

BIBIYAN LAW GROUP, P.C.

Vedang J. Patel (SBN 328647)

vedang@tomorrowlaw.com

Brandon M. Chang (SBN 316197)

brandon@tomorrowlaw.com

1460 Westwood Boulevard

Los Angeles, California 90024

Tel: (310) 438-5555; Fax: (310) 300-1705

Attorneys for Plaintiffs, BLANCA JAUREGUI and
CARLOS AGUERO, individually and on behalf of
themselves and all others similarly situated and aggrieved

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

BLANCA I. JAUREGUI, an individual and on
behalf of all others similarly situated,

Plaintiff,

v.

SAGE APARTMENT COMMUNITIES, INC., a
Nevada corporation; INVESTMENT
PROPERTY GROUP UT, INC., a Utah
corporation; and INVESTMENT PROPERTIES
GROUP, LLC, a California limited liability
company; and DOES 1 through 100, inclusive,

Defendants.

CASE NO.: 30-2022-01259919-CU-OE-CXC

Judge: Hon. William Claster

Dept.: CX-101

REPRESENTATIVE ACTION

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

Complaint: May 16, 2022

1 This Stipulation of Settlement of Class and PAGA Action and Release of Claims is entered
2 into by and between Plaintiffs Blanca Jauregui (“Plaintiff Jauregui”) and Carlos Aguero (“Plaintiff
3 Aguero,” and collectively, “Plaintiffs”), as individuals, on behalf of themselves, and on behalf of all
4 persons similarly situated, and in their representative capacity on behalf of the State of California
5 and the Aggrieved Employees, and Defendants, SAGE APARTMENT COMMUNITIES, INC. and
6 INVESTMENT PROPERTY GROUP UT, INC. (Hereafter, “Defendants”):

7 **I. DEFINITIONS**

- 8 A. “Actions” means the putative class action lawsuit designated *Blanca Jauregui v. Sage*
9 *Apartment Communities, Inc, et al.*, Orange County Superior Court, Case 30-2022-
10 01259919-CU-OE-CXC (the “Class Action”), filed May 16, 2022, the PAGA action
11 designated *Blanca Jauregui v. Sage Apartment Communities, Inc, et al.*, Orange
12 County Superior Court Case 30-2022-01292683-CU-OE-CXC (the “PAGA Action”),
13 filed November 16, 2022, the class action designated as *Carlos Aguero v. Sage*
14 *Apartment Communities, Inc, et al.*, Orange County Superior Court, Case 30-2023-
15 01325117-CU-OE-CXC (the “Aguero Class Action”), filed on May 12, 2023, and the
16 PAGA action designated as *Carlos Aguero v. Sage Apartment Communities, Inc, et*
17 *al.*, Orange County Superior Court, Case 30-2024-01420186-CU-OE-CXC (the
18 “Aguero PAGA Action”), filed on August 21, 2024.
- 19 B. “Agreement” or “Settlement Agreement” means this Stipulation of Settlement of
20 Class and PAGA Action Claims and Release of Claims.
- 21 C. “Aggrieved Employees” means all persons who are or previously were employed by
22 Defendants in California and classified as non-exempt employees at any time during
23 the PAGA Period.
- 24 D. “Aggrieved Employee Payment” means the twenty-five percent (25%) of the PAGA
25 Payment (\$55,000) that will be distributed to the Aggrieved Employees as described
26 in this Agreement.
- 27 E. “Class” or the “Class Members” means all persons who are or previously were
28 directly employed by Defendants in California and classified as non-exempt

employees at any of Defendants' locations in the State of California at any time during the Class Period.

F. "Class Counsel" means David D. Bibiyan and Vedang J. Patel of Bibiyan Law Group, P.C.

G. "Class Counsel Award" means the award of fees and expenses that the Court authorizes to be paid to Class Counsel for the services they have rendered to Plaintiffs, the Class Members, and the Aggrieved Employees in the Actions, consisting of attorneys' fees currently not to exceed one-third (1/3) of the Gross Settlement Amount currently estimated to be \$733,333.33 out of \$2,200,000.00, unless increased pursuant to this Agreement, plus costs of up to \$50,000.00 for the Actions.

H. "Class Data" means information regarding Class Members that Defendants will in good faith compile from its records and provide to the Settlement Administrator. It shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class Member's full name; last known address; Social Security Number; start dates and end dates of employment.

I. "Class Period" means the period between is May 16, 2018 through the date the Court grants preliminary approval of the class.

J. "Class Representatives" means plaintiffs Blanca Jauregui and Carlos Aguero.

K. "Court" means the Superior Court for the State of California, County of Orange currently presiding over the Actions.

L. "Defendants" means SAGE APARTMENT COMMUNITIES, INC. and INVESTMENT PROPERTY GROUP UT, INC.

M. "Effective Date" means the first date upon which all of the following events have occurred:

1. this Agreement has been executed by all Parties and by Class Counsel and Defense Counsel;
2. the Court has preliminarily approved the Settlement;

- 1 3. notice has been properly given to Class Members, providing them an
2 opportunity to opt out of the Class and Settlement as described in this
3 Agreement;
- 4 4. the Court has held a Final Fairness and Approval Hearing and entered the
5 Final Order and Judgment approving the Settlement; and,
- 6 5. the later of: (a) the date sixty (60) days after the entry of the Final Order and
7 Judgment, if no motions for reconsideration and no appeals or other efforts to
8 obtain review have been filed; or (b) in the event that a motion for
9 reconsideration, an appeal or other effort to obtain review of the Final Order
10 and Judgment is filed, the date sixty (60) days after such reconsideration,
11 appeal or review has been finally concluded. In this regard, it is the intention
12 of the Parties that the Effective Date of Settlement shall not be a date before
13 the Court's order approving the Settlement has become completely final, and
14 there is no timely recourse by any person who seeks to object to or otherwise
15 contest the Settlement.

16 N. "Final Approval Order" means the Court's order granting final approval of this
17 Settlement.

18 O. "Funding Date" means the date by which Defendants have paid the entire Gross
19 Settlement Amount and employer's share of payroll taxes to the Settlement
20 Administrator in accord with the terms of this Agreement. Defendants will pay the
21 Gross Settlement Amount to the Settlement Administrator (30) days after the entry of
22 the Final Approval Order.

23 P. "Gross Settlement Amount" means Two Million Two Hundred Dollars and Zero
24 Cents (\$2,200,000.00), unless increased pursuant to this Agreement, that Defendants
25 must pay into the QSF in connection with this Settlement, inclusive of the sum of
26 Settlement Administration Costs, Class Counsel Award, Service Award, and the
27 PAGA Payment. The Gross Settlement Amount is all-in with no reversion and
28

exclusive of the employer's share of payroll tax, if any, triggered by any payment under this Settlement.

Q. "Individual Settlement Payments" means the amount payable from the Net Settlement Amount to each Settlement Class Member and excludes any amounts distributed to Aggrieved Employees pursuant to PAGA.

R. "LWDA" means the Labor and Workforce Development Agency.

S. "LWDA Payment" means the seventy-five percent (75%) of the PAGA Payment (\$165,000.00) payable to the to the LWDA.

T. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount, less Class Counsel Award, Service Award, PAGA Payment, and Settlement Administration Costs.

