

STIPULATION OF SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement” or “Settlement”) is reached by and between Plaintiff Melania Alcala (“Plaintiff,” or the “Class Representative”), individually and on behalf of all members of the Class Members and PAGA Aggrieved Employees (defined below), and Defendants Equity Hotel Supply Company and Sunset Towers West, LTD (collectively, “Defendants”) (Plaintiff and Defendants are referred to herein collectively as the “Parties”). Plaintiff and the Settlement Class are represented by Sam Sani of Sani Law, APC and Paul K. Haines of Haines Law Group, APC (“Class Counsel”). Defendants are represented by P. Dustin Bodaghi and Jackson Zimmerman of Littler Mendelson P.C.

Plaintiff filed the Class Action Complaint on June 23, 2023 against Defendants in Los Angeles County Superior Court, in the matter entitled *Melania Alcala v. Equity Hotel Supply Company, et al.*, Los Angeles County Superior Court Case No. 23STCV14696, alleging the following class action claims: (1) meal period violations, (2) rest period violations, (3) minimum wage violations, (4) overtime wage violations, (5) wage statement penalties, (6) waiting time penalties, and (7) unfair competition. Plaintiff filed the operative First Amended Class and Representative Action Complaint on August 31, 2023 alleging the following additional cause of action: (8) civil penalties on behalf of aggrieved employees based on the Labor Code violations alleged in the First Amended Class and Representative Action Complaint, pursuant to the California Private Attorneys General Act (“PAGA”) (the “First Amended Complaint” or “Lawsuit”).

In connection with mediation, Defendants confidentially produced applicable Employee Handbooks, the approximate count of currently employed and formerly employed putative Class Members and PAGA Aggrieved Employees, putative class members’ available timekeeping and payroll records during the class period, and the approximate count of workweeks and pay periods worked by putative class members during the Class Period and the PAGA period. The Parties agree that the above-described investigation and evaluation, as well as the information exchanged during the settlement negotiations, are sufficient to assess the merits of the respective Parties’ positions and to compromise the issues on a fair and equitable basis.

Given the uncertainty of litigation, Plaintiff and Defendants wish to settle both individually and on behalf of the Class Members and PAGA Aggrieved Employees. Plaintiff and Class Counsel have engaged in good faith, arm’s-length negotiations with Defendants concerning possible settlement of the claims asserted in the First Amended Complaint. Specifically, on May 21, 2024, the Parties participated in mediation before Henry Bongiovi, Esq., a well-respected mediator with considerable experience mediating wage-and-hour class actions. After a full-day mediation, the Parties were able to reach a settlement on May 22, 2024.

Plaintiff and Class Counsel recognize the expense and length of additional proceedings necessary to continue the litigation against Defendants through trial and through any possible appeals. Plaintiff and Class Counsel also have considered the uncertainty and risks, the potential outcome, and the difficulties and delays inherent in further litigation. Plaintiff and Class Counsel conducted extensive settlement negotiations. Based on the foregoing, Plaintiff and Class Counsel believe the Settlement set forth in this Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members.

Defendants recognize that the defense of this litigation will be protracted and expensive. Substantial amounts of Defendants' time, energy, and resources have been and, unless this Settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiff. Defendants, therefore, have agreed to settle in the manner and upon the terms set forth in this Agreement to put to rest the Released Claims.

Accordingly, Plaintiff and Defendants agree as follows:

1. **Settlement Class.** For purposes of this Settlement Agreement only, Plaintiff and Defendants stipulate to certification of the following settlement class:

All individuals who are or were employed by Defendants as non-exempt employees in California that worked at the Sunset Plaza Hotel during the period from June 23, 2019 through preliminary approval of the settlement (the "Class Period") (the "Class Members").

The Parties agree that certification for the purpose of settlement is not an admission that class certification is proper under Section 382 of the California Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

Additionally, the "PAGA Aggrieved Employees" shall be defined as:

All individuals who are or were employed by Defendants as non-exempt employees in California that worked at the Sunset Plaza Hotel during the PAGA Period.

The "PAGA Period" is June 23, 2022 through the date of preliminary approval of the settlement.

