

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

2 This Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiffs Manuel Hernandez
4 (“Plaintiff Hernandez”) and Owen Williams (“Plaintiff Williams”) (together, “Plaintiffs” or “Class
5 Representatives”), individually, and on behalf of all others similarly situated and on behalf of the State
6 of California with respect to aggrieved employees, and Defendants DHC PS Holdings LLC, Davidson
7 Hotel Company LLC dba Davidson Hospitality Group, and AGRE DCP Palm Springs Tenant LLC
8 dba Margaritaville Resort Palm Springs (collectively, “Defendants”) (collectively, Plaintiffs and
9 Defendants are referred to as “Parties” and individually as “Party”).

10 This Settlement Agreement shall be binding on Plaintiffs, Settlement Class Members (as
11 defined herein), the State of California as to the employment of PAGA Employees (as defined herein),
12 and Defendants, subject to the terms and conditions hereof and the approval of the Court.

13 **RECITALS**

14 1. On June 6, 2024, Plaintiff Hernandez provided written notice to the Labor and
15 Workforce Development Agency (“LWDA”) by online submission and to Defendants by U.S.
16 Certified Mail, pursuant to California Labor Code Section 2699.3, of the specific provisions of the
17 California Labor Code alleged to have been violated by Defendants (“Hernandez PAGA Letter”).

18 2. On June 11, 2024, Plaintiff Hernandez filed a Class Action Complaint in the action
19 entitled *Manuel Hernandez v. DHC PS Holdings LLC, et al.*, Alameda County Superior Court Case
20 No. 24CV079333 (“Action”), thereby commencing a putative class action against Defendants.

21 3. On September 11, 2024, Plaintiff Williams provided written notice to the LWDA by
22 online submission and to Defendants by U.S. Certified Mail, pursuant to California Labor Code
23 Section 2699.3, of the specific provisions of the California Labor Code alleged to have been violated
24 by Defendants (“Williams PAGA Letter”) (together, the Hernandez PAGA Letter and Williams PAGA
25 Letter are referred to as the “PAGA Letters”).

26 4. On November 19, 2024, Plaintiff Williams filed a Complaint for Enforcement Action
27 Under the Private Attorneys General Act, Cal. Labor Code §§ 2698 *Et Seq.* in the action entitled *Owen*
28 *Williams v. DHC PS Holdings LLC, et al.*, Alameda County Superior Court Case No. 24CV100134,

1 thereby commencing an action under the Private Attorneys General Act of 2004 pursuant to California
2 Labor Code Section 2698 *et seq.* (“PAGA”) against Defendants.

3 5. On November 27, 2024, Plaintiffs filed a First Amended Class and Representative
4 Action Complaint (“Operative Complaint”) in the Action, which added Plaintiff Williams as a named
5 plaintiff and added causes of action for failure to provide one day’s rest in seven and under PAGA.

6 6. The Operative Complaint alleges eleven (11) causes of action for violations of the
7 California Labor Code for failure to pay minimum wages, failure to pay overtime wages, failure to
8 provide one day’s rest in seven, failure to provide compliant meal periods and premium payments in
9 lieu thereof, failure to provide compliant rest periods and premium payments in lieu thereof, failure to
10 timely pay wages during employment, failure to provide compliant wage statements, failure to timely
11 pay wages upon termination, and failure to reimburse necessary business expenses, for violations of
12 California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California
13 Labor Code violations, and for civil penalties under PAGA based on the aforementioned California
14 Labor Code violations.

15 7. Defendants deny all material allegations set forth in the Action and have asserted
16 numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation,
17 Defendants desires to fully and finally settle the Action, Released Class Claims (as defined herein),
18 and Released PAGA Claims (as defined herein).

19 8. Class Counsel diligently investigated the class and PAGA claims against Defendants,
20 including any and all applicable defenses and the applicable law. The investigation included, *inter*
21 *alia*, the exchange of information, data, and documents, and review of corporate policies and practices.
22 The Parties have engaged in sufficient informal discovery and investigation to assess the relative
23 merits of the claims and contentions of the Parties.

24 9. On June 16, 2025, the Parties participated in mediation with Monique Ngo-Bonnici,
25 Esq. (the “Mediator”), a respected mediator of complex wage and hour actions, which did not reach a
26 settlement. However, after further negotiations and with the assistance of the Mediator’s evaluations,
27 the Parties reached the settlement that is memorialized herein. The Parties’ settlement discussions
28 were conducted at arms’ length, and the Settlement is the result of an informed and detailed analysis

1 of Defendants' potential liability and exposure in relation to the costs and risks associated with
2 continued litigation. Based on Class Counsel's investigation and evaluation, Class Counsel believes
3 that the settlement with Defendants for the consideration and on the terms set forth in this Settlement
4 Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, State of
5 California, and PAGA Employees in light of all known facts and circumstances, including the risk of
6 significant delay and uncertainty associated with litigation and various defenses asserted by
7 Defendants.

8 10. The Parties expressly acknowledge that this Settlement Agreement is entered into
9 solely for the purpose of compromising significantly disputed claims and that nothing herein is an
10 admission of liability or wrongdoing by Defendants. If for any reason this Settlement Agreement is
11 not approved, it will be of no force or effect, and the Parties shall be returned to their original respective
12 positions.

13 **DEFINITIONS**

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

16 a. "Attorneys' Fees and Costs" means attorneys' fees approved by the Court for
17 Class Counsel's litigation and resolution of the Action and all actual costs and expenses incurred and
18 to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 14.

19 b. "Class" or "Class Member(s)" means all current and former hourly-paid and/or
20 non-exempt employees who worked for Defendants at the Margaritaville Resort Palm Springs at any
21 time during the Class Period.

22 c. "Class Counsel" means Jonathan M. Genish, Miriam L. Schimmel, Joana Fang,
23 and Alexandra Rose of Blackstone Law, APC, who will seek to be appointed counsel for the Class.