U. "Notice Packet" means the Class Notice, Request for Exclusion form, and Objection to Settlement form to be provided to the Class Members by the Settlement Administrator in the form set forth as **Exhibit A** to this Agreement (other than formatting changes to facilitate printing by the Settlement Administrator).

V. "Operative Complaint" means the First Amended Complaint to be filed by Plaintiffs in Orange Superior Court.

W. "PAGA" means the California Labor Code Private Attorneys General Act of 2004, Labor Code § 2698 *et seq.*

X. "PAGA Payment Ratio" means the respective Pay Periods during the PAGA Period for each Aggrieved Employee divided by the total Pay Periods for all Aggrieved Employees during the PAGA Period.

Y. "PAGA Pay Periods," for purposes of calculating the distribution of the Aggrieved Employee Payment, as defined herein, means the number of pay periods of employment during the PAGA Period that each Aggrieved Employee worked in California.

Z. "PAGA Period" means the period between May 16, 2021 through the date the Court grants preliminary approval of the class settlement.

- 1 AA. "PAGA Payment" means Two Hundred Twenty Thousand Dollars and Zero Cents
2 (\$220,000) to be allocated from the Gross Settlement Amount for settlement of PAGA
3 Claims asserted in the Actions.
- 4 BB. "Parties" means Plaintiffs and Defendants, collectively, and "Party" shall mean either
5 Plaintiffs or Defendants, individually.
- 6 CC. "Payment Ratio" means the respective Workweeks for each Class Member divided
7 by the total Workweeks for all Class Members.
- 8 DD. "Plaintiffs" means Blanca Jauregui and Carlos Agüero.
- 9 EE. "QSF" means the Qualified Settlement Fund established, designated, and maintained
10 by the Settlement Administrator to fund the Gross Settlement Amount.
- 11 FF. "Released Class Claims" all claims, contingent or accrued, that were pled or
12 reasonably could have been pled in the Operative Complaint for the Class Period.
- 13 GG. "Released PAGA Claims" means all contingent or accrued claims to penalties that
14 were pled or reasonably could have been pled in Plaintiffs' PAGA Notices under
15 California Labor Code Section 2698 et seq., for the PAGA Period.
- 16 HH. "Released Parties" means Defendants and their current and former parents,
17 predecessors or successors, holding companies, affiliated companies, entities,
18 owners, shareholders, members, partners, officers, directors, managers, employees,
19 insurers and agents.
- 20 II. "Response Deadline" means the date forty-five (45) calendar days after the Settlement
21 Administrator mails Notice Packets to Class Members and the last date on which
22 Class Members may submit requests for exclusion or objections to the Settlement.
23 Neither side shall encourage any Class Member to opt out. Class Members to whom
24 Notice Packets are resent after having been returned undeliverable to the
25 Administrator shall have an additional 15 days beyond the Response Deadline has
26 expired.
- 27 JJ. "Enhancement Award" means an award in the amount of \$10,000 to be paid to each
28 Class Representative, for a total of \$20,000 to Plaintiffs, or in an amount that the

1 Court authorizes, in addition to their Individual Settlement Payments and their
2 Aggrieved Employee Payment, in recognition of their efforts and risks in assisting
3 with the prosecution of the Actions.

4 KK. "Settlement" means the disposition of the Actions pursuant to this Agreement.

5 LL. "Settlement Administration Costs" shall mean the amount paid to the Settlement
6 Administrator from the Gross Settlement Amount for administering the Settlement
7 pursuant to this Agreement currently estimated not to exceed \$7,990.00.

8 MM. "Settlement Administrator" means Apex Class Action LLC, located at 18 Technology
9 Drive, Suite 164, Irvine, CA 92618; Tel: (800) 355-0700. The Settlement
10 Administrator establishes, designates, and maintains, as a QSF under Internal
11 Revenue Code section 468B and Treasury Regulation section 1.468B-1, into which
12 the amount of the Gross Settlement Amount is deposited for the purpose of resolving
13 the claims of Settlement Class Members. The Settlement Administrator shall maintain
14 the funds until distribution in an account(s) segregated from the assets of Defendants
15 and any person related to Defendants. *All accrued interest shall be paid and*
16 *distributed to the Settlement Class Members as part of their respective Individual*
17 *Settlement Payment.*

18 NN. "Settlement Class Members" or "Settlement Class" means all Class Members who
19 have not submitted a timely and valid request for exclusion as provided in this
20 Agreement.

21 OO. "Workweeks," for purposes of calculating the distribution of the Net Settlement
22 Amount, means the number of weeks of employment during the Class Period that
23 each Class Member was employed by Defendants in California.

24 **II. RECITALS**

25 A. On May 16, 2022, Plaintiff Jauregui filed a Class Action complaint in Orange County
26 Superior Court, Case No. 30-2022-01259919-CU-OE-CXC (the "Class Action"),
27 alleging claims for:

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1. FAILURE TO PAY OVERTIME WAGES;
2. FAILURE TO PAY MINIMUM WAGES;
3. FAILURE TO PROVIDE MEAL PERIODS;
4. FAILURE TO PROVIDE REST PERIODS;
5. WAITING TIME PENALTIES;
6. WAGE STATEMENT VIOLATIONS;
7. FAILURE TO TIMELY PAY WAGES;
8. FAILURE TO INDEMNIFY; and
9. UNFAIR COMPETITION.

B. On November 16, 2022, Plaintiff Jauregui filed a PAGA complaint in Orange County Superior Court, Case No. 30-2022-01292683-CU-OE-CXC (the “PAGA Action”), alleging claims for: PRIVATE ATTORNEYS GENERAL ACT OF 2004 FOR CIVIL PENALTIES UNDER LABOR CODE SECTIONS 210, 226.3, 558,1174.5, 1197.1 and 2699.

C. On May 12, 2023, Plaintiff Aguero filed a Class Action complaint in Orange County Superior Court, Case No. 30-203-01325117-CU-OE-CXC (the “Aguero Class Action”), alleging claims for:

1. FAILURE TO PAY OVERTIME WAGES;
2. FAILURE TO PAY MINIMUM WAGES;
3. FAILURE TO PROVIDE MEAL PERIODS;
4. FAILURE TO PROVIDE REST PERIODS;
5. WAITING TIME PENALTIES;
6. WAGE STATEMENT VIOLATIONS;
7. FAILURE TO TIMELY PAY WAGES;
8. FAILURE TO INDEMNIFY;
9. MISCLASSIFICATION; and
10. UNFAIR COMPETITION.

