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PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release (Settlement Agreement" or "Settlement") is entered into by and between Josie Najera ("Plaintiff"), individually and as a representative of the State of California, and La Costa Glen Carlsbad CCRC LLC ("Defendant"), subject to approval by the Court. The term "Party" or "Parties" as used herein shall refer to Plaintiff, Defendant, or both, as may be appropriate.

1. **Recitals.** This Settlement Agreement is made with reference to the following facts:

(a) On January 10, 2024, Blackstone Law, APC ("Plaintiff's Counsel"), submitted a letter on behalf of Plaintiff to the California Labor and Workforce Development Agency ("LWDA") and Defendant to notify the LWDA and Defendant pursuant to the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq*. ("PAGA"), of Plaintiff's intent to seek civil penalties under PAGA for Defendant's alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders, thereby initiating LWDA Case Number LWDA-CM-1004085-24 ("PAGA Notice");

(b) On March 20, 2024, Plaintiff filed a Complaint for Enforcement Action Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* ("Operative Complaint"), commencing a representative action under PAGA against Defendant entitled *Josie Najera v. La Costa Glen Carlsbad CCRC LLC*, San Diego County Superior Court Case No. 37-2024-00013030-CU-OE-CTL ("Action"). The Operative Complaint asserts a single cause of action for recovery of civil penalties under PAGA for alleged violations of multiple provisions of the California Labor Code and the applicable Industrial Welfare Commission Wage Orders;

(c) On August 13, 2025, the Parties mediated the Action with third-party mediator Monique Ngo-Bonnici and, with the aid of the mediator's evaluation, the Parties ultimately reached the Settlement described herein to resolve the Action in its entirety;

(d) There has been no determination on the merits of the Action or the PAGA Notice but, to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve the Action and Released Claims (as defined in Section 6(a) below).

2. **No Admission of Wrongdoing.** The Parties agree that neither this Settlement Agreement nor the furnishing of the consideration for this Settlement Agreement shall be deemed or construed at any time for any purpose as an admission by the Released Parties of wrongdoing or evidence of any liability or unlawful conduct of any kind. If for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses.

The signed document can be validated at https://app.vinesign.com/Verify

3. **Consideration.**

(a) Defendant shall pay the maximum gross sum of Two Hundred Sixty Thousand Dollars ($260,000) (the "Gross Settlement Amount") to resolve the Action and Released Claims (as defined in Section 6(a) below), which will be paid as follows:

(1) Attorneys' fees in the amount of thirty-five percent (35%) of the Gross Settlement Amount (i.e., $91,000 if the Gross Settlement Amount is $260,000), and reimbursement of litigation costs and expenses in the amount of up to Thirty Thousand Dollars ($30,000) (collectively, "Attorneys' Fees and Costs") to Plaintiff's Counsel, which Defendant will not contest.

(2) Costs and expenses of administration of the Settlement up to the amount of Eight Thousand One Hundred and Forty Dollars and Zero Cents ($8,140.00) ("Settlement Administration Costs") to Apex Class Action Administration ("Settlement Administrator").

(3) The amounts stated in Sections 3(a)(1) – 3(a)(2) above, once approved by the Court, shall be paid from the Gross Settlement Amount. The balance remaining after these deductions is referred to as the "Net Settlement Amount."

(4) Seventy-five percent (75%) of the Net Settlement Amount will be distributed to the LWDA ("LWDA Payment"); and the remaining twenty-five percent (25%) will be distributed to all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the PAGA Period ("PAGA Employees"). The period January 15, 2023 to September 18, 2026 is the "PAGA Period." The twenty-five percent (25%) portion of the Net Settlement Amount payable to the PAGA Employees is referred to as the "Employees' Portion."

(5) The PAGA Employees are estimated to consist of approximately 710 individuals who worked approximately 29,000 pay periods during the PAGA Period. If the actual number of Pay Periods (as defined in Section 5(b) below) is more than ten percent (10%) above 29,000, Defendant shall purchase the additional pay periods at a *pro rata* rate.

(6) Payments for Attorneys' Fees and Costs and the Net Settlement Amount to be paid to the LWDA and PAGA Employees as described in Section 3(a) above will be treated and reported for tax purposes as non-wage payments and the Settlement Administrator will be responsible for issuing IRS Forms 1099, as required.