24 d. "Class List" means a complete list of all Class Members that Defendants will
25 diligently and in good faith compile from their records and provide to the Settlement Administrator.
26 The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the
27 following information for each Class Member: (1) full name; (2) last known mailing address; (3)
28 Social Security number; (4) number of Workweeks and Pay Periods; (5) dates worked for Defendants

1 at the Margaritaville Resort Palm Springs during the Class Period; and (6) such other information as
2 is necessary for the Settlement Administrator to verify the number Workweeks and Pay Periods.

3 e. “Class Notice” means the Notice of Class Action Settlement, substantially in
4 the form attached hereto as “Exhibit A.”

5 f. “Class Period” means the period that ends on September 25, 2024 and counts
6 backwards through the date in which 26,000 Workweeks is met.

7 g. “Class Settlement” means the settlement and resolution of all Released Class
8 Claims.

9 h. “Court” means the Superior Court of the State of California for the County of
10 Alameda.

11 i. “Defendants’ Counsel” means Adam Y. Siegel and Semarnpreet Kaur of
12 Jackson Lewis P.C.

13 j. “Dispute” means a letter submitted by a Class Member disputing the number of
14 Workweeks and/or Pay Periods which have been credited to them, which must: (a) contain the case
15 name and number of the Action; (b) contain the Class Member’s full name, signature, address,
16 telephone number, and the last four (4) digits of the Class Member’s Social Security number; (c)
17 clearly state that the Class Member disputes the number of Workweeks and/or Pay Periods credited to
18 the Class Member and what the Class Member contends is the correct number; and (d) be returned by
19 mail to the Settlement Administrator at the specified address, postmarked on or before the Response
20 Deadline.

21 k. “Effective Date” means the following: the sixty-fifth (65th) calendar day after
22 the date of Final Approval, provided no appeal is initiated by an objector; or (ii) if a timely appeal is
23 initiated by an objector, then the Effective Date will be the day after final resolution of that appeal
24 (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval
25 of the Settlement.

26 l. “Employer Taxes” means the employers’ share of taxes and contributions in
27 connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendants
28 in addition to the Gross Settlement Amount.

1 m. “Enhancement Payment(s)” means the amounts to be paid to Plaintiffs, in
2 recognition of their effort and work in prosecuting the Action on behalf of Class Members and PAGA
3 Employees, and general release of claims, as set forth in Paragraph 15.

4 n. “Final Approval” means the determination by the Court that the Settlement is
5 fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

6 o. “Final Approval Hearing” means the hearing at which the Court will consider
7 and determine whether the Settlement should be granted Final Approval.

8 p. “Final Approval Order and Judgment” means the order granting final approval
9 of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the
10 Parties, and subject to approval by the Court.

11 q. “Gross Settlement Amount” means the amount of Six Hundred Fifty Thousand
12 Dollars and Zero Cents (\$650,000.00) to be paid by Defendants in full satisfaction of the Action,
13 Released Class Claims, and Released PAGA Claims, which includes all Attorneys’ Fees and Costs,
14 Enhancement Payments, PAGA Amount, Settlement Administration Costs, and Net Settlement
15 Amount to be paid to the Settlement Class Members. Defendants shall pay the Employer Taxes
16 separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-
17 reversionary; no portion of the Gross Settlement Payment will return to Defendants.

18 r. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee
19 Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be
20 calculated in accordance with Paragraph 19.

21 s. “Individual Settlement Payment” means the net payment of each Settlement
22 Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and
23 withholdings with respect to the wages portion of the Individual Settlement Share, as provided in
24 Paragraph 20.

25 t. “Individual Settlement Share” means the *pro rata* share of the Net Settlement
26 Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated
27 in accordance with Paragraph 18.

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1 u. “LWDA Payment” means the amount of Twenty-Four Thousand Three
2 Hundred Seventy-Five Dollars and Zero Cents (\$24,375.00), i.e., 75% of the PAGA Amount, that the
3 Parties have agreed to pay to the LWDA under the PAGA Settlement, as set forth in Paragraph 16.

4 v. “Net Settlement Amount” means the portion of the Gross Settlement Amount
5 that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount
6 less the Court-approved Attorneys’ Fees and Costs, Enhancement Payments, PAGA Amount, and
7 Settlement Administration Costs.

8 w. “Notice of Objection” means a Settlement Class Member’s written objection to
9 the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the
10 objector’s full name, signature, address, telephone number, and the last four (4) digits of the objector’s
11 Social Security number; (c) contain a written statement of all grounds for the objection accompanied
12 by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents
13 upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the
14 specified address, postmarked on or before the Response Deadline.

15 x. “PAGA Amount” means the allocation of Thirty-Two Thousand Five Hundred
16 Dollars and Zero Cents (\$32,500.00) from the Gross Settlement Amount for the PAGA Settlement.
17 Seventy-five percent (75%) of the PAGA Amount, or \$24,375.00, will be paid to the LWDA (i.e., the
18 LWDA Payment) and the remaining twenty-five percent (25%), or \$8,125.00, will be distributed to
19 the PAGA Employees (i.e., the PAGA Employee Amount).

20 y. “PAGA Employee(s)” means all current and former hourly-paid and/or non-
21 exempt employees who worked for Defendants at the Margaritaville Resort Palm Springs any time
22 during the PAGA Period.

23 z. “PAGA Employee Amount” means the amount of Eight Thousand One
24 Hundred Twenty-Five Dollars and Zero Cents (\$8,125.00), i.e., 25% of the PAGA Amount, to be
25 distributed to PAGA Employees on a *pro rata* basis based on their Pay Periods.

26 aa. “PAGA Period” means the period that ends on September 25, 2024 and counts
27 backwards through the date in which 26,000 Workweeks is met.

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1 bb. “PAGA Settlement” means the settlement and resolution of all Released PAGA
2 Claims.

3 cc. “Pay Periods” means the number of pay periods each PAGA Employee worked
4 for Defendants as an hourly-paid and/or non-exempt employee at the Margaritaville Resort Palm
5 Springs during the PAGA Period.

6 dd. “Preliminary Approval” means the date on which the Court enters the
7 Preliminary Approval Order.

8 ee. “Preliminary Approval Order” means the order granting preliminary approval
9 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by
10 the Court.

