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12			
13	SUPERIOR COURT OF CALIFORNIA		
14	COUNTY OF SACRAMENTO		
15			
16	CARL DAVIS, individually, and on behalf of all others similarly situated,	Case No. 34-2022-00327467	
17	CONTRACTOR OF A STATE	ASSIGNED FOR ALL PURPOSES TO:	
18	Plaintiff,	JUDGE LAURI A. DAMRELL DEPARTMENT 28	
19	V.	JOINT STIPULATION OF CLASS	
20	HOMETOWN AMERICA MANAGEMENT, L.P., a Delaware corporation; and DOES 1	ACTION AND PAGA SETTLEMENT AND RELEASE BETWEEN PLAINTIFF	
21	through 10, inclusive,	AND DEFENDANT	
22	Defendants.		
23			
24	This Joint Stipulation of Class Action and PAGA Settlement and Release (hereinafter		
25	"Stipulation of Settlement") is made and entered into by and between Plaintiff Carl Davis, as an		
26	individual and on behalf of all similarly situated and aggrieved employees ("Plaintiff"), and		
27	Hometown America Management, L.P. ("Defendant").		
28	This Stipulation of Settlement shall be binding on Plaintiff and those persons Plaintiff seeks		
	JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE BETWEEN		

PLAINTIFF AND DEFENDANT

to represent, and on: (i) Defendant; (ii) Defendant's respective past, present and future direct and indirect subsidiaries and affiliates of any of the foregoing; (iii) the past, present and future shareholders, partners, directors, officers, owners, agents, employees, clients, attorneys, insurers, predecessors, successors and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing. The Settlement contemplated by this Stipulation of Settlement may hereinafter be referred to as the "Settlement" or "Stipulation of Settlement."

THE PARTIES STIPULATE AND AGREE as follows:

- 1. Plaintiff and Defendant are collectively referred to herein as "the Parties."
- 2. On September 29, 2022, Plaintiff filed a class action complaint, individually and on behalf of other similarly situated, against Defendant in the Sacramento County Superior Court, Case No. 34-2022-00327467, alleging claims of: failure to pay minimum and straight time wages pursuant to Labor Code sections 204, 1194, 1194.2, and 1197; failure to pay overtime wages pursuant to Labor Code sections 1194 and 1198; failure to provide meal periods pursuant to Labor Code sections 226.7 and 512; failure to authorize and permit rest periods pursuant to Labor Code section 226.7; failure to timely pay final wages at termination pursuant to Labor Code sections 201-203; failure to provide accurate itemized wage statements pursuant to Labor Code section 226; failure to indemnify employees for expenditures pursuant to Labor Code section 2802; and unfair business practices in violation of Business and Professions Code section 17200, et seq.
- 3. On September 29, 2022, Plaintiff sent a letter to the Labor and Workplace Development Agency ("LWDA") alleging violations of the Private Attorneys General Act ("PAGA") for the Released PAGA Claims, as defined below.
- 4. On January 13, 2023, Plaintiff filed a first amended complaint in Sacramento County Superior Court ("Complaint"), that included a cause of action for penalties under PAGA. The term "Action" means this putative class and representative action pending in Sacramento County Superior Court. The "Class Period" is from April 4, 2018, through the date the Court preliminarily approves of the Settlement, and the "PAGA Period" is from April 4, 2021, through the date the Court preliminarily approves the Settlement.

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- indirect subsidiaries and affiliates of any of the foregoing; (iii) the past, present and future shareholders, partners, directors, officers, owners, agents, employees, clients, attorneys, insurers, predecessors, successors and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing (collectively "Released Parties").
- 12. Class Counsel have conducted a thorough investigation into the facts of this Action, and have diligently pursued an investigation of Class Members' claims against Defendant. Based on their own independent investigation and evaluation, Class Counsel are of the opinion that the Settlement with Defendant for the consideration and on the terms set forth in this Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Settlement Class in light of all known facts and circumstances, including the risk of significant delay, the risk the Settlement Class will not be certified by the Court, defenses asserted by Defendant, and numerous potential appellate issues. Defendant and Defendant's Counsel also agree that the Settlement is fair and in the best interest of the Parties.
- 13. The Parties agree to cooperate and take all steps necessary and appropriate to consummate this Settlement and for entry of judgment in accordance with this Stipulation of Settlement.
- 14. This Settlement provides that Defendant will pay Settlement Awards and PAGA Shares (defined below) according to a specified formula to each Class Member who does not request to be excluded from this Settlement. The total payment under the Settlement is \$495,000.00 (the "Maximum Settlement Amount"), which includes all payments to Class Members and PAGA Members, Class Counsel's attorneys' fees, Class Counsel's litigation expenses and costs, the enhancement award to the class representative, penalties of any nature, including PAGA penalties, and settlement administration expenses. It is understood and agreed that Defendant shall have no obligation to pay any person, entity or organization more than the Maximum Settlement Amount, except that Defendant will pay the employer payroll taxes for the wage portion of the Settlement Awards.