- 1 D. On August 21, 2024, Plaintiff Aguero filed a PAGA complaint in Orange County
2 Superior Court, Case No. 30-2024-01420186-CU-OE-CXC (the “Aguero PAGA
3 Action”), alleging claims for: PRIVATE ATTORNEYS GENERAL ACT OF 2004
4 FOR CIVIL PENALTIES UNDER LABOR CODE SECTIONS 210, 226.3,
5 558,1174.5, 1197.1 and 2699
- 6 E. The Class Representatives believe they have claims based on alleged violations of the
7 California Labor Code, and the Industrial Welfare Commission Wage Orders, and
8 that class certification is appropriate because the prerequisites for class certification
9 can be satisfied in the Actions, and this action is manageable as a PAGA
10 representative action.
- 11 F. Defendants deny any liability or wrongdoing of any kind associated with the claims
12 alleged in the Actions, disputes any wages, damages and penalties claimed by the
13 Class Representatives, alleged in the Operative Complaint, and/or alleged in the Class
14 Representatives’ PAGA notices to the LWDA are owed, and further contends that,
15 for any purpose other than settlement, the Actions are not appropriate for class or
16 representative action treatment. Defendants contend, among other things, that at all
17 times they complied with the California Labor Code and the Industrial Welfare
18 Commission Wage Orders.
- 19 G. The Class Representatives are represented by Class Counsel. Class Counsel
20 investigated the facts relevant to the Actions, including conducting an independent
21 investigation as to the allegations, reviewing documents and information exchanged
22 through informal discovery, and reviewing documents and information provided by
23 Defendants pursuant to informal requests for information to prepare for mediation.
24 Defendants produced for the purpose of settlement negotiations certain employment
25 data concerning the Class, which Class Counsel reviewed and analyzed with the
26 assistance of an expert. Based on their own independent investigation and evaluation,
27 Class Counsel are of the opinion that the Settlement with Defendants is fair,
28 reasonable, and adequate, and is in the best interest of the Class considering all known

1 facts and circumstances, including the risks of significant delay, defenses asserted by
2 Defendants, uncertainties regarding class certification, and numerous potential
3 appellate issues. Although it denies any liability, Defendants agree to this Settlement
4 solely to avoid the inconveniences and cost of further litigation. The Parties and their
5 counsel have agreed to settle the claims on the terms set forth in this Agreement.

6 H. On January 22, 2026, the Parties participated in mediation presided over by Lynn
7 Frank, Esq., an experienced mediator of wage and hour class and PAGA actions. The
8 mediation concluded without a settlement, but Mediator Frank made a mediator's
9 proposal, which was accepted by both Parties. Mediator Frank's settlement proposal
10 was memorialized in the form of a Memorandum of Understanding ("MOU").

11 I. This Agreement replaces and supersedes the Memorandum of Understanding and any
12 other agreements, understandings, or representations between the Parties. This
13 Agreement represents a compromise and settlement of highly disputed claims.
14 Nothing in this Agreement is intended or will be construed as an admission by
15 Defendants that the claims in the Actions of Plaintiffs or the Class Members have
16 merit or that Defendants bear any liability to Plaintiffs or the Class on those claims or
17 any other claims, or as admissions by Plaintiffs that Defendants' defenses in the
18 Actions have merit.

19 J. The Parties believe that the Settlement is fair, reasonable, and adequate. The
20 Settlement was arrived at through arm's-length negotiations, considering all relevant
21 factors. The Parties recognize the uncertainty, risk, expense, and delay attendant to
22 continuing the Actions through trial and any appeal. Accordingly, the Parties desire
23 to settle, compromise and discharge all disputes and claims arising from or relating
24 to the Actions fully, finally, and forever.

25 K. The Parties agree to certification of the Class for purposes of this Settlement only. If
26 for any reason the settlement does not become effective, Defendants reserve the right
27 to contest certification of any class for any reason and reserve all available defenses
28 to the claims in the Actions. The Settlement, this Agreement, and the Parties'

1 willingness to settle the Actions will have no bearing on and will not be admissible in
2 connection with any litigation.

- 3 L. The Parties stipulated to Plaintiffs' filing a First Amended Complaint in the Class
4 Action that includes Plaintiff Aguero as a named plaintiff and Plaintiffs' claims in the
5 Class Action, PAGA Action, Aguero Class Action, and Aguero PAGA Action. Upon
6 the acceptance of the First Amended Complaint in the Class Action, Plaintiffs
7 dismissed the PAGA Action, Aguero Class Action, and Aguero PAGA Action,
8 without prejudice, to effectively consolidate the four Actions for the purpose of
9 settlement approval. Should the Court deny approval of this Settlement for any
10 reason, Plaintiffs shall be permitted to refile the PAGA Action, Aguero Class Action,
11 and Aguero PAGA Action, and the claims shall relate back to the original filing dates
12 of said Actions. Defendants will be estopped from making any argument that there is
13 any adverse effect on the statute of limitations caused by the dismissal of the PAGA
14 Action, Aguero Class Action, or Aguero PAGA Action without prejudice to
15 effectuate this consolidation.

16 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

17 **III. TERMS OF AGREEMENT**

18 A. Settlement Consideration and Settlement Payments by Defendants.

- 19 1. Settlement Consideration. In full and complete settlement of the Actions, and
20 in exchange for the releases set forth below, Defendants will pay the sum of
21 the Individual Settlement Payments, the Service Award, the Class Counsel
22 Award, PAGA Payment, and the Settlement Administration Costs, as
23 specified in this Agreement, equal to the Gross Settlement Amount of Two
24 Million Two Hundred Thousand Dollars and Zero Cents (\$2,200,000.00),
25 unless increased pursuant to this Agreement. The Parties agree that this is a
26 non-reversionary Settlement and that no portion of the Gross Settlement
27 Amount shall revert to Defendants. Other than the Defendants' share of
28

1 employer payroll taxes and as provided in Section III.A.4 below, Defendants
2 shall not be required to pay more than the Gross Settlement Amount.

3 2. Class Size. At the time of mediation, Defendants estimated that there are
4 approximately 300 Class Members who worked approximately 36,334
5 Workweeks during the Class Period. The Parties acknowledge and agree that
6 this data (and other information provided by Defendants for purposes of
7 mediation) was relied on to extrapolate and reach an arms-length negotiation
8 of Plaintiffs' claims in the Actions through the Class Period. Should the
9 number of Workweeks increase by more than 10% of what was represented at
10 the mediation during the Class Period, the Gross Settlement Amount will be
11 increased on a pro-rata basis for any Workweek added above the 10%
12 increase. For example, if the number is 11% or higher, the Settlement Amount
13 will be increased by 1%. Defendants will provide a declaration under penalty
14 of perjury confirming the number of applicable Class Members and
15 Workweeks they worked during the applicable Class Period one week prior to
16 Plaintiffs' deadline to file their motion for preliminary approval of the
17 settlement.

18 3. Settlement Payment. Defendants shall deposit the Gross Settlement Amount
19 into the QSF, through the Settlement Administrator on or before the Funding
20 Date. Any interest accrued will be added to the NSA and distributed to the
21 Settlement Class Members.

22 4. Defendants' Share of Payroll Taxes. Defendants' share of employer side
23 payroll taxes is in addition to the Gross Settlement Amount and shall be paid
24 together with the Gross Settlement Amount on the Funding Date.