11 ff. “Released Class Claims” means any and all claims which were alleged or which
12 could have been reasonably alleged based on the factual allegations in the Operative Complaint,
13 arising during the Class Period, which shall specifically include claims for Defendants’ alleged failure
14 to pay overtime and minimum wages, provide one day’s rest in seven, provide compliant meal and
15 rest periods and associated premium payments, timely pay wages during employment and upon
16 termination, provide accurate wage statements, and reimburse necessary business-related expenses in
17 violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 551,
18 552, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, the applicable Industrial Welfare Commission
19 Wage Order, and California Business and Professions Code sections 17200, *et seq.*

20 gg. “Released PAGA Claims” means any and all claims arising from any of the
21 factual allegations in the PAGA Letters, arising during the PAGA Period, for civil penalties under the
22 Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, which shall
23 specifically include claims for Defendants’ alleged failure to pay overtime, minimum, and straight
24 time wages, pay for all time worked at correct rates of pay, provide one day’s rest in seven, provide
25 compliant meal and rest periods and associated premium payments, timely pay wages during
26 employment and upon termination, provide compliant wage statements, maintain complete and
27 accurate payroll records, maintain accurate records, comply with California sick leave/sick pay laws,
28 unlawful inquiries into salary history, and reimburse necessary business-related expenses in violation

of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.3, 226.7, 245-249, 432.3, 510, 512(a), 551, 552, 558, 852, 1174, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

hh. “Released Parties” means Defendants and their current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns.

ii. “Request for Exclusion” means a letter submitted by a Class Member indicating a request to be excluded from the Class Settlement, which must: (a) contain the case name and number of the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline.

jj. “Response Deadline” means the deadline by which Class Members must submit a Request for Exclusion, Notice of Objection, and/or Dispute, which shall be the date that is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement Administrator to Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the United States Postal service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendants’ Counsel. In the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days from the original Response Deadline.

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

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11. “Settlement Administration Costs” means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in Paragraph 17.

mm. “Settlement Class” or “Settlement Class Member(s)” means all Class Members who do not submit a timely and valid Request for Exclusion.

nn. “Workweeks” means the number of weeks each Class Member worked for Defendants as an hourly-paid and/or non-exempt employee in California at the Margaritaville Resort Palm Springs during the Class Period.

CLASS CERTIFICATION

12. For the purposes of this Settlement only, the Parties stipulate to the certification of the Class.

13. The Parties agree that certification for the purpose of settlement is not an admission that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be inappropriate in a non-settlement context.

TERMS OF THE AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set forth herein, the Parties agree, subject to the Court's approval, in exchange for the releases set forth in this Agreement, Defendants agree to pay the Gross Settlement Amount as described in Paragraph 36 that will be allocated as follows:

14. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application or motion by Class Counsel for attorneys' fees in the amount up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$227,500.00 if the Gross Settlement Amount is \$650,000.00) and reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement of the Action, in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), both of which will be paid from the Gross Settlement Amount. These amounts will cover any and all

work performed and any and all costs incurred by Class Counsel in connection with the litigation of the Action, including without limitation all work performed and costs incurred to date, and all work to be performed and all 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 shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

15. Enhancement Payments. Defendants agree not to oppose or impede any application or motion by Plaintiffs for Enhancement Payments in the amount up to Ten Thousand Dollars and Zero Cents (\$10,000.00) to each of the Plaintiffs (total, \$20,000.00). The Enhancement Payments, which will be paid from the Gross Settlement Amount, subject to Court approval, will be in addition to their Individual Settlement Payments as Settlement Class Members and Individual PAGA Payments as PAGA Employees. The general release of all claims in Paragraph 41 is in exchange for the Enhancement Payments. Plaintiffs shall be solely and legally responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiffs for the Enhancement Payments. Any portion of the requested Enhancement Payments that are not awarded by the Court to Plaintiffs shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

16. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of Thirty-Two Thousand Five Hundred Dollars and Zero Cents (\$32,500.00) shall be allocated from the Gross Settlement Amount toward penalties under the Private Attorneys General Act, California Labor Code Section 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$24,375.00, will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$8,125.00, will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based on the total number of Pay Periods worked by each PAGA Employee during the PAGA Period (i.e., the Individual PAGA Payments).

1 17. Settlement Administration Costs. The Settlement Administrator will be paid for the
2 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
3 which is currently estimated not to exceed Eleven Thousand Dollars and Zero Cents (\$11,000.00).
4 These costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will
5 include, *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class
6 Notices and other documents for the Settlement, calculating and distributing payments due under the
7 Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings,
8 and remittances, providing necessary reports and declarations, and other duties and responsibilities set
9 forth herein to process the Settlement, and as requested by the Parties. To the extent the actual
10 Settlement Administrator's costs are greater than the estimated amount stated herein, such excess
11 amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any
12 portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not
13 in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement
14 administration duties shall be reallocated to the Net Settlement Amount for the benefit of the
15 Settlement Class Members.

16 18. Individual Settlement Share Calculations. Individual Settlement Shares will be
17 calculated and apportioned from the Net Settlement Amount based on the Class Members' number of
18 Workweeks, as follows:

19 a. After Preliminary Approval, the Settlement Administrator will divide the Net
20 Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek
21 Value," and multiply each Class Member's individual Workweeks by the Estimated Workweek Value
22 to yield each Class Member's estimated Individual Settlement Share that the Class Member may be
23 entitled to receive under the Class Settlement.

24 b. After Final Approval, the Settlement Administrator will divide the final Net
25 Settlement Amount by the Workweeks of all Settlement Class Members to yield the "Final Workweek
26 Value," and multiply each Settlement Class Member's individual Workweeks by the Final Workweek
27 Value to each Settlement Class Member's final Individual Settlement Share.

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1 19. Individual PAGA Payment Calculations. Individual PAGA Payments will be
2 calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees'
3 number of Pay Periods, as follows: The Settlement Administrator will divide the PAGA Employee
4 Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the
5 "Pay Period Value," and multiply each PAGA Employee's individual Pay Periods by the Pay Period
6 Value to yield each PAGA Employee's Individual PAGA Payment.