TERMS OF SETTLEMENT

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

It is agreed by and among Plaintiff and Defendant that this Action and any claims, damages or causes of action arising out of the Complaint which are the subject of this Action, be settled and compromised as between the Settlement Class and Defendant, subject to the terms and conditions set forth in this Stipulation of Settlement and the approval of the Court.

Effective Date: The Settlement embodied in this Stipulation of Settlement

shall become effective when all of the following events have occurred: (i) this Stipulation of Settlement has been executed by all Parties and by counsel for Plaintiff and Defendant; (ii) the Court has given preliminary approval to the Settlement; (iii) the class settlement notice has been given to the Settlement Class, providing them with an opportunity to opt out of or to object to the Settlement; (iv) the Court has held a formal final fairness hearing and entered a final order and judgment certifying the Settlement Class and finally approving this Stipulation of Settlement, without objection by the LWDA; and (v) in the event there are objections to the Settlement which are not later withdrawn, the later of the following events: when the period for filing any appeal, writ or other appellate proceeding opposing the Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or any appeal, writ or other appellate proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or any appeal, writ or other appellate proceeding has upheld the Court's final order with no right to pursue further remedies or relief. In this regard, it is the intention of the Parties that the Settlement shall not become effective until the Court's order approving the Settlement is completely final, and there is no further recourse by an appellant or objector who seeks to contest the Settlement. It is further agreed by the Parties that this Settlement will not become effective if Defendant, contrary to Paragraph 14 above, is required by the Court to pay more than the Maximum Settlement Amount as set forth in Paragraph 14 under any circumstances. It is further agreed by and between the Parties that this Settlement shall not become effective, and Defendant shall not have any obligation (monetary or otherwise) under the terms of this

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Settlement, unless and until any objections, writs and/or appeals, and any rights of appeal with respect to any objections or the judgment, have been finally exhausted and resolved upholding the terms of this Settlement.

Maximum Settlement Amount, and Net Settlement Amount: To implement the terms of this Settlement, Defendant, on behalf of the Released Parties, agrees to pay a the Maximum Settlement Amount, which includes: all payments to Class Members and PAGA Members; Class Counsel's attorneys' fees; Class Counsel's litigation expenses and costs; the enhancement award to the class representative; \$30,000 allocated to penalties under PAGA with \$22,500.00 (three-quarters) paid to the LWDA and \$7,500.00 (one-fourth) paid to the Settlement Class as described below; and settlement administration expenses. The Parties agree the Maximum Settlement Amount will be fully paid out, with no residue returning to Defendant. At no time shall Defendant have the obligation to segregate the funds comprising the Maximum Settlement Amount, and Defendant shall retain exclusive authority over, and the responsibility for, those funds. All payments to Class Members and PAGA Members, Class Counsel's attorneys' fees, Class Counsel's litigation expenses and costs, the enhancement award, the PAGA penalties paid to LWDA, and settlement administration expenses will be paid out of the Maximum Settlement Amount. Under no condition will the Released Parties' aggregate liability exceed the Maximum Settlement Amount, except that Defendant will pay the employer payroll taxes for the wage portion of the Settlement Awards in addition to the Maximum Settlement Amount. The "Net Settlement Amount", the amount available for potential distribution to Class Members, shall be calculated by deducting from the Maximum Settlement Amount: (i) Class Counsel's attorneys' fees and litigation expenses and costs; (ii) the enhancement award to the class representative; (iii) the PAGA penalty payment to the LWDA as described further below; and (iv) settlement administration expenses. Settlement Awards to the Class Members, and PAGA Shares to the PAGA Members, will be calculated by the settlement Administrator and paid out of the Net Settlement Amount as set forth below. The entire Net Settlement Amount will be paid out pro rata to Class Members who do not opt out and to PAGA Members.

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i. Settlement Awards to Class Members: Payments to Class Members under the Settlement ("Settlement Awards") will be determined based on the number of weeks worked by all Class Members as a non-exempt employee of Defendant in California during the Class Period based on information provided by Defendant. The workweeks will be calculated by the "Settlement Administrator," as defined below, for Class Members by dividing the total days employed as a non-exempt employee of Defendant in California as a Class Member during the Class Period by seven (7). Partial workweeks will not be counted, meaning incomplete workweeks and/or incomplete pay periods, will be rounded down; however, if a Class Member or PAGA Member worked only one day as a non-exempt employee of Defendant in California, such Class Member will be credited with having worked one workweek for purposes of the Settlement. Defendant's workweek data will be presumed to be correct, unless a particular Class Member proves otherwise to the Settlement Administrator by credible written evidence. All workweek and pay period disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all workweek and pay period disputes will be final and non-appealable. The amount to be paid per workweek to eligible Class Members will be calculated by the Settlement Administrator by dividing the Net Settlement Amount by the number of weeks worked by Class Members who do not opt out of the Settlement. No claim form shall be required for Settlement Class Members to receive their Settlement Awards. ii. Private Attorneys General Act Allocation:

ii. <u>Private Attorneys General Act Allocation</u>: Subject to Court approval, the Parties have agreed to allocate \$30,000.00 of the Maximum Settlement Amount to Plaintiff's representative claims under PAGA. Seventy-five percent (75%) of this amount, or in other words \$22,500.00, will be paid out of the Maximum Settlement Amount to the LWDA of the State of California, and the remaining twenty-five percent (25%), or in other words \$7,500.00 ("Net PAGA Settlement Amount"), will remain included in the Net Settlement Amount and paid to the PAGA Member under the Settlement (the "PAGA Awards"). The Settlement Administrator will calculate the number of pay periods covered by the PAGA Members during the PAGA Period based on information to be provided by Defendant. Partial pay periods will not be counted; however, if a PAGA Member worked only one day as a non-exempt employee of Defendant in