25 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
26 consideration set forth in this Agreement, Plaintiffs and the Settlement Class Members
27 release the Released Parties from the Released Class Claims for the Class Period.
28

- 1 C. Release by the Aggrieved Employees. As of the Funding Date, in exchange for the
2 consideration set forth in this Agreement, the Plaintiffs, the LWDA and the State of
3 California release the Released Parties from the Released PAGA Claims for the PAGA
4 Period. As a result of this release, the Aggrieved Employees shall be precluded from
5 bringing claims against Defendants for the Released PAGA Claims.
- 6 D. Conditions Precedent: This Settlement will become final and effective only upon the
7 Effective Date.
- 8 E. Nullification of Settlement Agreement. If the Court does not preliminarily or finally
9 approve this Settlement Agreement, it fails to become effective, or is reversed,
10 withdrawn, or modified by the Court, or the Court in any way prevents or prohibits
11 Defendants from obtaining a complete resolution of the Released Class Claims and
12 Released PAGA Claims:
- 13 1. This Settlement Agreement shall be void *ab initio* and of no force or effect,
14 and shall not be admissible in any judicial, administrative, or arbitral
15 proceeding for any purpose or with respect to any issue, substantive or
16 procedural;
 - 17 2. The conditional class certification (obtained for any purpose) shall be void *ab*
18 *initio* and of no force or effect, and shall not be admissible in any judicial,
19 administrative, or arbitral proceeding for any purpose or with respect to any
20 issue, substantive or procedural; and
 - 21 3. None of the Parties to this Settlement will be deemed to have waived any
22 claims, objections, defenses, or arguments in the Actions, including with
23 respect to the issue of class certification.
- 24 F. In the event that Defendants fail to fund the Gross Settlement Amount, Defendants
25 shall bear the sole responsibility for any cost to issue or reissue any curative notice to
26 the Settlement Class Members and all Settlement Administration Costs incurred to the
27 date of nullification.
- 28

1 G. Certification of the Class. The Parties stipulate to conditional class certification of the
2 Class for the Class Period for purposes of settlement only. In the event that this
3 Settlement is not approved by the Court, fails to become effective, or is reversed,
4 withdrawn or modified by the Court, or in any way prevents or prohibits Defendants
5 from obtaining a complete resolution of the Released Class Claims and Released
6 PAGA Claims, the conditional class certification (obtained for any purpose) shall be
7 void *ab initio* and of no force or effect, and shall not be admissible in any judicial,
8 administrative or arbitral proceeding for any purpose or with respect to any issue,
9 substantive or procedural.

10 H. Tax Liability. The Parties make no representations as to the tax treatment or legal
11 effect of the payments called for, and Class Members and/or Aggrieved Employees are
12 not relying on any statement or representation by the Parties in this regard. Class
13 Members and/or Aggrieved Employees understand and agree that they will be
14 responsible for the payment of any taxes and penalties assessed on the Individual
15 Settlement Payments and/or Aggrieved Employees' individual shares of the Aggrieved
16 Employee Payment described and will be solely responsible for any penalties or other
17 obligations resulting from their personal tax reporting of Individual Settlement
18 Payments and/or Aggrieved Employees' individual shares of the Aggrieved Employee
19 Payment.

20 I. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section,
21 the "acknowledging party" and each Party to this Agreement other than the
22 acknowledging party, an "other party") acknowledges and agrees that: (1) no provision
23 of this Agreement, and no written communication or disclosure between or among the
24 Parties or their attorneys and other advisers, is or was intended to be, nor shall any
25 such communication or disclosure constitute or be construed or be relied upon as, tax
26 advice within the meaning of United States Treasury Department circular 230 (31 CFR
27 part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his,
28 her or its own, independent legal and tax counsel for advice (including tax advice) in

1 connection with this Agreement, (b) has not entered into this Agreement based upon
2 the recommendation of any other Party or any attorney or advisor to any other Party,
3 and (c) is not entitled to rely upon any communication or disclosure by any attorney
4 or adviser to any other party to avoid any tax penalty that may be imposed on the
5 acknowledging party, and (3) no attorney or adviser to any other Party has imposed
6 any limitation that protects the confidentiality of any such attorney's or adviser's tax
7 strategies (regardless of whether such limitation is legally binding) upon disclosure by
8 the acknowledging party of the tax treatment or tax structure of any transaction,
9 including any transaction contemplated by this Agreement.

10 J. Preliminary Approval Motion. Class Counsel shall draft and file the motion for
11 preliminary approval within a reasonable time of execution of this Agreement, or
12 within the statutory timeframe as determined by the Court's setting of the preliminary
13 approval hearing, which shall include this Settlement Agreement. Plaintiffs will
14 provide Defendants with a draft of the Preliminary Approval Motion at least 3 business
15 days prior to the filing of the Preliminary Approval Motion to give Defendants an
16 opportunity to propose changes or additions to the Preliminary Approval Motion.

17 K. Settlement Administrator. The Settlement Administrator shall be responsible for:
18 establishing and administering the QSF; calculating, processing and mailing payments
19 to the Class Representative, Class Counsel, LWDA and Class Members; printing and
20 mailing the Notice Packets to the Class Members as directed by the Court; receiving
21 and reporting the objections and requests for exclusion; calculating, deducting and
22 remitting all legally required taxes from Individual Settlement Payments and
23 distributing tax forms for the Wage Portion, the Penalties Portion and the Interest
24 Portion of the Individual Settlement Payments and/or Aggrieved Employees'
25 individual shares of the Aggrieved Employee Payment; processing and mailing tax
26 payments to the appropriate state and federal taxing authorities; providing
27 declaration(s) as necessary in support of preliminary and/or final approval of this
28 Settlement; and other tasks as the Parties mutually agree or the Court orders the

1 Settlement Administrator to perform. The Settlement Administrator shall keep the
2 Parties timely apprised of the performance of all Settlement Administrator
3 responsibilities by, among other things, sending a weekly status report to the Parties'
4 counsel stating the date of the mailing, the number of opt outs from the Settlement it
5 receives (including the numbers of valid and deficient), and number of objections
6 received.

7 L. Notice Procedure.

8 1. Class Data. No later than ten (10) days after the Preliminary Approval Date,
9 Defendants shall provide the Settlement Administrator with the Class Data for
10 purposes of preparing and mailing Notice Packets to the Class Members.

11 2. Notice Packets.

12 a) The Notice Packet shall contain the Notice of Class Action Settlement.
13 Request for Exclusion form, and Objection to Settlement form in a
14 form substantially similar to the form attached as **Exhibit A**, including
15 Spanish translation. The Notice of Class Action Settlement shall
16 inform Class Members and Aggrieved Employees that they need not
17 do anything in order to receive an Individual Settlement Payment
18 and/or Aggrieved Employees' individual shares of the Aggrieved
19 Employee Payment and to keep the Settlement Administrator apprised
20 of their current mailing address, to which the Individual Settlement
21 Payments and/or Aggrieved Employees' individual shares of the
22 Aggrieved Employee Payment will be mailed following the Funding
23 Date. The Notice of Class Action Settlement shall set forth the release
24 to be given by all members of the Class who do not request to be
25 excluded from the Settlement Class and/or Aggrieved Employees in
26 exchange for an Individual Settlement Payment and/or Aggrieved
27 Employees' individual shares of the Aggrieved Employee Payment,
28 the number of Workweeks worked by each Class Member during the

1 Class Period, and number of PAGA Periods worked by each
2 Aggrieved Employee during the PAGA Period, if any, and the
3 estimated amount of their Individual Settlement Payment if they do
4 not request to be excluded from the Settlement and each Aggrieved
5 Employees' share of the Aggrieved Employee Payment, if any. The
6 Settlement Administrator shall use the Class Data to determine Class
7 Members' Workweeks and PAGA Pay Periods. The Notice will also
8 advise the Aggrieved Employees that they will release the Released
9 PAGA Claims and will receive their share of the Aggrieved Employee
10 Payment regardless of whether they request to be excluded from the
11 Settlement.