7 20. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each
8 Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty
9 percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be
10 reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages
11 will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement
12 Administrator will withhold the employee's share of taxes and withholdings with respect to the wages
13 portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their
14 Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes
15 and withholdings). The Employer Taxes will be paid separately and in addition to the Gross
16 Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%)
17 penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

18 21. Administration of Taxes by the Settlement Administrator. The Settlement
19 Administrator will be responsible for issuing Plaintiffs, Settlement Class Members, PAGA
20 Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be
21 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement
22 Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll
23 taxes and other legally required withholdings to the appropriate government authorities.

24 22. Tax Liability. Plaintiffs, Class Counsel, Defendants, and Defendants' Counsel do not
25 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
26 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiffs, Settlement
27 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation
28 by Defendants, the Settlement Administrator, or Class Counsel in this regard. s, Settlement Class

Members, and PAGA Employees understand and agree that Plaintiffs, Settlement Class Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties assessed on the payments described in this Settlement Agreement. Plaintiffs, Settlement Class Members, and PAGA Employees should consult with their tax advisors concerning the tax consequences of any payment they receive under the Settlement.

23. Circular 230 Disclaimer. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF THIS SECTION, THE “ACKNOWLEDGING PARTY” AND EACH PARTY TO THIS SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN “OTHER PARTY”) ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISORS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT 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 ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISOR TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY’S OR ADVISOR’S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

1 24. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
2 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
3 are issued to the payee. It is expressly understood and agreed that payments made under this
4 Settlement shall not in any way entitle Plaintiffs, Settlement Class Members, or any PAGA Employee
5 to additional compensation or benefits under any new or additional compensation or benefits, or any
6 bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period,
7 nor will it entitle Plaintiffs, Settlement Class Members, or any PAGA Employee to any increased
8 retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding
9 any contrary language or agreement in any benefit or compensation plan document that might have
10 been in effect during the Class Period).

11 25. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.
12 Plaintiffs will obtain a hearing date from the Court for Plaintiffs' motion for preliminary approval of
13 the Settlement, which Class Counsel will be responsible for drafting, and submit this Settlement
14 Agreement to the Court in support of said motion. Class Counsel will provide Defendants' Counsel a
15 draft of the preliminary approval motion before filing it with the Court. Defendants agree not to
16 oppose the motion for preliminary approval of the Settlement consistent with this Settlement
17 Agreement. By way of said motion, Plaintiffs will apply for the entry of the Preliminary Approval
18 Order seeking the following:

- 19 a. Conditionally certifying the Class for settlement purposes only;
- 20 b. Granting Preliminary Approval of the Settlement;
- 21 c. Preliminarily appointing Plaintiffs as the representatives of the Class;
- 22 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 23 e. Approving as to form and content, the mutually-agreed upon and proposed
24 Class Notice and directing its mailing by First Class U.S. Mail;
- 25 f. Approving the manner and method for Class Members to request exclusion
26 from or object to the Class Settlement as contained herein and within the Class Notice; and
- 27 g. Scheduling a Final Approval Hearing at which the Court will determine whether
28 Final Approval of the Settlement should be granted.

1 26. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),
2 Class Counsel shall notify the LWDA of the Settlement.

3 27. Delivery of Class List. Within fourteen (14) calendar days of Preliminary Approval,
4 Defendants will provide the Class List to the Settlement Administrator.

5 28. Notice by First-Class U.S. Mail.

6 a. Within seven (7) calendar days after receiving the Class List from Defendants,
7 the Settlement Administrator will perform a search based on the National Change of Address Database
8 or any other similar services available, such as provided by Experian, for information to update and
9 correct for any known or identifiable address changes, and will mail a Class Notice in English and
10 Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via
11 First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement
12 Administrator.

13 b. Any Class Notice returned to the Settlement Administrator as undeliverable on
14 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding
15 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on
16 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly
17 attempt to determine the correct address using a skip-trace or other search, using the name, address,
18 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)
19 calendar days.

20 c. Compliance with the procedures described herein above shall constitute due and
21 sufficient notice to Class Members of the Settlement and shall satisfy the requirements of due process.
22 Nothing else shall be required of or done by the Parties, Class Counsel, or Defendants' Counsel to
23 provide notice of the Settlement.

24 29. Disputes Regarding Workweeks and/or Pay Periods. Class Members will have an
25 opportunity to dispute the number of Workweeks and/or Pay Periods which have been credited to
26 them, as reflected in their respective Class Notices, by submitting a timely and valid Dispute to the
27 Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the
28 postmark on the return mailing envelope will be the exclusive means to determine whether a Dispute

has been timely submitted. Absent evidence rebutting the accuracy of Defendants' records and data as they pertain to the number of Workweeks and/or Pay Periods to be credited to a disputing Class Member, Defendants' records will be presumed to be correct and determinative of the dispute. However, if a Class Member produces information and/or documents to the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member and the Settlement Administrator will resolve and determine the number of eligible Workweeks and/or Pay Periods that the disputing Class Member should be credited with under the Settlement. The Settlement Administrator's decision on such disputes will be final and non-appealable.

30. Requesting Exclusion from the Class Settlement. Any Class Member wishing to be excluded from the Class Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendants' Counsel the number of timely and valid Requests for Exclusion that are submitted, and also identify the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to request exclusion from the Class Settlement. Any Class Member who submits a Request for Exclusion is prohibited from making any objection to the Class Settlement. Any Class Member who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement and will not be issued an Individual Settlement Payment. Any Class Member who does not affirmatively request exclusion from the Class Settlement by submitting a timely and valid Request for Exclusion will be bound by all of the terms of the Class Settlement, including and not limited to those pertaining to the Released Class Claims, as well as any judgment that may be entered by the Court if it grants Final Approval to the Settlement. Notwithstanding the above, all PAGA Employees will be issued their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion as they are not permitted to exclude themselves from the PAGA Settlement.