2. **Release.** Upon the Effective Date (as defined below) and the settlement being fully funded, Plaintiff and Class Members (except those who opt out of the Settlement Agreement) and PAGA Aggrieved Employees will release and discharge Defendants and all of Defendants' past, present and future subsidiaries, affiliates, shareholders, members, agents, predecessors, successors, acquirers, parent, related entities, officers, directors, shareholders, employees, agents, principals, representatives, accountants, auditors, consultants, insurers and reinsurers and assigns (collectively the "Released Parties") as follows:

A. Class Members, except those who opt-out pursuant to Section 9.D. herein, will release any and all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the First Amended Class and Representative Action Complaint (the "FAC"), including, but not limited to, claims for: (1) Meal Period Violations; (2) Rest Period Violations; (3) Minimum Wage Violations; (4) Overtime Wage Violations; (5) Wage Statement Violations; (6) Waiting Time Penalties; and (7) Unfair Competition (Bus & Prof Code § 17200 et seq.), and any and all other claims under California common law, the California Labor Code, the Fair Labor Standards Act, California Industrial Welfare

Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the facts, allegations and/or claims pleaded in the FAC (collectively, the “Released Claims”). The period of the Release shall be the same as the Class Period as defined herein.

- B. The State of California, the California Labor Workforce & Development Agency, and all PAGA Aggrieved Employees, regardless of whether they opt-out pursuant to Section 9.D. herein, will release, discharge, compromise, relinquish and discharge on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the FAC, and the June 23, 2023 PAGA Notice filed by Plaintiff including, but not limited to, any and all claims for PAGA penalties involving any allegations that Defendants failed to pay all wages due (including minimum wages, regular wages, sick pay, vacation, paid time off and overtime wages); failed to provide legally-compliant meal and rest breaks and failed to pay premium pay for missed, late, interrupted or short meal and rest breaks; failed to timely pay all earned wages and compensation; failed to provide timely final pay; failed to maintain required records; and failed to provide accurate itemized wage statements (the “PAGA Released Claims”). The period of the PAGA Released Claims shall extend from June 23, 2022 through the date of preliminary approval of the settlement.
- C. A Class Member’s cashing of his or her Individual Settlement Payment check shall be considered consent and an opt-in to the settlement of all related federal wage and hour claims under the Fair Labor Standards Act, and each Class Member who cashed and/or endorses by signature his or her Individual Settlement Payment check will waive his or her rights to bring related claims under the Fair Labor Standards Act for the Class Period. Each Individual Settlement Payment check will include the following disclaimer: “BY ENDORSING AND/OR CASHING THIS CHECK YOU ARE AGREEING TO THE TERMS OF THE SETTLEMENT REACHED IN *MELANIA ALCALA V. EQUITY HOTEL SUPPLY COMPANY, ET AL.*, LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 23STCV14696 AND AGREE TO OPT-IN TO THE SETTLEMENT AND TO RELEASE ANY CLAIMS YOU MAY HAVE UNDER THE FAIR LABOR STANDARDS ACT.” A Class Member who does not cash and/or endorse by signature his or her Individual Settlement Payment check will retain all of his or her rights and claims under the Fair Labor Standards Act, but shall still be deemed to have accepted and agreed to all other terms of the Release in Paragraph 2.A. unless he or she submits a timely written request for exclusion, consistent with Paragraph 9.D.
- D. In light of the Class Representative Enhancement Payment, Plaintiff and her respective former and present spouses, representatives, agents, attorneys (including class/PAGA counsel), heirs, administrators, successors, and assigns generally, release and discharge the Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, (in addition to the Released Claims described above), including, but not limited to, all claims that were, or that

could have been brought under the facts and allegations made in the Action. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the class period.

Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them. Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Code of Civil Procedure, which reads:

A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

3. **Maximum Settlement Amount.** As consideration, Defendants agree to pay a non-reversionary maximum amount ("Maximum Settlement Amount") of \$325,000.00 in full and complete settlement of this matter, as follows:

- A. The Parties have agreed to engage Phoenix Class Action Administration Solutions as the "Claims Administrator" to administer this Settlement.
- B. The Maximum Settlement Amount shall be deposited with the Claims Administrator within thirty (30) days of the "Effective Date" of this Agreement. The Effective Date of this Agreement shall be the date by when all the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) if no participating Class Member objects to the Settlement, 65 days after the Court enters Judgment and the time to appeal lapses; (ii) if one or more participating Class Members object to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- C. The Maximum Settlement Amount includes:
 - (1) All payments (including interest) to the Class Members and PAGA Aggrieved Employees;
 - (2) All costs of the Claims Administrator associated with the administration of the Settlement;
 - (3) The Class Representative's Enhancement Payment;