12 b) The Notice Packet's mailing envelope shall include the following
13 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
14 ENTITLED TO PARTICIPATE IN A CLASS ACTION
15 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
16 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
17 NOTICE."

18 3. Notice by First Class U.S. Mail. Upon receipt of the Class Data, the
19 Settlement Administrator will perform a search based on the National Change
20 of Address Database to update and correct any known or identifiable address
21 changes. No later than fourteen (14) calendar days after receiving the Class
22 Data, the Settlement Administrator shall mail copies of the Notice Packet to
23 all Class Members via regular First-Class U.S. Mail and electronic mail. The
24 Settlement Administrator shall exercise its best judgment to determine the
25 current mailing address for each Class Member. The address identified by the
26 Settlement Administrator as the current mailing address shall be presumed to
27 be the best mailing address for each Class Member.
28

1 4. Undeliverable Notices. Any Notice Packets returned to the Settlement
2 Administrator as non-delivered on or before the Response Deadline shall be
3 re-mailed to any forwarding address provided within seven (7) days of
4 receiving the returned notice. If no forwarding address is provided, the
5 Settlement Administrator shall promptly attempt to determine a correct
6 address by lawful use of skip-tracing, or other search using the name, address
7 and/or Social Security number of the Class Member involved, and shall then
8 perform a re-mailing, if another mailing address is identified by the Settlement
9 Administrator. In addition, if any Notice Packets, which are addressed to Class
10 Members who are currently employed by Defendant, are returned to the
11 Settlement Administrator as non-delivered and no forwarding address is
12 provided, the Settlement Administrator shall notify Defendants. Defendants
13 will request that the currently employed Class Member provide a corrected
14 address and transmit to the Settlement Administrator any corrected address
15 provided by the Class Member. Class Members who received a re-mailed
16 Notice Packet shall have their Response Deadline extended fifteen (15) days
17 from the original Response Deadline.

18 5. Disputes Regarding Individual Settlement Payments. Class Members will
19 have the opportunity, should they disagree with Defendants' records regarding
20 the start and end dates of employment, to provide documentation and/or an
21 explanation to show contrary dates. If there is a dispute, the Settlement
22 Administrator will consult with the Parties to determine whether an
23 adjustment is warranted. The Settlement Administrator shall determine the
24 eligibility for, and the amounts of, any Individual Settlement Payments under
25 the terms of this Agreement. The Settlement Administrator's determination
26 of the eligibility for and amount of any Individual Settlement Payment shall
27 be binding upon the Class Member and the Parties.

- 1 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
2 by the Settlement Administrator concerning the administration of the
3 Settlement will be resolved by the Court under the laws of the State of
4 California. Before any such involvement of the Court, counsel for the Parties
5 will confer in good faith to resolve the disputes without the necessity of
6 involving the Court.
- 7 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
8 Packet shall state that Class Members who wish to exclude themselves from
9 the Settlement must submit a written request for exclusion to the Settlement
10 Administrator by the Response Deadline. The written request for exclusion
11 must state that the Class Member wishes to exclude himself or herself from
12 the Settlement and (1) must contain the name, address, and the last four digits
13 of the Social Security number of the person requesting exclusion; (2) must be
14 signed by the Class Member; (3) must be postmarked or fax stamped by the
15 Response Deadline and returned to the Settlement Administrator at the
16 specified address or fax telephone number; and (4) contain a typewritten or
17 handwritten notice stating in substance that he or she wishes to be excluded
18 from the settlement of the class action lawsuit entitled *Blanca Jauregui v. Sage*
19 *Apartments Communities, Inc, et al.*, currently pending in Superior Court of
20 Orange, Case No. Case 30-2022-01259919-CU-OE-CXC. Class Members
21 may fill out and mail to the Settlement Administrator the Request for
22 Exclusion form attached to the Class Notice as their written request for
23 exclusion. The request for exclusion will not be valid if it is not timely
24 submitted, if it is not signed by the Class Member, or if it does not contain the
25 name and address and last four digits of the Social Security number of the
26 Class Member. The date of the postmark on the mailing envelope or fax stamp
27 on the request for exclusion shall be the exclusive means used to determine
28 whether the request for exclusion was timely submitted. Any Class Member

1 who submits a timely request for exclusion shall be excluded from the
2 Settlement Class, will not be entitled to an Individual Settlement Payment and
3 will not be otherwise bound by the terms of the Settlement or have any right
4 to object, appeal or comment thereon. However, any Class Member that
5 submits a timely request for exclusion that is also a member of the Aggrieved
6 Employees will still receive his/her pro rata share of the PAGA Payment, as
7 specified below, and in consideration, will be bound by the Release by the
8 Aggrieved Employees as set forth herein. Settlement Class Members who fail
9 to submit a valid and timely request for exclusion on or before the Response
10 Deadline shall be bound by all terms of the Settlement and any final judgment
11 entered in these Actions if the Settlement is approved by the Court. No later
12 than twenty-one (21) calendar days after the Response Deadline, the
13 Settlement Administrator shall provide counsel for the Parties with a final list
14 of the Class Members who have timely submitted requests for exclusion. At
15 no time shall any of the Parties or their counsel seek to solicit or otherwise
16 encourage members of the Class to submit requests for exclusion from the
17 Settlement.

- 18 8. Objections. The Notice of Class Action Settlement contained in the Notice
19 Packet shall state that Class Members who wish to object to the Settlement
20 may submit to the Settlement Administrator a written statement of objection
21 (“Notice of Objection”) by the Response Deadline. Class Members may fill
22 out and mail to the Settlement Administrator the Objection to Settlement form
23 attached to the Class Notice as their written Notice of Objection. The postmark
24 date of mailing shall be deemed the exclusive means for determining that a
25 Notice of Objection was served timely. The Notice of Objection, if in writing,
26 must be signed by the Settlement Class Member and state: (1) the case name
27 and number; (2) the name of the Settlement Class Member; (3) the address of
28 the Settlement Class Member; (4) the last four digits of the Settlement Class

1 Member's Social Security number; (5) the basis for the objection; and (6) if
2 the Settlement Class Member intends to appear at the Final
3 Approval/Settlement Fairness Hearing. Settlement Class Members who fail
4 to make objections in writing in the manner specified above may still make
5 their objections orally at the Final Approval/Settlement Fairness Hearing with
6 the Court's permission. Settlement Class Members will have a right to appear
7 at the Final Approval/Settlement Fairness Hearing to have their objections
8 heard by the Court regardless of whether they submitted a written objection.
9 At no time shall any of the Parties or their counsel seek to solicit or otherwise
10 encourage Class Members to file or serve written objections to the Settlement
11 or appeal from the Order and Final Judgment as defined under the Effective
12 Date. Class Members who submit a written request for exclusion may not
13 object to the Settlement. Class Members may not object to the PAGA
14 Payment.

