff Tannia Ayala

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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: _____

Tannia Ayala

PLAINTIFF

Dated: 03/01/2024 _____


Angel Gutierrez (Mar 1, 2024 18:11 PST)
Angel Gutierrez

PLAINTIFF

Dated: _____

Jesus Martinez-Arisceta

DEFENDANT

Dated: _____

[Name of Authorized Signatory]
RHR CALIFORNIA SERVICES, L.L.C.

DEFENDANT

Dated: _____

[Name of Authorized Signatory]
ROSEWOOD HOTELS AND RESORTS, LLC

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: _____

By: _____
Raul Perez
Attorneys for Plaintiff Tannia Ayala

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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: _____
Tannia Ayala

PLAINTIFF

Dated: _____
Angel Gutierrez

PLAINTIFF

Dated: 03/02/2024 _____

Jesus Martinez (Mar 2, 2024 19:55 PST)
Jesus Martinez-Arisceta

DEFENDANT

Dated: _____
[Name of Authorized Signatory]
RHR CALIFORNIA SERVICES, L.L.C.

DEFENDANT

Dated: _____
[Name of Authorized Signatory]
ROSEWOOD HOTELS AND RESORTS, LLC

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: _____ By: _____
Raul Perez
Attorneys for Plaintiff Tannia Ayala

READ CAREFULLY BEFORE SIGNING**PLAINTIFF**

Dated: _____

Tannia Ayala

PLAINTIFF

Dated: _____

Angel Gutierrez

PLAINTIFF

Dated: _____

Jesus Martinez-Arisceta

DEFENDANT

Dated: 2/16/2024

Philip Meyer

Philip Meyer, Authorized Representative
RHR CALIFORNIA SERVICES, L.L.C.**DEFENDANT**

Dated: 2/14/2024

Agnes Park

Agnes I. Park, Authorized Representative
ROSEWOOD HOTELS AND RESORTS, LLC**APPROVED AS TO FORM****CAPSTONE LAW APC**

Dated: _____

By: _____

Raul Perez
Attorneys for Plaintiff Tannia Ayala

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Dated: 3/2/24

MESSRELIAN LAW INC.

By: 
Harout Messrelian
Attorneys for Plaintiffs Angel Gutierrez and Jesus
Martinez-Arisceta

FOLGER LEVIN L.L.P.

Dated: _____

By: _____
Jiyun Cameron Lee
Attorneys for Defendants RHR California Services,
L.L.C. and Rosewood Hotels and Resorts, LLC

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MESSRELIAN LAW INC.

Dated: _____

By: _____

Harout Messrelian
Attorneys for Plaintiffs Angel Gutierrez and Jesus
Martinez-Arisceta

FOLGER LEVIN L.L.P.

Dated: February 12, 2024

By:  _____

Jiyun Cameron Lee
Attorneys for Defendants RHR California Services,
L.L.C. and Rosewood Hotels and Resorts, LLC

Exhibit A

Ayala v. RHR California Services LLC, No. 23-CIV-02830
Gutierrez v. RHR California Services, LLC, No. 23-CIV-01088
SUPERIOR COURT OF THE STATE OF CALIFORNIA, FOR THE COUNTY OF SAN MATEO
NOTICE OF CLASS ACTION SETTLEMENT

You are not being sued. This notice affects your rights. Please read it carefully

To: All persons who worked for Defendant RHR California Services, L.L.C., dba Rosewood Sand Hill Hotel (the “Hotel”), as non-exempt, hourly paid employees in California at any time during the period from March 12, 2019 to [the earlier of the date of Preliminary Approval or March 12, 2024] (“Class Members”).

All persons who worked for Defendant RHR California Services, L.L.C., dba Rosewood Sand Hill Hotel (the “Hotel”), as non-exempt, hourly paid employees in California at any time during the period from November 15, 2021 to [the earlier of the date of Preliminary Approval or March 12, 2024] (“PAGA Members”).

On _____, the Honorable V. Raymond Swope of the San Mateo County Superior Court granted preliminary approval of a class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because the Hotel’s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund. The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at _:00 _m. on _____, 2024 in Department 23 of the San Mateo County Superior Court located at 400 County Center, Redwood City, California 94063.

Please also note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit [settlement website] for any scheduling changes.

If you move, you must send the Settlement Administrator your new address; otherwise, you may never receive your settlement payment. It is your responsibility to keep a current address on file with the Settlement Administrator.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be deemed a “Participating Class Member,” and will be eligible for a payment from the Net Settlement Fund and, if you are also a PAGA Member, the PAGA Fund. In exchange, you will be bound by the terms of the proposed Settlement and give up your right to assert wage and hour claims against the Hotel and Rosewood Hotels and Resorts, LLC based on the same facts alleged in the Actions during the Class Period.
You Can Opt-out of the Class Settlement but not the PAGA Settlement	If you don’t want to participate in the proposed class settlement, you can opt-out of the class settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will no longer be eligible for a payment from the Net Settlement Fund and will not be bound by the terms of the proposed class settlement.
The Opt-out Deadline is [DATE]	You cannot opt-out of the PAGA portion of the proposed Settlement. PAGA Members remain eligible to receive a payment from the PAGA Fund and must give up their rights to pursue PAGA penalty claims against the Hotel and Rosewood Hotels and Resorts, LLC based on the facts alleged in the Action during the PAGA Period.