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1 31. Objecting to the Class Settlement. To object to the Class Settlement, Settlement Class
2 Members must submit a timely and complete Notice of Objection to the Settlement Administrator, by
3 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing
4 envelope will be the exclusive means to determine whether a Notice of Objection has been timely
5 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendants'
6 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely
7 and complete and which were not), and also attach them to a declaration that is to be filed with the
8 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel
9 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or
10 appeal from the Final Approval Order and Judgment. Settlement Class Members, individually or
11 through counsel, may also present their objection orally at the Final Approval Hearing, regardless of
12 whether they have submitted a Notice of Objection. Notwithstanding the above, all PAGA Employees
13 are not permitted to object to the PAGA Settlement.

14 32. Reports by the Settlement Administrator. The Settlement Administrator shall provide
15 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed
16 Class Notices; (ii) the number of Class Members who have submitted Disputes; (iii) the number of
17 Class Members who have submitted Requests for Exclusion; and (iv) the number of Settlement Class
18 Members who have submitted Notices of Objection. Additionally, the Settlement Administrator will
19 provide to counsel for the Parties any updated reports regarding the administration of the Settlement
20 Agreement as needed or requested, and immediately notify the Parties when it receives a request from
21 an individual or any other entity regarding inclusion in the Class and/or Settlement or regarding a
22 Dispute.

23 33. Defendants' Right to Rescind. If more than seven point five percent (7.5%) of the
24 Class Members submit timely and valid Requests for Exclusion, Defendants may elect to rescind the
25 Settlement Agreement. Defendants must exercise this right of rescission in writing that is provided to
26 Class Counsel within seven (7) calendar days of the Settlement Administrator notifying the Parties of
27 the number of Class Members who have submitted timely and valid Requests for Exclusion following
28 the Response Deadline. If Defendants exercise this option, Defendants shall pay any costs of

1 settlement administration owed to the Settlement Administrator incurred up to that date.

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

5 35. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
6 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final
7 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)
8 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'
9 Fees and Costs; (e) Enhancement Payments; and (f) Settlement Administration Costs. The Final
10 Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline.
11 Plaintiffs and Class Counsel will be responsible for drafting the motion seeking Final Approval of the
12 Settlement. Class Counsel will provide Defendants' Counsel a draft of the final approval motion
13 before filing it with the Court. By way of said motion, Plaintiffs will apply for the entry of the Final
14 Approval Order and Judgment, which will provide for, in substantial part, the following:

15 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
16 consummation of its terms and provisions;

17 b. Certification of the Settlement Class;

18 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;

19 d. Approval of the application for Enhancement Payments to Plaintiffs;

20 e. Directing Defendants to fund all amounts due under the Settlement Agreement
21 and ordered by the Court; and

22 f. Entering judgment in the Action, while maintaining continuing jurisdiction, in
23 conformity with California Rules of Court 3.769 and the Settlement Agreement.

24 36. Funding of the Gross Settlement Amount. No later than five (5) business days after
25 the Effective Date, Defendants will deposit the Gross Settlement Amount into a Qualified Settlement
26 Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established
27 by the Settlement Administrator. Defendants shall provide all information necessary for the
28 Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit state
unemployment insurance tax ID number, and other information requested by the Settlement

1 Administrator, no later than five (5) business days after the Effective Date.

2 37. Distribution of the Gross Settlement Amount. Within five (5) business days of the
3 funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual
4 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,
5 LWDA Payment to the LWDA, Enhancement Payments to Plaintiffs, Attorneys' Fees and Costs to
6 Class Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also
7 set aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and
8 timely forward these to the appropriate government authorities.

9 38. Settlement Checks. The Settlement Administrator will be responsible for undertaking
10 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
11 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
12 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
13 Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA
14 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
15 Members and PAGA Employees are not required to submit a claim to be issued an Individual
16 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
17 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
18 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds
19 associated with such canceled checks shall be distributed by the Settlement Administrator to Legal
20 Aid at Work (the proposed *cy pres* recipient) in accordance with California Code of Civil Procedure
21 Section 384. The Parties and their counsel each represent that they do not have any financial interest
22 in, or otherwise have a relationship with, the proposed *cy pres* recipient that could create a conflict of
23 interest. The Settlement Administrator shall undertake amended and/or supplemental tax filings and
24 reporting required under applicable local, state, and federal tax laws that are necessitated due to the
25 cancelation of any Individual Settlement Payment and/or Individual PAGA Payment checks. To the
26 extent that the Settlement Administrator is able to obtain or receive the return or refund of the amounts
27 that were transmitted to taxing authorities for the employees' share of taxes, contributions, an/or
28 withholding associated with canceled Individual Settlement Payments, all such amounts shall also be
transmitted to Legal Aid at Work.

1 39. Class Settlement Release. Upon the Effective Date and full funding of the Gross
2 Settlement Amount, Plaintiffs and all Settlement Class Members will be deemed to have fully, finally,
3 and forever released, settled, compromised, relinquished, and discharged the Released Parties of all
4 Released Class Claims.

5 40. PAGA Settlement Release. Upon the Effective Date and full funding of the Gross
6 Settlement Amount, Plaintiffs and the State of California with respect to all PAGA Employees will be
7 deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged
8 the Released Parties of all Released PAGA Claims.

9 41. Plaintiffs' General Release. Upon the Effective Date and full funding of the Gross
10 Settlement Amount, Plaintiffs, individually and on their own behalf, will be deemed to have fully,
11 finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties
12 from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys'
13 fees, damages, or causes of action of any kind or nature whatsoever, known or unknown, suspected or
14 unsuspected, asserted or unasserted, arising out of, relating to, or resulting from their employment
15 and/or separation of employment with Defendants, which Plaintiffs, at any time up until the execution
16 of this Settlement Agreement, had or claimed to have or may have. It is agreed that this is a general
17 release and is to be broadly construed as a release of all claims, provided that, notwithstanding the
18 foregoing, this Paragraph expressly does not include a release of any claims that cannot be released
19 hereunder by law. Any and all rights granted under any state or federal law or regulation limiting the
20 effect of this Settlement Agreement, including the provisions of Section 1542 of the California Civil
21 Code, ARE HEREBY EXPRESSLY WAIVED. Section 1542 of the California Civil Code reads as
22 follows:

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

28 ///

1 42. Final Approval Order and Judgment. The Parties shall provide the Settlement
2 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
3 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
4 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the
5 Class will be required.