15 M. Allocation of the Gross Settlement Amount.

- 16 1. Calculation of Individual Settlement Payments. Individual Settlement
17 Payments shall be paid from the Net Settlement Amount and shall be paid
18 pursuant to the formula set forth herein. Using the Class Data, the Settlement
19 Administrator shall add up the total number of Workweeks for all Class
20 Members. The respective Workweeks for each Class Member will be divided
21 by the total Workweeks for all Class Members, resulting in the Payment Ratio
22 for each Class Member. Each Class Member's Payment Ratio will then be
23 multiplied by the Net Settlement Amount to calculate each Class Member's
24 estimated Individual Settlement Payments. Each Individual Settlement
25 Payment will be reduced by any legally mandated employee tax withholdings
26 (e.g., employee payroll taxes, etc.). Individual Settlement Payments for Class
27 Members who submit valid and timely requests for exclusion will be
28 redistributed to Settlement Class Members who do not submit valid and timely

requests for exclusion on a pro rata basis based on their respective Payment Ratios.

2. Calculation of Individual Payments to the Aggrieved Employees. Using the Class Data, the Settlement Administrator shall add up the total number of PAGA Pay Periods for all Aggrieved Employees during the PAGA Period. The respective PAGA Pay Periods for each Aggrieved Employees will be divided by the total PAGA Pay Periods for all Aggrieved Employees, resulting in the “PAGA Payment Ratio” for each Aggrieved Employee. Each Aggrieved Employee’s PAGA Payment Ratio will then be multiplied by the Aggrieved Employee Payment to calculate each Aggrieved Employee’s estimated share of the Aggrieved Employee Payment.

3. Allocation of Individual Settlement Payments. For tax purposes, Individual Settlement Payments shall be allocated and treated as 20% wages (“Wage Portion”), 40% of the amount distributed to each Class Member will be considered interest on the unpaid wages, and will be reported as such to each Class Member on an IRS Form 1099; and (iii) 40% of the amount distributed to each Class Member will be considered statutory penalties, and will be reported as such to each Participating Class Member on an IRS Form 1099 (collectively “Penalties, Interest, and Reimbursement Portion”). The Wage Portion of the Individual Settlement Payments shall be reported on IRS Form W-2 and the Penalties, Interest, and Reimbursement Portion of the Individual Settlement Payments shall be reported on IRS Form 1099 issued by the Settlement Administrator.

4. Allocation of Aggrieved Employee Payments. For tax purposes, Aggrieved Employee Settlement Payments shall be allocated and treated as 100% penalties and shall be reported on IRS Form 1099.

5. No Credit Toward Benefit Plans. The Individual Settlement Payments and individual shares of the PAGA Payment made to Settlement Class Members

1 and/or Aggrieved Employees under this Settlement Agreement, as well as any
2 other payments made pursuant to this Settlement Agreement, will not be
3 utilized to calculate any additional benefits under any benefit plans to which
4 any Class Members may be eligible, including, but not limited to profit-
5 sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans,
6 sick leave plans, PTO plans, and any other benefit plan. Rather, it is the
7 Parties' intention that this Settlement Agreement will not affect any rights,
8 contributions, or amounts to which any Class Members may be entitled under
9 any benefit plans.

10 6. Tax Treatment of Settlement Funds Received and Paid. All monies received by
11 Settlement Class Members under the Settlement which are attributable to wages
12 shall constitute income to such Settlement Class Members solely in the year in
13 which such monies are received by the Settlement Class Members. It is the intent
14 of the Parties that Individual Settlement Payments and individual shares of the
15 PAGA Payment provided for in this Settlement agreement are the sole payments
16 to be made by Defendants to Settlement Class Members and/or Aggrieved
17 Employees in connection with this Settlement Agreement, with the exception of
18 Plaintiffs, and that the Settlement Class Members and/or Aggrieved Employees
19 are not entitled to any new or additional compensation or benefits as a result of
20 having received the Individual Settlement Payments and/or their shares of the
21 Aggrieved Employee Payment.

22 7. Mailing. Individual Settlement Payments and Aggrieved Employee Payments
23 shall be mailed by regular First-Class U.S. Mail to Settlement Class Members'
24 and/or Aggrieved Employees' last known mailing address no later than fifteen
25 (14) calendar days after the Funding Date.

26 8. Expiration. Any checks issued to Settlement Class Members and Aggrieved
27 Employees shall remain valid and negotiable for one hundred and eighty (180)
28 days from the date of their issuance. If a Settlement Class Member and/or

1 Aggrieved Employee does not cash his or her settlement check within ninety
2 (90) days, the Settlement Administrator will send a letter to such persons,
3 advising that the check will expire after the 180th day, and invite that
4 Settlement Class Member and/or Aggrieved Employee to request reissuance
5 in the event the check was destroyed, lost, or misplaced. In the event an
6 Individual Settlement Payment has not been cashed within one hundred and
7 eighty (180) days, all funds represented by such uncashed checks, plus any
8 interest accrued thereon, shall escheat to the state via Settlement
9 Administrator the California State Controller's Office, Unclaimed Property
10 Fund.

11 a) In the event an Aggrieved Employees' individual share of the PAGA
12 Payment has not been cashed within one hundred and eighty (180) days, all
13 funds represented by such uncashed checks, plus any interest accrued thereon,
14 shall escheat to the state via Settlement Administrator the California State
15 Controller's Office, Unclaimed Property Fund.

- 16 9. Service Award. In addition to their Individual Settlement Payments as
17 Settlement Class Members and their individual shares of the Aggrieved
18 Employee Payment, Plaintiffs will apply to the Court for an award of not more
19 than \$10,000.00 to Plaintiff Jauregui and Plaintiff Aguero, each, for a total of
20 \$20,000.00 to Plaintiffs, whose claims were consolidated into the Operative
21 Complaint, as the Service Award. Defendants will not oppose a Service
22 Award of \$10,000.00 or less for Plaintiff Jauregui and Plaintiff Aguero, each.
23 The Settlement Administrator shall pay the Service Award, either in the
24 amount stated herein if approved by the Court or some other amount as
25 approved by the Court, to Plaintiff Jauregui and Plaintiff Aguero from the
26 Gross Settlement Amount no later than fifteen (15) calendar days after the
27 Funding Date. Any portion of the requested Service Award that is not
28 awarded to the Class Representative shall be part of the Net Settlement

1 Amount and shall be distributed to Settlement Class Members as provided in
2 this Agreement. The Settlement Administrator shall issue an IRS Form 1099
3 — MISC to Plaintiffs for their Service Award. Plaintiff Jauregui and Plaintiff
4 Aguero shall be solely and legally responsible to pay any and all applicable
5 taxes on their respective Service Award and shall hold harmless the Released
6 Parties from any claim or liability for taxes, penalties, or interest arising as a
7 result of the Service Award. Approval of this Settlement shall not be
8 conditioned on Court approval of the requested amount of the Service Award.
9 If the Court reduces or does not approve the requested Service Award,
10 Plaintiff Jauregui and Plaintiff Aguero shall not have the right to revoke the
11 Settlement, and it will remain binding.