- (4) Class Counsel's attorneys' fees and actual costs and expenses related to the Lawsuit;
 - (5) \$32,500.00 of the Maximum Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code Section 2699(i), 75% of such penalties, or \$24,375.00, will be payable to the California Labor & Workforce Development Agency ("LWDA") for its share of PAGA penalties as the "LWDA Payment," and the remaining 25%, or \$8,125.00, will be payable to the eligible PAGA Aggrieved Employees as the "PAGA Amount."
- D. Defendants shall pay the standard company share of payroll taxes on all wages paid as part of this Settlement Agreement separate and apart from the Maximum Settlement Amount.
- E. **Escalator Clause.** Defendants estimate that Class Members worked approximately 8,900 workweeks from June 23, 2019 through May 21, 2024. If the actual number of workweeks worked by Class Members during the Class Period grows by more than ten percent (10%) (i.e., Class Members worked more than 9,790 workweeks during the Class Period) then Defendants, at their exclusive discretion, have the option to **(1)** increase the Maximum Settlement Amount proportionately for any excess increase in the total number of workweeks worked by Class Members during the Class Period over 9,790 workweeks (e.g., if the total number of workweeks worked by Class Members during the Class Period increases by 11% beyond 8,900 workweeks, the Maximum Settlement Amount will increase by 1%), or **(2)** to modify the end date of the Class Period to avoid incurring the pro rata increase.
4. **Payments to the Settlement Class and PAGA Aggrieved Employees.** Class Members are not required to submit a claim form to receive a payment ("Individual Settlement Payment") from the Settlement. Individual Settlement Payments will be determined and paid as follows:
- A. The Claims Administrator shall first deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, the Class Representative Enhancement Payment, LWDA Payment, the PAGA Amount, and the Claims Administrator's costs. The remaining amount shall be known as the "Net Settlement Amount."
 - B. From the Net Settlement Amount, the Claims Administrator will calculate each Class Member's Individual Settlement Payment based on the following formula: the Net Settlement Amount will be distributed to all participating Class Members based on each participating Class Member's proportionate number of workweeks worked during the Class Period, and which shall be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Class Member's total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Class Members during the Class Period.

- C. PAGA Amount: \$8,125.00 of the Maximum Settlement Amount has been designated as the “PAGA Amount” as described above. Each PAGA Aggrieved Employee who was employed by Defendants at any time during the PAGA Period shall receive a portion of the PAGA Amount proportionate to the number of pay periods that he or she worked during the aforementioned time period. Each PAGA Aggrieved Employee will be issued a check for their share of the PAGA Amount regardless of whether they submit a valid Request for Exclusion from the Settlement as set forth in Section 9.D. herein.
- D. Within 14 calendar days following the deposit of the Maximum Settlement Amount with the Claims Administrator, the Claims Administrator will calculate each Class Member’s and PAGA Aggrieved Employees’ Individual Settlement Payment and will prepare and mail Individual Settlement Payments to Class Members and PAGA Aggrieved Employees.
- E. For purposes of calculating applicable taxes and withholdings for Class Members, each Individual Settlement Payment shall be allocated as 20% wages and 80% penalties and interest. The amounts allocated as wages shall be reported on an IRS Form W-2, and the amounts allocated for penalties and interest shall be reported on an IRS Form 1099. 100% of each PAGA Aggrieved Employees’ individual portion of the PAGA Amount shall constitute penalties and interest, and each PAGA Aggrieved Employee will be issued an IRS Form 1099 for such payment to him or her. The Parties agree that it is the obligation of the Class Members to pay appropriate federal, state, and local taxes on all payments they receive under this Settlement Agreement. Neither Class Counsel nor Defendants’ Counsel intend anything contained in this Settlement to constitute legal advice regarding the taxability of any amount paid hereunder, nor shall anything in this Settlement be relied upon as such.
- F. Circular 230 Disclaimer: Each Party to this Agreement acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor 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 CFR part 10, as amended); (2) each Party (a) has relied exclusively upon his, her or its own independent legal and tax counsel for advice (including tax advice) in connection with this Agreement; (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party; and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other Party to avoid any tax penalty that may be imposed; and (3) no attorney or advisor to any 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 any other Party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