6 43. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the
7 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and
8 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the
9 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,
10 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
11 Settlement Agreement.

12 44. Effects of Termination or Rescission of Settlement. Termination or rescission of the
13 Settlement Agreement shall have the following effects:

14 a. The Settlement Agreement shall be void and shall have no force or effect, and
15 no Party shall be bound by any of its terms;

16 b. In the event the Settlement Agreement is terminated, Defendants shall have no
17 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating
18 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
19 Administrator is notified that the Settlement has been terminated;

20 c. The Preliminary Approval Order and Final Approval Order and Judgment,
21 including any order certifying the Class, shall be vacated;

22 d. The Settlement Agreement and all negotiations, statements, and proceedings
23 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
24 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

25 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
26 statements, or filings in furtherance of the Settlement (including all matters associated with the
27 mediation) shall be admissible or offered into evidence in the Action or any other action for any
28 purpose whatsoever; and

1 f. Any documents generated to bring the Settlement into effect, will be null and
2 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
3 likewise be treated as void from the beginning.

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

8 46. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
9 forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein.
10 Any exhibits to this Settlement Agreement are an integral part of the Settlement.

11 47. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
12 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all
13 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
14 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or
15 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
16 expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure
17 Section 1856(a), which provide that a written agreement is to be construed according to its terms and
18 may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic
19 oral or written representations or terms will modify, vary, or contradict the terms of this Settlement
20 Agreement.

21 48. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
22 the Action (including with respect to California Code of Civil Procedure Section 583.310), except
23 such proceedings necessary to implement and complete this Settlement Agreement, pending the Final
24 Approval Hearing to be conducted by the Court.

25 49. Amendment or Modification. Prior to the filing of the motion for preliminary approval
26 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
27 except by written agreement signed by counsel for all Parties. After the filing of the motion for
28 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
Settlement Agreement except by written agreement signed by counsel for all the Parties and subject
to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not

1 constitute a waiver of any other provision.

2 50. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
3 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
4 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
5 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
6 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
7 full authority to enter into this Settlement Agreement, and further intend that this Settlement
8 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
9 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
10 confidentiality provisions that otherwise might apply under state or federal law.

11 51. Signatories. The Class Notice will advise all Class Members of the binding nature of
12 the Class Settlement as to the Settlement Class Members and the binding nature of the PAGA
13 Settlement as to the State of California with respect to all PAGA Employees, and the releases provided
14 for by this Settlement Agreement shall have the same force and effect as if this Settlement Agreement
15 were executed by each Settlement Class Member and the State of California.

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

18 53. California Law Governs. All terms of this Settlement Agreement and attached exhibits
19 hereto will be governed by and interpreted according to the laws of the State of California.

20 54. Execution and Counterparts. This Settlement Agreement is subject only to the
21 execution of all Parties. However, this Settlement Agreement may be executed in one or more
22 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
23 copies of the signature page, will be deemed to be one and the same instrument.

24 55. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
25 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
26 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into
27 account all relevant factors, present and potential. The Parties further acknowledge that they are each
28 represented by competent counsel and that they have had an opportunity to consult with their counsel
regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to

1 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement
2 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to
3 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

4 56. Invalidity of Any Provision. Before declaring any provision of this Settlement
5 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
6 possible consistent with applicable precedents so as to define all provisions of this Settlement
7 Agreement valid and enforceable.

8 57. Plaintiffs' Cooperation. Plaintiffs agree to sign this Settlement Agreement and, by
9 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate
10 to implement the Settlement.

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

25 59. Captions. The captions and paragraph numbers in this Settlement Agreement are
26 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or
27 intent of the provisions of this Settlement Agreement.

28 ///

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

7 61. Representation By Counsel. The Parties acknowledge that they have been represented
8 by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and
9 that this Settlement Agreement has been executed with the consent and advice of counsel, and
10 reviewed in full.

11 62. All Terms Subject to Final Court Approval. All amounts and procedures described in
12 this Settlement Agreement herein will be subject to final Court approval.

13 63. Notices. All notices, demands, and other communications to be provided concerning
14 the Settlement Agreement shall be in writing and deemed to have been duly given as of the third
15 business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed
16 as follows:

17 To Plaintiffs and Class Counsel:

18 Jonathan M. Genish

19 jgenish@blackstonepc.com

20 Miriam L. Schimmel

21 mschimmel@blackstonepc.com

22 Joana Fang

23 jfang@blackstonepc.com

24 Alexandra Rose

25 arose@blackstonepc.com

26 **BLACKSTONE LAW, APC**

27 8383 Wilshire Boulevard, Suite 745

28 Beverly Hills, California 90211

Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendants:

Adam Y. Siegel

adam.siegel@jacksonlewis.com

Semarnpreet Kaur

semarnpreet.kaur@jacksonlewis.com

JACKSON LEWIS P.C.

725 S. Figueroa St., Suite 2800

Los Angeles, California 90017
Tel: (213) 689-0404 / Fax: (213) 689-0430

64. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendants:

IT IS SO AGREED.

PLAINTIFF MANUEL HERNANDEZ

Dated: 09/24/2025



Plaintiff Manuel Hernandez

PLAINTIFF OWEN WILLIAMS

Dated: _____

Plaintiff Owen Williams

DEFENDANT DHC PS HOLDINGS LLC

Dated: _____

Full Name: _____

Title: _____
On behalf of Defendant DHC PS Holdings LLC

**DEFENDANT DAVIDSON HOTEL
COMPANY LLC dba DAVIDSON
HOSPITALITY GROUP**

Dated: _____

Full Name: _____

Los Angeles, California 90017
Tel: (213) 689-0404 / Fax: (213) 689-0430

64. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendants:

IT IS SO AGREED.