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DATE]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed class settlement, but not the PAGA settlement.
You Can Participate in the [DATE] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [DATE] in Department 23 of the San Mateo County Superior Court located at 400 County Center, Redwood City, California 94063. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. If the Court grants final approval of the Settlement despite your objection, you will receive a payment from the Net Settlement Fund and you will be bound by the terms of the Settlement and Release.

Summary of the Litigation

Plaintiffs Tannia Ayala, Angel Gutierrez, and Jesus Martinez-Arisceta, on their behalf and on behalf of other current and former non-exempt employees, allege that the Hotel and Rosewood Hotels and Resorts, LLC (“Defendants”) violated California state labor laws as a result of their alleged failure to, among other things: (1) pay minimum and overtime wages to employees for all hours worked; (2) provide employees with meal and rest breaks; (3) timely pay all wages owed to employees during each pay period and upon termination of their employment; and (4) provide employees with accurate, itemized wage statements.

Defendants deny these claims.

After the exchange of relevant information and evidence, the parties agreed to enter into settlement negotiations in an attempt to informally resolve the claims in the case. On December 13, 2023, the parties participated in a mediation with Louis Marlin, Esq., an experienced and well-respected class action mediator. With Mr. Marlin’s guidance, the parties were able to negotiate a complete settlement of Plaintiffs’ claims.

Counsel for Plaintiffs, and the attorneys appointed by the Court to represent the class, Capstone Law APC and Messrelian Law Inc. (“Class Counsel”), have investigated and researched the facts and circumstances underlying the issues raised in the case and the applicable law. While Class Counsel believe that the claims alleged in this lawsuit have merit, Class Counsel also recognize that the risk and expense of continued litigation justify settlement. Based on the foregoing, Class Counsel believe the proposed settlement is fair, adequate, reasonable, and in the best interests of Class Members.

Defendants have denied, and continue to deny, the factual and legal allegations in the case and believe that they have valid defenses to Plaintiffs’ claims. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendants have agreed to settle the case as part of a compromise with Plaintiffs.

Summary of The Proposed Settlement Terms

Plaintiffs and Defendants have agreed to settle the underlying class claims in exchange for a Gross Settlement Amount of \$800,000. This amount is inclusive of: (1) individual settlement payments to all Participating Class Members; (2) Class Representative Enhancement Payments of \$10,000, each, to Tannia Ayala, Angel Gutierrez, and Jesus Martinez-Arisceta

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

for their services on behalf of the class, and for a release of all claims arising out of their employment with Defendants; (3) \$266,667 in attorneys' fees and up to \$25,000 in litigation costs and expenses; (4) a \$20,000 settlement of claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA"), inclusive of a \$15,000 payment to the California Labor and Workforce Development Agency ("LWDA") in connection with the PAGA, and a \$5,000 payment ("PAGA Fund") to all PAGA Members; and (5) reasonable Settlement Administrator's fees and expenses currently estimated at \$ _____. After deducting the above payments, a total of approximately \$ _____ will be allocated to Class Members who do not opt out of the Settlement Class ("Net Settlement Fund"). Additionally, all PAGA Members will receive a proportional share of the \$5,000 PAGA Fund, regardless whether they opt out of the Settlement Class.

Payments from Net Settlement Fund. Defendants will calculate the total number of Workweeks worked by each Class Member from March 12, 2019 to [the earlier of the date of Preliminary Approval or March 12, 2024] ("Class Period"). To determine each Class Member's estimated share of the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks during the Class Period, resulting in the "Workweek Value." Each Class Member's share of the Net Settlement Fund will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Settlement Payment will be reduced by any required deductions for each Class Members as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member's share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendants' records, you worked during the Class Period in a non-exempt position for a total of _____ Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately \$ _____.

Payments from PAGA Fund. Defendants will calculate the total number of Workweeks worked by each PAGA Member from November 15, 2021 to [the earlier of the date of Preliminary Approval or March 12, 2024] ("PAGA Period"). To determine each PAGA Member's estimated share of the PAGA Fund, the Settlement Administrator will use the following formula: The PAGA Fund will be divided by the aggregate total number of Workweeks during the PAGA Period, resulting in the "PAGA Workweek Value." Each PAGA Member's share of the PAGA Fund will be calculated by multiplying each individual PAGA Member's total number of Workweeks by the PAGA Workweek Value. A Request for Exclusion does not exclude a PAGA Member from the release of claims under California Labor Code §§ 2698, *et seq.* and the PAGA Member will receive their portion of the PAGA fund even if he/she/they submits a valid Request for Exclusion.

According to Defendants' records, you worked during the PAGA Period in a non-exempt position for a total of _____ Workweeks. Accordingly, your estimated payment from the PAGA Fund is approximately \$ _____.