- G. Each Class Member and PAGA Aggrieved Employee who receives an Individual Settlement Payment must cash that check within 180 days from the date the Claims Administrator mails it.
- H. Any funds payable to Class Members and PAGA Aggrieved Employees whose checks remain uncashed one hundred and eighty (180) calendar days after such checks are mailed by the Claims Administrator (“Check Expiration Date”) shall become void, and the funds associated with such voided checks, plus any accrued interest that has not otherwise been distributed (together, “Unused Funds”), shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code§ 1500 et seq., for the benefit of those Class Members and PAGA Aggrieved Employees who did not cash their checks until such time that they claim their property. The Parties agree that this disposition results in no “unpaid cash residue,” or “unclaimed or abandoned funds” under California Civil Procedure Code§ 384, as amended effective June 27, 2018, as the entire Net Settlement Amount will be paid out to the Class Members, whether or not they all cash their payment checks.
- I. Neither Plaintiff nor Defendants shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Claims Administrator.

5. **Attorneys’ Fees and Costs.** Defendants will not object to the request for Class Counsel’s attorneys’ fees amounting to thirty-five percent (35%) of the Maximum Settlement Amount, which is currently estimated to be \$113,750.00, plus actual costs and expenses, which are not to exceed \$20,000.00. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation all work performed and all costs incurred to date, and all work to be performed and costs to be incurred in connection with obtaining the Court’s approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Claims Administrator when it pays the fee award allowed by the Court. Within 14 calendar days following the deposit of the Maximum Settlement Amount with the Claims Administrator the Claims Administrator will calculate, prepare, and mail payments for Class Counsel’s attorneys’ fees and actual costs and expenses to Class Counsel.

6. **Class Representative Enhancement Payment.** Defendants will not object to a request for a Class Representative Enhancement Payment of up to \$7,500.00 for the Class Representative’s Enhancement Payment for her general release of all claims and Section 1542 waiver, her time and risks in prosecuting this case, and her service to the Class Members and PAGA Aggrieved Employees. This award will be in addition to Plaintiff’s Individual Settlement Payment as a Class Member, and shall be reported on an IRS Form 1099 by the Claims Administrator.

7. **Claims Administrator.** Defendants will not object to the appointment of Phoenix Class Action Administration Solutions as Claims Administrator, nor to the request to seek approval to pay up to \$7,000.00 for its services from the Maximum Settlement Amount. The Claims Administrator shall be responsible for translating to Spanish and sending notices and for

calculating Individual Settlement Payments and preparing all checks and mailings. The Claims Administrator shall be authorized to pay itself from the Maximum Settlement Amount only after Individual Settlement Payments have been mailed to all Class Members and PAGA Aggrieved Employees.

8. **Preliminary Approval.** Upon execution of this Settlement Agreement, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Class for purposes of this Settlement Agreement;
- B. Appointing Sam Sani of Sani Law, APC and Paul Haines of Haines Law Group, APC as Class Counsel;
- C. Appointing Melania Alcala as Class Representative for the Class;
- D. Approving Phoenix Class Action Administration Solutions as Claims Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Court-approved Notice Packet in a format substantially similar to that attached hereto as Exhibit A, and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

9. **Notice to Settlement Class.** Following preliminary approval, the Class Members and PAGA Aggrieved Employees shall be notified as follows:

- A. Within 30 calendar days after entry of an order preliminarily approving this Settlement, Defendants will provide the Claims Administrator with Class Members' and Class Members and PAGA Aggrieved Employees' contact information (names, addresses, phone numbers, social security numbers, workweek and pay period numbers where feasible, and hire and termination dates to calculate workweeks where workweek/pay period numbers are not provided).
- B. Within 7 calendar days from receipt of this information, the Claims Administrator shall (i) run the names of all Class Members and PAGA Aggrieved Employees through the National Change of Address ("NCOA") database to determine any updated addresses for Class Members and PAGA Aggrieved Employees, (ii) update the addresses of any Class Members and PAGA Aggrieved Employees for whom an updated address was found through the NCOA search, (iii) perform a Spanish translation of the Notice Packet, and (iv) mail the English and Spanish translation of the Notice Packet to each Class Members and PAGA Aggrieved Employees at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.