PLAINTIFF MANUEL HERNANDEZ

Dated: _____

Plaintiff Manuel Hernandez

PLAINTIFF OWEN WILLIAMS

Dated: 09/24/2025

Owen Williams

Plaintiff Owen Williams

DEFENDANT DHC PS HOLDINGS LLC

Dated: _____

Full Name: _____

Title: _____
On behalf of Defendant DHC PS Holdings LLC

**DEFENDANT DAVIDSON HOTEL
COMPANY LLC dba DAVIDSON
HOSPITALITY GROUP**

Dated: _____

Full Name: _____

Los Angeles, California 90017
Tel: (213) 689-0404 / Fax: (213) 689-0430

64. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiffs and Defendants:

IT IS SO AGREED.

PLAINTIFF MANUEL HERNANDEZ

Dated: _____

Plaintiff Manuel Hernandez

PLAINTIFF OWEN WILLIAMS

Dated: _____

Plaintiff Owen Williams

DEFENDANT DHC PS HOLDINGS LLC

Dated: September 29, 2025



Full Name: Gene Hayes

Vice President, Labor Counsel
Title: Davidson Hospitality

On behalf of Defendant DHC PS Holdings LLC

**DEFENDANT DAVIDSON HOTEL
COMPANY LLC dba DAVIDSON
HOSPITALITY GROUP**

Dated: September 29, 2025

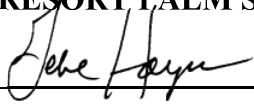


Full Name: Gene Hayes

Vice President, Labor Counsel
Title: Davidson Hospitality
On behalf of Defendant Davidson Hotel
Company LLC dba Davidson Hospitality Group

**DEFENDANT AGRE DCP PALM SPRINGS
TENANT LLC dba MARGARITAVILLE
RESORT PALM SPRINGS**

Dated: September 29, 2025



Full Name: Gene Hayes

Vice President, Labor Counsel
Title: Davidson Hospitality
On behalf of Defendant DCP Palm Springs
Tenant LLC dba Margaritaville Resort Palm
Springs

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: _____

Alexandra Rose
Attorneys for Plaintiffs Manuel Hernandez and
Owen Williams and Proposed Class Counsel

JACKSON LEWIS P.C.

Dated: 10/6/2025



Adam Y. Siegel
Semarnpreet Kaur
Attorneys for Defendants DHC PS Holdings
LLC, Davidson Hotel Company LLC dba
Davidson Hospitality Group, and AGRE DCP
Palm Springs Tenant LLC dba Margaritaville
Resort Palm Springs

Title: _____
On behalf of Defendant Davidson Hotel
Company LLC dba Davidson Hospitality Group

**DEFENDANT AGRE DCP PALM SPRINGS
TENANT LLC dba MARGARITAVILLE
RESORT PALM SPRINGS**

Dated: _____

Full Name: _____

Title: _____
On behalf of Defendant DCP Palm Springs
Tenant LLC dba Margaritaville Resort Palm
Springs

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC



Dated: September 25, 2025

Alexandra Rose
Attorneys for Plaintiffs Manuel Hernandez and
Owen Williams and Proposed Class Counsel

JACKSON LEWIS P.C.

Dated: _____

Adam Y. Siegel
Semarnpreet Kaur
Attorneys for Defendants DHC PS Holdings
LLC, Davidson Hotel Company LLC dba
Davidson Hospitality Group, and AGRE DCP
Palm Springs Tenant LLC dba Margaritaville
Resort Palm Springs

EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

Manuel Hernandez, et al. v. DHC PS Holdings LLC, et al.
Superior Court of California for the County of Alameda, Case No. 24CV079333

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendants' records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or Pay Periods that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Manuel Hernandez ("Plaintiff Hernandez") and Owen Williams ("Plaintiff Williams") (together, "Plaintiffs") and Defendants DHC PS Holdings LLC, Davidson Hotel Company LLC dba Davidson Hospitality Group, and AGRE DCP Palm Springs Tenant LLC dba Margaritaville Resort Palm Springs (collectively, "Defendants") (Plaintiffs and Defendants are collectively referred to as the "Parties") in the case entitled *Manuel Hernandez, et al. v. DHC PS Holdings LLC, et al.*, Alameda County Superior Court, Case No. 24CV079333 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendants at the Margaritaville Resort Palm Springs any time during the Class Period.

"Class Period" means the period from [redacted] through September 25, 2024.

"Class Settlement" means the settlement and resolution of all Released Class Claims.

"PAGA Employee(s)" means all current and former hourly-paid and/or non-exempt employees who worked for Defendants at the Margaritaville Resort Palm Springs any time during the PAGA Period.

"PAGA Period" means the period from [redacted] through September 25, 2024.

"PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTION

On June 6, 2024, Plaintiff Hernandez provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the California Labor Code alleged to have been violated ("Hernandez PAGA Letter"). On June 11, 2024, Plaintiff Hernandez commenced a putative class action lawsuit by filing a Class Action Complaint in the Action. On September 11, 2024, Plaintiff Williams provided written notice to the LWDA and Defendants of the specific provisions of the California Labor Code alleged to have been violated ("Williams PAGA Letter") (together, the Hernandez PAGA Letter and Williams PAGA Letter are referred to as the "PAGA Letters"). On November 27, 2024, Plaintiffs filed a First Amended Class and Representative Action Complaint ("Operative Complaint") in the Action, which, *inter alia*, added Plaintiff Williams as a named plaintiff.

Plaintiffs contend that Defendants failed to properly pay minimum and overtime wages, failure to provide one day's rest in seven, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* ("PAGA"). Plaintiffs seek, among other things, recovery of unpaid

wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendants deny all of the allegations in the Action or that they violated any law.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement ("Settlement" or "Settlement Agreement").