4. **Approval and Implementation of the PAGA Settlement.**

(a) The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and

take any and all steps required by the Court in the Action to implement the settlement and terminate the Action pursuant to settlement (i.e., to terminate the Action by way of judgment or dismissal).

(b) The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Section 3(a) above.

(c) The Parties shall seek to obtain Court approval of this Settlement Agreement by way of an to be filed by Plaintiff's Counsel. Plaintiff's Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Settlement Agreement to Thomas S. Ingrassia, Esq. and Haley A. Murphy, Esq. of Pettit Kohn Ingrassia Lutz & Dolin PC ("Defendant's Counsel") for review. Defendant's Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable. If the parties agree upon the representations, calculations, and distributions set forth in the proposed motion, the motion will be submitted unopposed.

(d) The Parties expressly acknowledge that the Court's approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Action and close the Action based on the Settlement, the entirety of this Settlement Agreement shall be null and void.

5. **Payment of the Gross Settlement Amount / Notice to Recipients.**

(a) Subject to Court approval of this Settlement Agreement, payment of the sums described in Section 3(a) above shall be made by Defendant by transmitting the Gross Settlement Amount to a qualified settlement account established by the Settlement Administrator for administration of this Settlement, within twenty-one (21) calendar days of the Court's order granting approval of this Settlement Agreement. If the date by which payment by Defendant is due falls on a Saturday, Sunday, or legal holiday in the State of California, then the due date shall be extended to the next following day which is not a Saturday, Sunday, or legal holiday in the State of California.

(b) Each PAGA Employee will be entitled to a *pro rata* share of 25% of the Net Settlement Agreement (i.e., the Employees' Portion) based upon the number of pay periods they each worked during the PAGA Period ("Pay Periods"), based on Defendant's payroll records. Specifically, to calculate each PAGA Employee's share of the Employees' Portion ("Individual PAGA Payment"), the Settlement Administrator shall: (i) for each PAGA Employee, divide the number of Pay Periods the PAGA Employee worked by the total aggregate number of Pay Periods worked by all PAGA Employees, and then (ii) multiply this amount by the Employees' Portion to arrive at each PAGA Employee's Individual PAGA Payment.

One hundred percent (100%) of all Individual PAGA Payments are to be considered penalties and the Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. Aggrieved Employees' Individual PAGA Payments will be reported on an IRS Form 1099, as required.

(c) The Settlement Administrator shall distribute each Individual PAGA Payment by way of check, along with a cover letter ("Cover Letter") agreed to by the Parties and approved by the Court, in substantially the form attached hereto as "**Exhibit A**," in the following manner:

(1) No later than ten (10) calendar days after the Court's order granting approval of the Settlement, Defendant shall provide the Settlement Administrator with a list of all PAGA Employees (the "PAGA Employees List"), containing the following information for each PAGA Employee: (i) first and last name; (ii) last known address; (iii) last known telephone number; (iv) Social Security number; and (v) dates worked during the PAGA Period.

(2) The Settlement Administrator shall conduct one (1) National Change of Address ("NCOA") search for all individuals identified on the PAGA Employees List.

(3) No later than ten (10) business days after the Settlement Administrator receives the Gross Settlement Amount, the Settlement Administrator shall mail the agreed-upon Cover Letter and Individual PAGA Payment checks (together, the "PAGA Settlement Package") to all PAGA Employees by First-Class United States mail. For each PAGA Settlement Package that is returned undeliverable within thirty (30) calendar days of the initial mailing, the Settlement Administrator shall promptly attempt to locate an alternative, updated address for the PAGA Employee at issue, by using a skip-trace search and shall attempt one (1) re-mailing of the PAGA Settlement Package.

(4) The Individual PAGA Payment checks issued to PAGA Employees shall remain valid for one hundred eighty (180) calendar days, and thereafter, shall be canceled. Funds associated with such canceled checks shall be transmitted to the State Controller's Office Unclaimed Property Division in the name of the PAGA Employee(s) at issue and in the amount of their respective Individual PAGA Payment(s).

(5) No later than ten (10) business days after the Settlement Administrator receives the Gross Settlement Amount, the Settlement Administrator shall transmit the LWDA Payment to the LWDA.