California, such PAGA Member will be credited with having worked one pay period for purposes of the Settlement. Defendant's pay period data will be presumed to be correct, unless a particular PAGA Member proves otherwise to the Settlement Administrator by credible written evidence. All pay period disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all pay period disputes will be final and non-appealable. The amount to be paid per pay period to PAGA Members will be calculated by the Settlement Administrator by dividing the Net PAGA Settlement Amount by the aggregate number of pay periods worked by PAGA Members. No claim form shall be required for PAGA Members to receive their PAGA Awards.

iii. Allocation of Settlement Awards: The Parties have agreed, based

iii. Allocation of Settlement Awards: The Parties have agreed, based on the allegations in the Action, that individual Settlement Awards payable to eligible Class Members will be allocated from the Net Settlement Amount and paid as follows: one-third (1/3) will be allocated to alleged unpaid wages for which IRS Forms W-2 will be issued; two-thirds (2/3) will be allocated to alleged unpaid interest and penalties for which IRS Forms 1099-MISC will be issued. Individual PAGA Awards for the PAGA Members will be paid from the Net PAGA Settlement Amount, after the required payment to the LWDA, as alleged penalties for which IRS Form 1099 will be issued.

iv. Settlement Awards and PAGA Awards Do Not Trigger Additional
Benefits: All Settlement Awards to Class Members and all PAGA Awards to PAGA Members
shall be deemed to be income to such Class Members and PAGA Members solely in the year in
which such awards actually are received by the Class Members and PAGA Members. It is
expressly understood and agreed that the receipt of such Settlement Awards and PAGA Awards
will not entitle any Class Member or PAGA Member to additional compensation or benefits under
any company bonus, contest or other compensation or benefit plan or agreement in place during
the period covered by the Settlement, nor will it entitle any Class Member or PAGA Member to
any increased retirement, 401(k) benefits or matching benefits, or deferred compensation benefits.
It is the intent of this Settlement that the Settlement Awards and PAGA Awards provided for in
this Agreement are the sole payments to be made by Defendant to the Class Members and the

PAGA Members in connection with this Settlement, and that the Class Members and PAGA Members are not entitled to any new or additional compensation or benefits as a result of having received the Settlement Awards and PAGA Awards (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

- v. <u>Attorneys' Fees and Litigation Costs</u>: Subject to Court approval or modification, Defendant agrees to pay, from the Maximum Settlement Amount, Class Counsel's attorneys' fees and litigation expenses and costs as set forth in Paragraph 17 below.
- vi. Class Representative: The Parties agree to the designation of Plaintiff Carl Davis as "Class Representative." Subject to Court approval, and subject to Plaintiff's execution of a general release of all claims under California Code of Civil Procedure section 1542, Defendant agrees to pay to Plaintiff, from the Maximum Settlement Amount, an award at no additional cost to the Released Parties ("Enhancement Award"). The Enhancement Award paid to the Class Representative cannot exceed \$10,000.00, is subject to Court approval, and is in addition to any claimed individual Settlement Award or PAGA Award to which the Class Representative is entitled under this Stipulation of Settlement. The Enhancement Award is to be paid out of, and to be deducted from, the Maximum Settlement Amount. The Settlement Administrator will issue an IRS Form 1099-MISC for the Enhancement Award to Plaintiff for Plaintiff's service as a Class Representative, and Plaintiff will be responsible for correctly characterizing this compensation for tax purposes and for paying any taxes on the amount received. Should the Court approve an Enhancement Award to the Class Representative in an amount less than that set forth above, the difference between the lesser amount approved by the Court and the Enhancement Award set forth above shall be added to the Net Settlement Amount.
- vii. <u>Settlement Administrator</u>: The "Settlement Administrator" will be CPT Group Inc., or such other administrator mutually agreed upon by the Parties, after review and approval by the Parties of a not-to-exceed quote for settlement administration expenses which Plaintiff's Counsel agrees to request and circulate to Defendant's Counsel. All settlement administration expenses shall be paid out of, and be deducted from, the Maximum Settlement

Amount.

viii. <u>Mailing of Settlement and PAGA Awards</u>: The Settlement Administrator will cause the Settlement Awards to be mailed to the Class Members who have not opted out of the Settlement and have not previously released their claims as to Defendant, and the PAGA Awards to be mailed to PAGA Members, within thirty-five (35) calendar days after the Settlement becomes effective as defined in Paragraph 15.b.