- C. Any Notice Packets returned to the Claims Administrator as undelivered on or before the Response Deadline (defined below) shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Claims Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within 5 business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Claims Administrator shall resend the Notice Packet to the Class Members and PAGA Aggrieved Employees promptly, and in any event within 3 business days of obtaining the updated address. Settlement Class Members to whom Notice Packets are re-sent after having been returned as undeliverable to the Claims Administrator shall have 14 calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to mail a Request for Exclusion, objection, or dispute. Notice Packets that are re-sent shall inform the recipient of this adjusted deadline.
- D. Requests for Exclusion. Any Class Member who wishes to opt out of the Settlement must complete and mail a Request for Exclusion Form to the Claims Administrator within 60 calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”).
- i. The Request for Exclusion Form must: (1) contain the name, address, telephone number, of the Class Member; (2) be signed by the Class Member; and (3) be postmarked by the Response Deadline and mailed to the Claims Administrator at the address specified in the Class Notice. If the Request for Exclusion Form does not contain the information listed in items (1)-(3), it will not be deemed valid for exclusion from this Settlement. The date of the postmark on the Request for Exclusion Form shall be the exclusive means used to determine whether a Request for Exclusion Form has been timely submitted. Any potential Class Member who validly requests to be excluded from the Settlement will no longer be a member of the Class, will not be entitled to any recovery under this Settlement Agreement, and will not be bound by the terms of the Settlement or have any right to object, appeal, or comment thereon, except as follows: each PAGA Aggrieved Employee will be issued a check for their share of the PAGA Amount regardless of whether they submit a valid Request for Exclusion from the Settlement, and such employees shall be deemed to have released the Released Parties of and from the PAGA Released Claims regardless of whether they submit a valid Request for Exclusion Form from the Settlement. The Settlement Administrator shall notify Class Counsel and Defendants’ Counsel of its receipt of all valid Request for Exclusion Forms within three (3) business days after having received each such Request for Exclusion
 - ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Class Member to object to the Settlement or opt out of the Class, or encourage any Class Member to appeal from the final judgment.

- E. Objections. Class Members who do not opt out may object to this Settlement Agreement as explained in the Class Notice by (1) submitting an Objection Form with the Claims Administrator (who shall provide all objections as received to Class Counsel and Defendant's counsel), or (2) by offering oral comments at the Final Approval Hearing. Class counsel shall thereafter file a single packet of all objections with the Court. Defendants' counsel and Class Counsel shall submit any responses to objections no later than the deadline to file the Motion for Final Approval. Absent good cause found by the court, to be valid, any objection must be postmarked no later than the Response Deadline.
- F. Notice of Settlement Award/Disputes. Each Notice Packet mailed to Class Members shall contain the Notice of Settlement Award, which shall disclose the amount of the Class Member's estimated Individual Settlement Payment, as well as all of the information that was used from Defendants' records in order to calculate the Individual Settlement Payment, including the Class Member's number of workweeks worked during the Class Period. Class Members will have the opportunity, should they disagree with Defendants' records regarding the information stated in their Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Claims Administrator and postmarked by the Response Deadline. If there is a dispute, the Claims Administrator will consult with the Parties to determine whether an adjustment is warranted. Any disputes that remain unresolved as of the Final Approval Hearing will be referred to the Court for final determination.

10. **Right to Rescind.** If more than five percent (5%) of the Class Members submit timely and valid Requests for Exclusion, Defendants may elect to rescind the Settlement Agreement. Defendants must exercise this right of rescission in writing that is provided to Class Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of the number of Class Members who have submitted timely and valid Requests for Exclusion following the Response Deadline. If Defendants exercise this option, Defendants shall pay any costs of settlement administration owed to the Settlement Administrator incurred up to that date.

11. **Final Approval.** Following preliminary approval and the close of the period for filing Requests for Exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees, costs, and the Class Representative Enhancement Payment; and
- C. Entering judgment pursuant to California Rule of Court 3.769.