Your Estimated Payment: Based on the above, your estimated payment from the settlement is approximately \$ _____. If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before [insert date of Response Deadline] and must be sent to:

Settlement Administrator
c/o _____
Fax No. _____

If you dispute the information stated above, Defendants' records will control unless you are able to provide documentation that establishes otherwise.

Taxes on Settlement Payments. IRS Forms W-2 and 1099 will be distributed to participating Class Members and the appropriate taxing authorities reflecting the payments they receive under the settlement. Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement. For purposes of this settlement, 25% of each settlement payment will be allocated as wages for which IRS Forms W-2 will be issued, and 75% will be allocated as non-wages for which IRS Forms 1099-MISC will be issued.

Your Options Under the Settlement

Option 1 – *Automatically Receive a Payment from the Settlement*

If want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose **Option 1**, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released or waived the Released Class Claims, and if you are also a PAGA Member, the Released PAGA Claims:

Released Class Claims: All claims, rights, demands, liabilities, and causes of action, reasonably arising from, or reasonably related to, the same set of operative facts as those set forth in any of the complaints filed in the Actions during the Class Period, including: (1) Labor Code §§ 218.6, 510 and 1198 (unpaid overtime); (2) Labor Code §§ 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198 (unpaid minimum wages); (3) Labor Code §§ 226.7, 512, 516, and 1198 (failure to provide meal periods); (4) Labor Code §§ 226.7, 516, and 1198 (failure to authorize and permit rest periods); (5) Labor Code §§ 226, 1174, and 1198 (non-compliant wage statements and failure to maintain payroll records); (6) Labor Code §§ 201 and 202 (wages not timely paid upon termination); (7) Labor Code § 204 (failure to timely pay wages during employment); (8) Labor Code § 2802 (unreimbursed business expenses); (9) regulations and wage orders relating to any of the Labor Code provisions identified above; (10) California Business & Professions Code sections 17200, *et seq.* (unlawful business practices) based on the preceding claims; and (11) California Business & Professions Code sections 17200, *et seq.* (unfair business practices) based on the preceding claims.

Released PAGA Claims: All claims for civil penalties under California Labor Code §§ 2698, *et seq.*, that were brought or could reasonably have been brought based on the same facts alleged in Plaintiffs' LWDA letters during the PAGA Period.

Option 2 – *Opt Out of the Settlement*

If you do not wish to participate in the settlement, you may exclude yourself from participating by submitting a written request to the Settlement Administrator expressly and clearly indicating that you have received this Notice of Class Action Settlement, decided not to participate in the settlement, and desire to be excluded from the settlement. The written request for exclusion must include your name, signature, address, telephone number, and last four digits of your Social Security Number. Sign, date, and mail the request for exclusion by First Class U.S. Mail or equivalent, to the address below.

Settlement Administrator

c/o _____

The Request for Exclusion must be postmarked or faxed not later than _____, 2024. If you submit a Request for Exclusion which is not postmarked or faxed by _____, 2024, your Request for Exclusion will be rejected, and you will be included in the settlement class.

If you choose **Option 2**, you will no longer be a Class Member, and you will:

- Not Receive a Payment from the Net Settlement Fund.

Questions? Contact the Settlement Administrator toll free at 1-*-***-******

- Not release the Released Class Claims.
- If you are a PAGA Member, you will still release the Released PAGA Claims, and will receive a payment from the PAGA Fund.

Option 3 – *Object to the Settlement*

If you decide to object to the settlement because you find it unfair or unreasonable, you may submit a written objection stating why you object to the settlement, or you may instead appear at the Final Fairness Hearing to object to the Settlement. Written objections must provide: (1) your full name, signature, address, and telephone number, (2) a written statement of all grounds for the objection accompanied by any legal support for such objection; (3) copies of any papers, briefs, or other documents upon which the objection is based; and (4) a statement about whether you intend to appear at the Fairness Hearing. The objection must be mailed to the administrator at [administrator's address].

All written objections must be received by the administrator by not later than _____ 2024. By submitting an objection, you are not excluding yourself from the settlement. To exclude yourself from the settlement, you must follow the directions described above. Please note that you cannot both object to the settlement and exclude yourself. You must choose one option only. You may also, if you wish, appear at the Final Fairness Hearing set for _____ at _____ a.m./p.m. in the Superior Court of the State of California, for the County of San Mateo and discuss your objection with the Court and the Parties at your own expense. You may also retain an attorney to represent you at the hearing.

If you choose **Option 3**, you will still be entitled to the money from the settlement. If the Court overrules your objection, you will be deemed to have released the Released Class Claims and Released PAGA Claims.

Additional Information

This Notice of Class Action Settlement is only a summary of the case and the settlement. For a more detailed statement of the matters involved in the case and the settlement, you may refer to the pleadings, the settlement agreement, and other papers filed in the case. All inquiries by Class Members regarding this Class Notice and/or the settlement should be directed to the Settlement Administrator or Class Counsel.

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PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, DEFENDANTS' ATTORNEYS
 WITH INQUIRIES.

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