- ix. Potential Escalator Clause or Alternative Class Period End Date: For Settlement purposes and based on Class Member data presently available at the time of Settlement, Defendant represents that the Class Members consist of 189 employees who have worked 18,021 workweeks from April 4, 2018 to June 22, 2023. The Parties further agree that if the final number of workweeks from April 4, 2018 to June 22, 2023, which formed the basis of the Settlement, increase by more than ten (10) percent above 18,021 workweeks (e.g., to greater than 19,823 workweeks), Defendant, at its sole discretion, shall either: (1) increase the Maximum Settlement Amount by the proportional amount for the percentage of workweeks above ten (10) percent (i.e., by the percentage of workweeks above 19,823 workweeks); or (2) end the Class Period at the point in time where workweeks equal 19,823 workweeks.
- d. <u>Enhancement Award to Plaintiff for Service as Class Representative</u>: The Settlement Administrator will pay the Enhancement Award approved by the Court to Plaintiff within thirty-five (35) calendar days after the Settlement becomes effective as defined in Paragraph 15.b.
- e. <u>Right to Rescission</u>: If more than ten percent (10%) of the Settlement Class opts out of the Settlement by submitting valid and timely Requests for Exclusion as set forth in the Notice of Proposed Class and PAGA Action Settlement and Hearing Date for Final Court Approval of Settlement ("Class Notice"), Defendant shall have the right (but not the obligation) in its sole discretion to rescind and void the Settlement, before final approval by the Court, by providing written notice to Class Counsel no later than fourteen (14) calendar days after the optout deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement administration incurred up to that date but shall not be obligated to pay any Class Counsel's fees

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or litigation expenses and costs.

SETTLEMENT ADMINISTRATION

16. The Settlement Administrator shall be mutually agreed upon by the Parties to perform the customary duties of Settlement Administrator, subject to Court approval. The Settlement Administrator will mail the Class Notice to all Class Members and PAGA Members. The Settlement Administrator will independently review Defendant's data, based on Defendant's records, as to the number of weeks worked during the Class Period, and the number of pay periods worked during the PAGA Period, and will calculate the amounts due to Class Members and PAGA Members in accordance with this Stipulation of Settlement. The Settlement Administrator shall report, in summary or narrative form, the substance of its findings. The Settlement Administrator shall be granted reasonable access to Defendant's records to perform its duties. At the request of Defendant, and upon receipt of funds from Defendant, the Settlement Administrator will issue and send out Settlement Awards to Class Members and PAGA Awards to PAGA Members. Defendant shall be able to review proposed distributions, class workweek data and PAGA pay period data to ensure correct and accurate distributions and representations to the Class Members and PAGA Members through the Class Notice. Tax treatment of the Settlement Awards and PAGA Awards will be as set forth herein and in accordance with state and federal tax laws. All disputes relating to the Settlement Administrator's performance of its duties shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms and conditions of this Stipulation of Settlement until all payments and obligations contemplated by this Stipulation of Settlement have been fully carried out. The Settlement Administrator shall create and maintain a webpage, which will include links to the Settlement Agreement, Class Notice, Motions for Preliminary and Final Approval, and Motion for Attorneys' Fees as they become available, until the Effective Date. The website shall also include links to any other documents or information the Settlement Administrator deems necessary to perform its duties.

ATTORNEYS' FEES AND LITIGATION COSTS

17. In consideration for settling this Action, in exchange for the release of claims by the Settlement Class, and subject to final approval or modification by the Court, Defendant agrees

to pay, from the Maximum Settlement Amount, Class Counsel attorneys' fees not to exceed thirty-three and one third percent (33.33%) of the Maximum Settlement Amount, or in other words up to \$165,000.00, and attorneys' costs and expenses not to exceed \$20,000.00. Defendant will not object to Class Counsel's application for attorneys' fees and litigation costs up to these amounts. The amounts set forth above will cover all work performed and all fees and costs incurred to date, and all work to be performed and all fees and costs to be incurred in connection with the approval by the Court of this Stipulation of Settlement, the administration of the Settlement, and obtaining the final judgment. Should Class Counsel request lesser amounts, or should the Court approve lesser amounts for attorneys' fees and litigation costs, the difference between the lesser amounts and the fees and litigation expenses and costs set forth above shall be added to the Net Settlement Amount.

18. The attorneys' fees and litigation expenses costs approved by the Court shall be paid to Class Counsel within thirty-five (35) calendar days after the Settlement becomes effective as defined in Paragraph 15.b.