12. **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel's attorneys' fees payment

and expenses set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

13. **Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment.** If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Maximum Settlement Amount remains unchanged.

13. **Voiding Settlement.** If the Court declines to approve any material term or condition of this Settlement Agreement, then this entire Settlement Agreement shall be void and unenforceable as to all Parties herein at the option of any Party, within thirty (30) days of receiving notice of the Court's action. Each Party may exercise its option to void this settlement as provided herein by giving notice, in writing, to the other and to the Court. The Party voiding the settlement pursuant to this Paragraph shall be responsible for any costs of administration incurred up to that date.

13. **Non-Admission of Liability.** This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability by Defendants or that class certification is appropriate in any context other than this Settlement. The Parties have entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

14. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject

to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

15. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendants:

P. Dustin Bodaghi, Bar No. 271501

dbodaghi@littler.com

Jackson A. Zimmerman, Bar No. 330041

jzimmerman@littler.com

18565 Jamboree Road

Suite 800

Irvine, California 92612

Telephone: 949.705.3000

Fax No.: 949.724.1201

if to Plaintiff:

Sam Sani, Sani Law, APC

595 E. Colorado Blvd., Suite 522

Pasadena, CA 91101

Email: ssani@sanilawfirm.com

Paul K. Haines, Haines Law Group, APC

2155 Campus Drive, Suite 180

El Segundo, CA 90245

Email: phaines@haineslawgroup.com

16. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

17. **Construction.** The Parties agree that this Settlement Agreement is the result of lengthy, intensive arms-length negotiations between the parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which that Party has participated in the drafting of this Settlement Agreement.

18. **Enforcement.** If a Party to this Settlement Agreement institutes any legal action, arbitration, or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights or obligations under this Settlement Agreement, then the prevailing Party shall recover from the unsuccessful Party, reasonable attorneys' fees and costs.

19. **Governing Law.** This Settlement Agreement is made and entered into under the laws of the State of California, and shall be interpreted, applied and enforced under those laws, and any

litigation concerning this Settlement Agreement shall be in the Superior Court of the County of Orange, State of California.

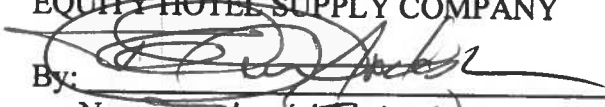
20. **Confidentiality.** Except as provided above to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiff and Class Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiff nor Class Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Class Counsel may reference the Lawsuit only by name and case number in a declaration establishing adequacy as class or representative counsel.

21. **Counterparts.** This Settlement Agreement may be executed by one or more Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

22. **Use and Return of Class Data.** Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff and Class Counsel shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.

DATED: 6/18/24

~~EQUITY HOTEL SUPPLY COMPANY~~

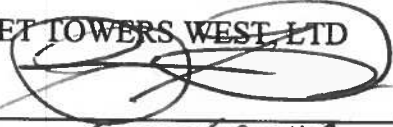
By: 

Name: Robert Jackson

Title: President

DATED: 6/18/24

~~SUNSET TOWERS WEST, LTD~~

By: 

Name: GLENN GRISHAM

Title: MANAGING PARTNER

DATED: _____

MELANIA ALCALA

By: _____
Plaintiff and Settlement Class Representative

litigation concerning this Settlement Agreement shall be in the Superior Court of the County of Orange, State of California.

20. **Confidentiality.** Except as provided above to the extent necessary to effectuate the settlement or as required by court or legal process, Plaintiff and Class Counsel will keep the terms of this Settlement Agreement confidential. Neither Plaintiff nor Class Counsel shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court. However, for the limited purpose of establishing adequacy of counsel in future actions, Class Counsel may reference the Lawsuit only by name and case number in a declaration establishing adequacy as class or representative counsel.

21. **Counterparts.** This Settlement Agreement may be executed by one or more Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

22. **Use and Return of Class Data.** Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff and Class Counsel shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.

DATED: _____

EQUITY HOTEL SUPPLY COMPANY

By: _____

Name:

Title:

DATED: _____

SUNSET TOWERS WEST, LTD

By: _____

Name:

Title:

DATED: 06/20/24

MELANIA ALCALA

By:  _____
Melania Alcala (Jun 20, 2024 22:02 PDT)

Plaintiff and Settlement Class Representative