(6) No later than ten (10) business days after the Settlement Administrator receives the Gross Settlement Amount, the Settlement Administrator shall transmit the Named Plaintiff Fee to Plaintiff.

(7) No later than ten (10) business days after the Settlement Administrator receives the Gross Settlement Amount, the Settlement Administrator shall transmit the Attorneys' Fees and Costs to Plaintiff's Counsel.

(8) No later than ten (10) business days after the Settlement Administrator receives the Gross Settlement Amount, the Settlement Administrator shall transmit the Settlement Administration Costs to itself.

6. **Release of Claims by Plaintiff and the State of California with Respect to the PAGA Employees.**

(a) Upon the date of the Court's order granting approval of the Settlement Agreement and full funding of the Gross Settlement Amount, Plaintiff and the State of California with respect to PAGA Employees, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged Defendant and its current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns (collectively, the "Released Parties") from any and all claims arising from any of the factual allegations in the Operative Complaint and PAGA Notice, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code sections 2698 *et seq*., for Defendant's alleged failure to properly calculate and pay overtime and minimum wages, properly calculate and pay the proper "regular rate of pay" for overtime wages, meal and rest break premium pay, and paid sick leave, provide compliant meal and rest periods and associated premium payments (including but not limited to the use of on-duty meal periods), timely pay wages during employment and upon termination, provide complaint wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Orders (collectively, "Released Claims").

7. **Governing Law and Interpretation.**

(a) This Settlement Agreement shall be governed and conformed in accordance with the laws of the State of California. Should any non-material provision of this Settlement Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such provision immediately shall become null and void, leaving the remainder of this Settlement Agreement in full force and effect.

(b) In the event of a breach of any provision of this Settlement Agreement, any Party reserves the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that action shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing Party.

8. **Amendment.** This Settlement Agreement may not be modified, altered, or changed except in writing and signed by both Parties' counsel, subject to approval by the Court.

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9. **Miscellaneous.**

(a) The Parties agree to stay all proceedings in the Action, including with respect to California Code of Civil Procedure section 583.310, except such proceedings necessary to implement and complete the Settlement, pending approval of the Settlement.

(b) This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically transmitted copy of the Settlement Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature.

(c) The section headings used in this Settlement Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify, or otherwise be used in the interpretation of any of the provisions hereof.

(d) This Settlement Agreement was the result of negotiations between the Parties and their respective counsel under the auspices of mediator Monique Ngo-Bonnici. In the event of vagueness, ambiguity, or uncertainty, this Settlement Agreement shall not be construed against the Party preparing it but shall be construed as if both Parties prepared it jointly, and the Parties may present their disputes to the mediator to resolve any vagueness, ambiguity, or uncertainty.

(e) If Plaintiff or Defendant fail to enforce this Settlement Agreement or to insist on performance of any term, that failure does not mean a waiver of that term or of the Settlement Agreement. This Settlement Agreement remains in full force and effect anyway.

(f) To the extent permitted by law, all agreements made and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

(g) Data and information provided to PAGA Counsel pursuant to Cal. Evid. Code § 1152, and all copies and summaries of the PAGA Employee Lists provided to PAGA Counsel by Defendant in connection with the discovery, 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 Administrator discharges its obligation to pay out of all Settlement funds, upon written request of defense counsel, Plaintiff shall destroy all paper and electronic versions of the PAGA Employees List received from Defendant. Notwithstanding this provision, PAGA Counsel is entitled to retain an archival copy of all pleadings, motion papers, deposition transcripts, hearing transcripts, legal memoranda, correspondence, expert reports, attorney work product, and consultant and expert work product.

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HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

PLAINTIFF JOSIE NAJERA

Dated: _____

_____
Josie Najera

DEFENDANT LA COSTA GLEN CARLSBAD, CCRC LLC

Dated: 9/17/26

_____

Full Name: Kristen Kearnaghan

Executive Director
La Costa Glen Carlsbad, CCRC LLC

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES, AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEFENDANT, FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Settlement Agreement as of the date set forth below:

PLAINTIFF JOSIE NAJERA

Dated: 09/18/2026

Josie Najera

Josie Najera

DEFENDANT LA COSTA GLEN CARLSBAD CCRC LLC

Dated: _____

_____

Full Name: _____

Title: _____
La Costa Glen Carlsbad CCRC LLC