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed ILYM Group, Inc. as the administrator of the Settlement ("Settlement Administrator"), Plaintiffs Manuel Hernandez and Owen Williams as representatives of the Class ("Class Representatives"), and the following Plaintiffs' attorneys as counsel for the Class ("Class Counsel"):

Jonathan M. Genish
Miriam L. Schimmel
Joana Fang
Alexandra Rose
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, you need not take any action to receive an Individual Settlement Payment, but you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or Pay Periods credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; and you will not have the opportunity to object or seek exclusion from the PAGA Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendants that the claims in the Action have merit or that Defendants have any liability to Plaintiffs, Class Members, or PAGA Employees. Plaintiffs and Defendants, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Six Hundred Fifty Thousand Dollars and Zero Cents (\$650,000.00) (the "Gross Settlement Amount"). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys' fees, in an amount not to thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$227,500.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00) to Class Counsel; (2) Enhancement Payments in an amount not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) each to Plaintiffs (total, \$20,000.00) for their services in the Action; (3) the amount of Thirty-Two Thousand Five Hundred Dollars and Zero Cents (\$32,500.00) allocated toward civil penalties under the Private Attorneys General Act ("PAGA Amount"), of which the LWDA will be paid 75% (\$24,375.00) ("LWDA Payment") and the remaining 25% (\$8,125.00) will be distributed to PAGA Employees ("PAGA Employee Amount"); and (4) Settlement Administration Costs in an amount not to exceed Eleven Thousand Dollars and Zero Cents (\$11,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount ("Individual Settlement Share") based on number of weeks each Class Member worked for Defendants as an hourly-paid and/or non-exempt employee at the Margaritaville Resort Palm Springs during the Class Period

("Workweeks"). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek Value," and multiplied each Class Member's individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members who do not submit a timely and valid Request for Exclusion ("Settlement Class Members") will be issued their final Individual Settlement Payment.

Each Individual Settlement Share will be allocated as twenty percent (20%) as wages, which will be reported on an IRS Form W-2, and eighty percent (80%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee's share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member ("Individual Settlement Payment"). The employers' share of taxes and contributions in connection with the wages portion of Individual Settlement Shares ("Employer Taxes") will be paid by Defendants separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount ("Individual PAGA Payment") based on the number of pay periods each PAGA Employee worked for Defendants as an hourly-paid and/or non-exempt employee in California at the Margaritaville Resort Palm Springs during the PAGA Period ("Pay Periods"). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the Pay Periods of all PAGA Employees to yield the "PAGA Pay Period Value," and multiplied each PAGA Employee's individual Pay Periods by the Pay Period Value to yield each PAGA Employee's Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and Pay Periods (if applicable) Based on Defendants' Records

According to Defendants' records:

- From [REDACTED] through September 25, 2024 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.
- From [REDACTED] through September 25, 2024 (i.e., the PAGA Period), you are credited as having worked [REDACTED] Pay Periods.

If you wish to dispute the Workweeks and/or Pay Periods credited to you, you must submit your dispute in writing to the Settlement Administrator ("Dispute"). The Dispute must: (a) contain the case name and number of the Action (*Hernandez v. DHC PS Holdings LLC, et al.*, Case No. 24CV079333); (b) contain your full name, signature, address, telephone number, and the last four (4) digits of your Social Security number; (c) clearly state that you dispute the number of Workweeks and/or Pay Periods credited to you and what you contend is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and Pay Periods (if applicable) credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and

will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs and the State of California with respect to all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means any and all claims which were alleged or which could have been reasonably alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, which shall specifically include claims for Defendants’ alleged failure to pay overtime and minimum wages, failure to provide one day’s rest in seven, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide accurate wage statements, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a), 551, 552, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802, the applicable Industrial Welfare Commission Wage Order, and California Business and Professions Code sections 17200, *et seq.*

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letters, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, which shall specifically include claims for Defendants’ alleged failure to pay overtime, minimum, and straight time wages, pay for all time worked at correct rates of pay, provide one day’s rest in seven, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide compliant wage statements, maintain complete and accurate payroll records, maintain accurate records, comply with California sick leave/sick pay laws, unlawful inquiries into salary history, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 210, 226(a), 226.3, 226.7, 245-249, 432.3, 510, 512(a), 551, 552, 558, 852, 1174, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

“Released Parties” means Defendants and their current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed thirty-five percent (35%) of the Gross Settlement Amount (i.e., \$227,500.00) and reimbursement of litigation costs and expenses in an amount not to exceed Twenty-Six Thousand Dollars and Zero Cents (\$26,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payments to Plaintiffs

Plaintiffs will seek the amount of Ten Thousand Dollars and Zero Cents (\$10,000.00) each (total, \$20,000.00) (“Enhancement Payments”), in recognition of their services in connection with the Action. The Enhancement Payments will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiffs in addition to their Individual Settlement Payments and Individual PAGA Payments that they are entitled to under the Settlement. Plaintiffs have executed a full, general release of all claims in exchange for the Enhancement Payments.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Eleven Thousand Dollars and Zero Cents (\$11,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement.

Unless you elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members may request to be excluded from the Class Settlement by submitting a letter (“Request for Exclusion”) to the Settlement Administrator, at the following address:

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Hernandez v. DHC PS Holdings LLC, et al.*, Case No. 24CV079333); (b) contain your full name, signature, address, telephone number, and last four (4) digits of your Social Security number; (c) clearly state that you do not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid Request for Exclusion will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members who do not submit a timely and valid Request for Exclusion will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. Notwithstanding the above, the State of California with respect to the PAGA Employees will release the Released PAGA Claims described in Section III.D above) and all PAGA Employees will be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion, as they are not permitted to exclude themselves from the PAGA Settlement.

C. Object to the Class Settlement

You can object to the Class Settlement as long as you have not submitted a Request for Exclusion by submitting a written objection (“Notice of Objection”) to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Hernandez v. DHC PS Holdings LLC, et al.*, Case No. 24CV079333); (b) contain your full name, signature, address, telephone number, and the last four (4) digits

of your Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

Notwithstanding the above, all PAGA Employees are not permitted to object to the PAGA Settlement.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 23 of the Alameda County Superior Court, located at Administration Building, 1221 Oak Street, Oakland, California 94612, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys' Fees and Costs to Class Counsel, Enhancement Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

The pleadings and other records in this litigation may be examined online on the Alameda County Superior Court's website, known as "eCourt Public Portal," at <https://portal.alameda.courts.ca.gov>. After arriving at the website, click the "Searches" tab at the top of the page, then select the Document Downloads link, enter the case number (24CV079333) and click "Submit." Images of every document filed in the case may be viewed at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

You may also visit the Settlement Administrator's website at **[redacted]** for key documents in the Action.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: **[INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.**