NOTICE TO THE PLAINTIFF CLASS

- 19. The Class Notice shall be jointly drafted by the Parties and, as approved by the Court, shall be sent by the Settlement Administrator to the Class Members by first-class mail. The Class Notice shall be substantially in the form identified as **Exhibit A** to this Settlement.
- a. Within thirty (30) calendar days after preliminary approval of this Settlement by the Court, Defendant shall provide to the Settlement Administrator the Class Members' and PAGA Members' names, last-known addresses, last-known telephone numbers, Social Security Numbers, and workweek data during the Class Period and pay period data during the PAGA Period ("Class Data"). The Parties agree the contact information and Social Security Numbers will be used only by the Settlement Administrator for the sole purpose of effectuating the Settlement and will not be provided to Class Counsel at any time or in any form. The Settlement Administrator shall take reasonable steps to protect the confidential and private information. To the extent Class Counsel possesses or comes to possess the contact information and/or Social Security Numbers from the Settlement Administrator, Class Counsel shall return all

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such information (including copies and data or information derived therefrom) within five (5) calendar days from the date the Court finally approves the Settlement, shall destroy all copies in any form of such information, and shall not retain, maintain or use such information for any purpose. The information provided for above shall be based on Defendant's payroll and other business records and in a format acceptable to the Settlement Administrator. Defendant agrees to consult with the Settlement Administrator prior to the production date to ensure that the format will be acceptable to the Settlement Administrator. The information will need to be provided to the Settlement Administrator using reasonable security measures and reasonably secure technology. The Settlement Administrator will run a check of the Class Members' and PAGA Members' addresses against those on file with the U.S. Postal Service's National Change of Address List. Within thirty (30) calendar days of receiving the Class Data, the Settlement Administrator will mail the Class Notice to Class Members and PAGA Members.

- b. Class Notices returned to the Settlement Administrator as non-delivered shall be resent to the forwarding address, if any, on the returned envelope. If there is no forwarding address, the Settlement Administrator will do an NCOA check and will skip-trace return mail using the Class Member's and PAGA Member's, as applicable, Social Security Number and re-mail within five (5) calendar days of receipt; this search will be performed only once per Class Member and PAGA Member by the Settlement Administrator. Upon completion of these steps by the Settlement Administrator, Defendant and the Settlement Administrator shall be deemed to have satisfied their obligations to provide the Class Notice to the affected member of the Settlement Class. The affected member of the Settlement Class shall remain a member of the Settlement Class and shall be bound by all the terms of the Stipulation of Settlement and the Court's Order and Final Judgment.
- c. The Class Notice shall identify the procedures for opting out of or objecting to the Settlement.
- d. Class Counsel shall provide to the Court, at least sixteen (16) court days before the Final Fairness hearing, an initial declaration by the Settlement Administrator of due diligence and proof of mailing with regard to the mailing of the Class Notice.

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ADMINISTRATION PROCESS

20. The Class Members will have sixty (60) calendar days from the date of mailing in which to submit requests for exclusion ("opt out"). PAGA Members are not entitled to opt out as a PAGA Member. Class Members whose Notices are remailed shall have ten (10) calendar days from the remailing of the Notice or until the end of the initial 60-day period, whichever comes later, in which to opt out.

21. Settlement Awards to Class Members and PAGA Awards to PAGA Members will be mailed by the Settlement Administrator within thirty-five (35) calendar days after the Settlement becomes effective as defined in Paragraph 15.b. Settlement Award and PAGA Award checks shall remain valid and negotiable for one hundred eighty (180) calendar days from the date of their issuance; the Parties agree the Settlement Administrator will send one (1) reminder notice to all Class Members and PAGA Members who have not cashed the Settlement Award or PAGA Award check thirty (30) calendar days prior to the deadline; upon the deadline to cash the Settlement Award and PAGA Award checks, the checks will automatically be cancelled by the Settlement Administrator if not cashed by the Class Member or the PAGA Member within that time, at which point the Class Members' and PAGA Members' checks will be deemed void and of no further force or effect, and the Class Members' and PAGA Members' claims will remain released by the Settlement. The checks provided to Class Members and PAGA Members shall prominently state the expiration date or a statement that the checks will expire in one hundred eighty (180) days, or alternatively, such a statement may be made in a letter accompanying the check. Expired Settlement Award and PAGA Award checks will not be reissued, except for good cause and as mutually agreed by the Parties in writing. Any residue from uncashed Settlement Award or PAGA Award checks after the expiration date will be paid within fourteen (14) calendar days after the one hundred eighty (180)-day check cashing period expires pursuant to California Code of Civil Procedure section 384(b)(3) to Koinonia Family Services, a non-profit 501(c)(3) organization with child advocacy programs in the State of California, as the cy pres recipient, subject to Court approval. Any residue received by Koinonia Family Services shall be ordered by the Court to be used solely for child advocacy programs within the State of California pursuant to

California Code of Civil Procedure section 384(b). Upon completion of its calculation of payments, the Settlement Administrator shall provide Defendant with a report listing the amount of all payments to be made to each Class Member and PAGA Member. Defendant, on behalf of the Released Parties, will pay to the Settlement Administrator the Maximum Settlement Amount within thirty (30) calendar days after the Settlement becomes effective as defined in Paragraph 15.b. The Settlement Administrator will be responsible for making appropriate deductions, calculating and reporting the employer payroll taxes on the Settlement Awards and PAGA Awards, paying to Class Counsel any Court-approved attorneys' fees and litigation expenses and costs, paying to the Class Representative any Court-approved Enhancement Award, paying the LWDA seventy-five percent (75%) of the amount allocated for PAGA penalties above, paying the settlement administration expenses, meeting tax reporting obligations, and for issuing the individual Settlement Awards to Class Members and PAGA Awards to PAGA Members. Proof of compliance with the Court's final approval order will be provided to counsel for the Parties by the Settlement Administrator within twenty-one (21) days after all payment obligations, the check cashing deadline for Class Members, and payment to the cy pres beneficiary have passed.