- 12 10. Class Counsel Award. Defendants understand, and will not oppose, a motion
13 for Class Counsel Award not to exceed one-third (1/3) of the Gross Settlement
14 Amount currently estimated to be Seven Hundred Thirty Three Thousand,
15 Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$733,333.33)
16 **and** reimbursable litigation expenses supported by declaration up to and not
17 to exceed Fifty Thousand Dollars and Zero Cents (\$50,000.00). Any awarded
18 Class Counsel Award shall be paid from the Gross Settlement Amount. Any
19 portion of the requested Class Counsel Award that is not awarded to Class
20 Counsel shall be part of the Net Settlement Amount and shall be distributed
21 to Settlement Class Members as provided in this Agreement. The Settlement
22 Administrator shall allocate and pay the Class Counsel Award from the Gross
23 Settlement Amount no later than fifteen (15) calendar days after the Funding
24 Date. Class Counsel shall be solely and legally responsible to pay all
25 applicable taxes on the payments made pursuant to this paragraph. The
26 Settlement Administrator shall issue an IRS Form 1099 — MISC to Class
27 Counsel for the payments made pursuant to this paragraph. There will be no
28 additional charge of any kind to either the Settlement Class Members or

request for additional consideration from Defendants unless, Defendants materially breach this Agreement, including any term regarding funding, and further efforts are necessary from Class Counsel to remedy said breach, including, without limitation, moving the Court to enforce this Agreement. If the Court reduces or does not approve the requested Class Counsel Award, Plaintiffs and Class Counsel shall not have the right to revoke the Settlement, or to appeal such order, and the Settlement will remain binding.

11. PAGA Payment. Two Hundred Twenty Thousand Dollars and Zero Cents (\$220,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the Private Attorneys General Act of 2004 (“PAGA Payment”). The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Payment (\$165,000) to the California Labor and Workforce Development Agency no later than fifteen (15) calendar days after the Effective Date (hereinafter “LWDA Payment”). Twenty-five percent (25%) of the PAGA Payment (\$55,000) will be distributed to the Aggrieved Employees as described in this Agreement (hereinafter “Aggrieved Employee Payment”). For purposes of distributing the PAGA Payment to the Aggrieved Employees, each Aggrieved Employee shall receive their pro-rata share of the Aggrieved Employee Payment using the PAGA Payment Ratio as defined above.

12. Settlement Administration Costs. The Settlement Administrator shall be paid for the costs of administration of the Settlement from the Gross Settlement Amount. The estimate of the Settlement Administration Costs is \$7,990.00. The Settlement Administrator shall be paid the Settlement Administration Costs no later than fifteen (15) calendar days after the Funding Date.

N. Final Approval Motion. Class Counsel and Plaintiffs shall use best efforts to file with the Court a Motion for Order Granting Final Approval and Entering Judgment, within twenty-eight (28) days following the expiration of the Response Deadline prior to the

1 final approval hearing, which motion shall request final approval of the Settlement
2 and a determination of the amounts payable for the Service Award, the Class Counsel
3 Award, the PAGA Payment, and the Settlement Administration Costs. Plaintiffs will
4 provide Defendants with a draft of the Final Approval Motion at least three (3)
5 business days prior to the filing of the Final Approval Motion to give Defendants an
6 opportunity to propose changes or additions to the Final Approval Motion.

7 1. Declaration by Settlement Administrator. No later than seven (7) days after
8 the Response Deadline, the Settlement Administrator shall submit a
9 declaration in support of Plaintiffs' motion for final approval of this
10 Settlement detailing the number of Notice Packets mailed and re-mailed to
11 Class Members, the number of undeliverable Notice Packets, the number of
12 timely requests for exclusion, the full names of any Class Members who opt
13 out of the Settlement, the number of objections received, the amount of the
14 average, lowest, and highest Individual Settlement Payments, the amount of
15 the average, lowest, and highest Aggrieved Employee Payments, the
16 Settlement Administration Costs, and any other information as the Parties
17 mutually agree or the Court orders the Settlement Administrator to provide.

18 2. Final Approval Order and Judgment. Class Counsel shall present an Order
19 Granting Final Approval of Class Action Settlement to the Court for its
20 approval, and Judgment thereon, at the time Class Counsel files the Motion
21 for Final Approval.

22 N. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
23 an opportunity for Counsel for Defendants to review the Motions for Preliminary and
24 Final Approval, including the Order Granting Final Approval of Class Action
25 Settlement, and Judgment at least three (3) business days in advance of filing with the
26 Court. The Parties and their counsel will cooperate with each other and use their best
27 efforts to affect the Court's approval of the Motions for Preliminary and Final
28 Approval of the Settlement, and entry of Judgment.

- 1 O. Cooperation. The Parties and their counsel will cooperate with each other and use
2 their best efforts to implement the Settlement.
- 3 P. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Actions,
4 except such proceedings necessary to implement and complete the Settlement, pending
5 the Final Approval/Settlement Fairness Hearing to be conducted by the Court.
- 6 Q. Amendment or Modification. This Agreement may be amended or modified only by
7 a written instrument signed by counsel for all Parties or their successors-in-interest.
- 8 R. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
9 Agreement among these Parties, and no oral or written representations, warranties or
10 inducements have been made to any Party concerning this Agreement or its Exhibit
11 other than the representations, warranties and covenants contained and memorialized
12 in this Agreement and its Exhibit.
- 13 S. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
14 represent they are expressly authorized by the Parties whom they represent to negotiate
15 this Agreement and to take all appropriate action required or permitted to be taken by
16 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
17 documents required to effectuate the terms of this Agreement. The persons signing
18 this Agreement on behalf of Defendants represent and warrant that he/she is authorized
19 to sign this Agreement on behalf of Defendants. Plaintiff represent and warrant that
20 she authorized to sign this Agreement and that she has not assigned any claim, or part
21 of a claim, covered by this Settlement to a third-party. The persons signing this
22 Agreement on behalf of Plaintiffs represent and warrant that he/she is authorized to
23 sign this Agreement on behalf of Plaintiffs.
- 24 T. No Public Comment: The Parties and their counsel agree that they will not issue any
25 press releases, initiate any contact with the press, respond to any press inquiry, or have
26 any communication with the press about the fact, amount, or terms of the Settlement
27 Agreement. Class Counsel further agrees not to use the Settlement Agreement or any
28 of its terms for any marketing or promotional purposes. Nothing herein will restrict

1 Class Counsel from including publicly available information regarding this settlement
2 in future judicial submissions regarding Class Counsel's qualifications and experience.
3 Further, Class Counsel will not include, reference, or use the Settlement Agreement
4 for any marketing or promotional purposes, either before or after the Motion for
5 Preliminary Approval is filed.