OPTING OUT OF / OBJECTING TO THE SETTLEMENT

22. Opting Out of the Settlement. For those Class Members who do not wish to participate in the Settlement, such Class Members may exclude themselves by submitting a timely written request to the Settlement Administrator. PAGA Members cannot opt out as a PAGA Member. The written request ("Request for Exclusion") should state that he/she has received the "Notice of Proposed Class Action Settlement and Hearing Date for Final Court Approval of Settlement", he/she has decided not to participate in the Settlement, and words to the effect that he/she desires to be excluded from the Settlement. The Request for Exclusion must also state the individual's full name, address, date of birth, and dates he/she worked as a non-exempt employee for Defendant in California. The Request for Exclusion must be signed, dated and mailed by First-Class U.S. Mail, or the equivalent, to the Settlement Administrator. All Requests for Exclusion must be postmarked and mailed to the Settlement Administrator no later than sixty (60) calendar days after the Settlement Administrator mails the Class Notice to the Class Members.

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Any individual who submits a Request for Exclusion will not be allowed to object to the terms of the Settlement.

23. Objecting to the Settlement. Any individual who does not exclude himself/herself from the Settlement can object to the terms of the Settlement in writing before the deadline to object to the Settlement. To object, the individual must file a written objection and a notice of intention to appear at the final approval hearing with the Clerk of the Sacramento County Superior Court of the State of California and send copies to the Settlement Administrator, Class Counsel, and counsel for Defendant. Any written objection must state each specific reason in support of the objection and any legal support for each objection. The individual must state his/her full name, address, date of birth, and dates he/she worked as a non-exempt employee in California for Defendant. To be valid and effective, any written objections to approval of the Settlement must be filed with the Clerk of the Court and delivered to the Settlement Administrator, Class Counsel, and counsel for Defendant no later than sixty (60) calendar days after the Settlement Administrator mails the Class Notice. However, a Class Member and PAGA Member may appear at the final approval hearing, either in person or through his/her own counsel, and object to the Settlement Agreement and any of its terms without submitting a prior objection in the manner and by the deadline specified above. If the Court rejects the objection, the individual will be bound by the terms of the Settlement.

RELEASE BY THE CLASS

24. Effective upon the date of final approval by the Court of this Stipulation of Settlement, and except as to such rights or claims as may be created by this Stipulation of Settlement, the Settlement Class and each member of the Settlement Class who has not submitted a valid Request for Exclusion fully release and discharge the Released Parties from all claims under state, federal and local law that were or could have been asserted based on the facts and allegations made in the Action, and any amendments thereto, as to the Class Members, including without limitation, California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, California Industrial Commission Wage Orders, Cal. Code Regs., Title. 8, section 11040, *et seq.*, California

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Code of Civil Procedure section 1021.5, and Business and Professions Code sections 17200, *et seq.*, and including all claims for or related to alleged unpaid wages, overtime or double time wages, minimum wages, regular rate of pay, timely payment of wages during employment, timely payment of wages at separation, meal periods and meal period premiums, rest periods and rest period premiums, off-the-clock work, payroll deductions, wage statements, payroll records and recordkeeping, failure to pay additional 401(k) benefits and/or deferred compensation benefits and/or matching benefits for payments received under the Settlement, unfair competition, unfair business practices, unlawful business practices, fraudulent business practices, conversion, civil penalties, waiting-time penalties, interest, fees, costs, as well as all other claims and allegations alleged in the Action (collectively "Released Class Claims"), from April 4, 2018 through the date the Court preliminarily approves the Settlement ("Class Release Period"). Expressly excluded from the release are claims for retaliation, discrimination, unemployment insurance, disability, workers' compensation, and claims outside the Released Claims.

25. Effective upon the date of final approval by the Court of this Stipulation of Settlement, the claims to be released by the PAGA Members include all claims arising during the PAGA Period seeking civil penalties under PAGA, that Plaintiff as proxy for the State of California and/or the LWDA, to the maximum extent permitted by law, and as a private attorney general acting on behalf of Plaintiff and the PAGA Members, asserted or could reasonably have asserted based on the facts alleged in the Action and/or the LWDA letter, including but not limited to all claims arising under the California Labor Code including, but not limited to, sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2698, et seq., 2699, 2802 (as alleged in the Complaint) and the wage orders of the California Industrial Welfare Commission and any other Labor Code section or Wage Order based the facts alleged in the Action (collectively "Released PAGA Claims"). The Settlement shall release and bar all Released PAGA Claims by or on behalf of Plaintiff and all PAGA Members from April 4, 2021, through the date the Court preliminarily approves the Settlement ("PAGA Release Period") and for the entire PAGA Release Period, regardless of whether Plaintiff and/or a PAGA Member negotiates (cashes) their/his/her settlement checks sent pursuant to this Settlement and regardless

of whether any such PAGA Member opts out or attempts to exclude themselves/himself/herself from the Settlement.

26. In addition to the Released Claims identified in Paragraph 24, Plaintiff Carl Davis agrees to generally release the Released Parties from any and all claims, whether known or unknown, under all federal, state and local statutes, and federal and state common law (including but not limited to those for contract, tort and equity), except for workers' compensation claims. Plaintiff acknowledges the language of Section 1542 of the California Civil Code, which provides:

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

Plaintiff expressly waives the protection of Section 1542. Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by Plaintiff to exist may hereafter be discovered. It is Plaintiff's intention to settle fully and release all of the claims, except for workers' compensation claims, Plaintiff now has against the Released Parties, whether known or unknown, suspected or unsuspected.

DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL

discovery shall be stayed pending Court approval of the Settlement. Class Counsel agree to notify the Court of the Settlement through a Notice of Proposed Class and PAGA Action Settlement, and to request that all current Court deadlines be continued pending Court approval of the Settlement. Class Counsel agree to cease all affirmative communication (oral and written) with the putative class members, other than through Court-approved notices; this provision does not prevent Class Counsel from communicating with any Class Member or PAGA Member who may contact Class Counsel. Plaintiff shall promptly submit this Stipulation of Settlement to the Sacramento County Superior Court in support of Plaintiff's Motion for Preliminary Approval and determination by the Court as to its fairness, adequacy and reasonableness. Plaintiff agrees to provide Defendant the opportunity to review and to approve before filing, Plaintiff's Motion for Preliminary Approval. At the same time Plaintiff submits this Stipulation of Settlement to the Sacramento County

Settlement. Plaintiff agrees to provide Defendant the opportunity to review and to approve before filing, Plaintiff's Motion for Final Approval of Class Action and PAGA Settlement. Class Counsel agrees to submit a proposed final order and judgment mutually agreeable between the Parties, and substantially in the form identified as **Exhibit C** to this Settlement, and provides for the following:

- a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable
 and adequate, and directing consummation of its terms and provisions;
- Approving Class Counsel's application for an award of attorneys' fees and litigation expenses and costs;
 - c. Approving the Enhancement Award to the Class Representative; and
- d. Entering judgment in accordance with California Rules of Court, rule 3.769(h), and permanently barring and enjoining all Class Members and PAGA Members from prosecuting the Released Class Claims and Released PAGA Claims against: (i) Defendant; (ii) Defendant's respective past, present and future direct and indirect subsidiaries and affiliates of any of the foregoing; (iii) the past, present and future shareholders, partners, directors, officers, owners, agents, employees, clients, attorneys, insurers, predecessors, successors and assigns of any of the foregoing; and (iv) any individual or entity which could be jointly liable with any of the foregoing.

PARTIES' AUTHORITY

29. The signatories hereto hereby represent that they are fully authorized to enter into this Stipulation of Settlement and bind the Parties hereto to the terms and conditions thereof.

MUTUAL FULL COOPERATION

30. The Parties agree to fully cooperate with each other to accomplish the terms of this Stipulation of Settlement, including but not limited to execution of such documents and taking such other action as reasonably may be necessary to implement the terms of this Stipulation of Settlement. The Parties shall use their best efforts, including all efforts contemplated by this Stipulation of Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Stipulation of Settlement and the terms set forth herein. As soon as practicable after execution of this Stipulation of Settlement, Class Counsel shall, with the

1 assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the 2 Court's final approval of this Stipulation of Settlement. 3 31. The Parties and their respective counsel agree that they will not attempt to 4 encourage or discourage Class Members from filing Requests for Exclusion. 5 NO PRIOR ASSIGNMENTS 32. 6 The Parties and their counsel represent, covenant and warrant that they have not, 7 directly or indirectly, assigned, transferred or encumbered, or purported to assign, transfer or 8 encumber, to any person or entity any portion of any liability, claim, demand, action, cause of 9 action or right herein released and discharged except as set forth herein. 10 NO ADMISSION 11 33. Nothing contained herein, nor the consummation of this Stipulation of Settlement, 12 is to be construed or deemed an admission of liability, culpability, negligence or wrongdoing on 13 the part of Defendant. Each of the Parties hereto has entered into this Stipulation of Settlement 14 solely with the intention to avoid further disputes and litigation with the attendant inconvenience 15 and expenses. 16 ENFORCEMENT ACTIONS 17 34. The Parties agree that the Sacramento County Superior Court shall retain 18 jurisdiction to enforce the terms of this Settlement pursuant to California Code of Civil Procedure 19 section 664.6. In the event one or more of the Parties to this Stipulation of Settlement institutes 20 any legal action or other proceeding against any other Party or Parties to enforce the provisions of 21 this Stipulation of Settlement or to declare rights or obligations under this Stipulation of 22 Settlement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party 23 or Parties' reasonable attorneys' fees and litigation costs, including expert witness fees, incurred 24 in connection with any enforcement actions. 25 NOTICES 26 35. Unless otherwise specifically provided herein, all notices, demands or other 27 communications given hereunder shall be in writing and shall be deemed to have been duly given 28 as of the third (3rd) business day after mailing by United States registered or certified mail, return

1 receipt requested, addressed as follows: 2 To Plaintiff and the Settlement Class Justin F. Marquez 3 Arsiné Grigoryan WILSHIRE LAW FIRM 4 3055 Wilshire Blvd., 12th Floor Los Angeles, California 90010 5 To Defendant 6 Cary G. Palmer JACKSON LEWIS P.C. 7 400 Capitol Mall, Suite 1600 Sacramento, CA 95814 8 NO PUBLIC COMMENT 9 36. The Class Representative and Class Counsel will not make any public disclosure of 10 the Settlement, except through Court filings to preliminarily and finally approve the Settlement. 11 Class Counsel will take all steps necessary to ensure that the Class Representative is aware of, and 12 will ensure that the Class Representative adheres to, the restriction against any public disclosure 13 of the Settlement. Following preliminary Court approval of the Settlement, the Class 14 Representative and Class Counsel will not initiate any communications (directly or indirectly) with 15 the media regarding the Action. Notwithstanding the foregoing, the Class Representative and 16 Class Counsel may, in response to a communication initiated by the media, direct the inquiring 17 media member to the public records of the Action on file with the Court. Class Counsel will take 18 all steps reasonably necessary to ensure that the Class Representative is aware of, and will ensure 19 that he will adhere to, the restriction against any media comment on the Settlement and its terms. 20 CONSTRUCTION 21 37. The Parties hereto agree that the terms and conditions of this Stipulation of 22 Settlement are the result of lengthy, intensive arms-length negotiations between the Parties and 23 this Stipulation of Settlement shall not be construed in favor of or against any party by reason of 24 the extent to which any party or his, her or its counsel participated in the drafting of this Stipulation 25 of Settlement. 26 CAPTIONS AND INTERPRETATIONS 27 38. Paragraph titles or captions contained herein are inserted as a matter of convenience 28

1 and for reference, and in no way define, limit, extend or describe the scope of this Stipulation of 2 Settlement or any provision of it. Each term of this Stipulation of Settlement is contractual and 3 not merely a recital. 4 MODIFICATION 5 39. This Stipulation of Settlement may not be changed, altered or modified, except in 6 writing and signed by the Parties hereto and approved by the Court. This Stipulation of Settlement 7 may not be discharged except by performance in accordance with its terms or by a writing signed 8 by the Parties hereto. 9 INTEGRATION CLAUSE 10 40. This Stipulation of Settlement and the Confidential Memorandum of 11 Understanding contain the entire agreement between the Parties relating to the Settlement and 12 transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, 13 representations and statements, whether oral or written and whether by a Party or such Party's 14 legal counsel, are merged herein. No rights hereunder may be waived except in writing. 15 BINDING ON ASSIGNS 16 41. This Stipulation of Settlement shall be binding upon and inure to the benefit of the 17 Parties and the Released Parties hereto, and their respective heirs, trustees, executors, 18 administrators, successors and assigns. 19 CLASS MEMBER SIGNATORIES 20 42. It is agreed that because the Class Members and PAGA Members are so numerous, 21 it is impossible or impractical to have each Class Member and PAGA Member execute this 22 Stipulation of Settlement. The Class Notice will advise all Class Members and PAGA Members 23 of the binding nature of the release, and the release shall have the same force and effect as if this 24 Stipulation of Settlement were executed by each member of the Class. 25 COUNTERPARTS 26 43. This Stipulation of Settlement may be executed in counterparts and by facsimile 27 signatures, and when each Party has signed and delivered at least one such counterpart, each 28 counterpart, including e-mail and PDF versions, shall be deemed an original and, when taken

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1	together with other signed counterparts, shall constitute one Stipulation of Settlement binding upon	
2	and effective as to all Parties.	
3	IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this	
4	Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff and	
5	Defendant as of the date(s) set	forth below:
6	Plaintiff and Class Represen	<u>tative</u>
7	Dated:	CARL DAVIS
8		CARL DAVIS
9	<u>Defendant</u>	HOMETOWN AMERICA
10		HOMETOWN AMERICA MANAGEMENT, L.P.
11	Dated: April 23, 2024	By: Douglas Minahan
12		Authorized Officer or Agent of Hometown America Management Corp., the Sole
13		General Partner of HOMETOWN AMERICA MANAGEMENT, L.P.
14	APPROVED AS TO FORM:	AWERICA MANAGEMENT, E.I.
15		WILSHIRE LAW FIRM
16	Dated:	Rv:
17	Dated	By: Justin F. Marquez Arsiné Grigoryan
18		Attorneys for Plaintiff and Class and PAGA Members
19		Class and I AGA Memoers
20		JACKSON LEWIS P.C.
21	Dated:_April 23, 2024	By: alm
22	Buttu	Cary G. Palmer
23		Attorneys for Defendant
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