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

8 V. California Law Governs. All terms of this Agreement and the Exhibit and any disputes
9 shall be governed by and interpreted according to the laws of the State of California.

10 W. Counterparts. This Agreement may be executed in one or more counterparts. All
11 executed counterparts and each of them shall be deemed to be one and the same
12 instrument provided that counsel for the Parties to this Agreement shall exchange
13 among themselves copies or originals of the signed counterparts.

14 X. This Settlement Is Fair, Adequate, and Reasonable. The Parties believe this Settlement
15 is a fair, adequate, and reasonable settlement of these Actions and have arrived at this
16 Settlement after extensive arms-length negotiations, taking into account all relevant
17 factors, present and potential.

18 Y. Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction with
19 respect to the interpretation, implementation, and enforcement of the terms of this
20 Agreement and all orders and judgments entered in connection therewith, and the
21 Parties and their counsel submit to the jurisdiction of the Court for purposes of
22 interpreting, implementing and enforcing the settlement and all orders and judgments
23 entered in connection with this Agreement.

24 Z. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid,
25 the Court shall first attempt to construe the provisions valid to the fullest extent
26 possible consistent with applicable precedents so as to define all provisions of this
27 Agreement valid and enforceable.
28

1 AA. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
2 certification for purposes of this settlement only.

3 BB. No Admissions by the Parties. Plaintiff ha claimed and continues to claim that the
4 Released Class Claims and Released PAGA Claims have merit and give rise to liability
5 on the part of Defendants. Defendants claim that the Released Class Claims and
6 Released PAGA Claims have no merit and do not give rise to liability. This Agreement
7 is a compromise of disputed claims. Nothing contained in this Agreement, no
8 documents referred to, and no action taken to carry out this Agreement may be
9 construed or used as an admission by or against the Defendants or Plaintiff or Class
10 Counsel as to the merits or lack thereof of the claims asserted. Other than as may be
11 specifically set forth herein, each Party shall be responsible for and shall bear its/her
12 own attorney's fees and costs.

13 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFFS:

14 DATED: 08/18/2026

Blanca Jauregui

16 BLANCA JAUREGUI

17
18 DATED: 08/05/2026

Carlos Aguero

20 CARLOS AGUERO

21 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

22
23 DATED: _____

24 SAGE APARTMENT COMMUNITIES INC.

25 _____
26 Printed Name

27 _____
28 Title

1 AA. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
2 certification for purposes of this settlement only.

3 BB. No Admissions by the Parties. Plaintiff ha claimed and continues to claim that the
4 Released Class Claims and Released PAGA Claims have merit and give rise to liability
5 on the part of Defendants. Defendants claim that the Released Class Claims and
6 Released PAGA Claims have no merit and do not give rise to liability. This Agreement
7 is a compromise of disputed claims. Nothing contained in this Agreement, no
8 documents referred to, and no action taken to carry out this Agreement may be
9 construed or used as an admission by or against the Defendants or Plaintiff or Class
10 Counsel as to the merits or lack thereof of the claims asserted. Other than as may be
11 specifically set forth herein, each Party shall be responsible for and shall bear its/her
12 own attorney's fees and costs.

13 IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFFS:

14 DATED: _____

15
16 BLANCA JAUREGUI

17
18 DATED: _____

19
20 CARLOS AGUERO

21 IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

22
23 DATED: 8/29/20

24 
SAGE APARTMENT COMMUNITIES INC.

25 JUAN RODRIGUEZ

26 Printed Name

27 PRESIDENT

28 Title

1
2 DATED:

5/20/26


INVESTMENT PROPERTY GROUP UT, INC.

4
5 Printed Name

JULIE RODRIGUEZ

6
7 Title

PRESIDENT

8
9 IT IS SO AGREED AS TO FORM BY COUNSEL;

10
11 DATED:

BIBIYAN LAW GROUP, P.C.

12 By:

13 Attorneys for Plaintiffs and the Settlement Class
14 Members

15
16
17 DATED: August 25, 2026

CRUSER, MITCHELL, NOVITZ, SANCHEZ,
18 GASTON & ZIMET, LLP

19 By:

20 Stacie Turner

21 Jasmina Aragon

22 Ian McClain-Sewer, Esq.
23 Attorneys for Defendants

1
2 DATED: _____

3 INVESTMENT PROPERTY GROUP UT, INC.

4
5 Printed Name

6
7 Title

8
9 IT IS SO AGREED AS TO FORM BY COUNSEL:

10
11 DATED: 08/19/2026

BIBIYAN LAW GROUP, P.C.

12 By: David D. Bibiyan

13 Attorneys for Plaintiffs and the Settlement Class
14 Members

15
16
17 DATED: _____

CRUSER, MITCHELL, NOVITZ, SANCHEZ,
18 GASTON & ZIMET, LLP

19 By: _____

20 Stacie Turner

21 Jasmina Aragon

22 Ian McClain-Sewer, Esq.
23 Attorneys for Defendants

EXHIBIT A

**NOTICE OF PENDENCY OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT
AND FINAL HEARING DATE**

(Blanca Jauregui v. Sage Apartment Communities, Inc, et al., Orange County Superior Court, Case 30-2022-01259919-CU-OE-CXC)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Individual Settlement Payment is: \$<< [REDACTED] >>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendants as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement . Instructions are set forth below.
Object	You may write to the Court about why you believe the settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of Orange (the “Court”) has been reached between Plaintiffs Blanca Jauregui (“Plaintiff Jauregui”) and Carlos Aguero (“Plaintiff Aguero”) and Defendants Sage Apartment Communities, Inc. and Investment Property Group, UT, Inc. (“Defendants”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

All persons who are or previously were employed by Defendants in California and classified as non-exempt employees - at any time between May 16, 2018 and [] (“Class Period”).

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On May 16, 2022, Plaintiff filed a Class Action Complaint against Defendants in the Superior Court of the State of California, County of Orange, Case 30-2022-01259919-CU-OE-CXC (the “Class Action”). Plaintiff asserted claims against Defendants for:

1. FAILURE TO PAY OVERTIME WAGES;
2. FAILURE TO PAY MINIMUM WAGES;

3. FAILURE TO PROVIDE MEAL PERIODS;
4. FAILURE TO PROVIDE REST PERIODS;
5. WAITING TIME PENALTIES;
6. WAGE STATEMENT VIOLATIONS;
7. FAILURE TO TIMELY PAY WAGES;
8. FAILURE TO INDEMNIFY; and
9. UNFAIR COMPETITION

On May 12, 2023, Plaintiff Aguero filed a Class Action complaint in the Superior Court of the State of California, County of Orange, Case No. 30-2023-01325117-CU-OE-CXC (“Aguero Class Action”), alleging claims for:

1. FAILURE TO PAY OVERTIME WAGES;
2. FAILURE TO PAY MINIMUM WAGES;
3. FAILURE TO PROVIDE MEAL PERIODS;
4. FAILURE TO PROVIDE REST PERIODS;
5. WAITING TIME PENALTIES;
6. WAGE STATEMENT VIOLATIONS;
7. FAILURE TO TIMELY PAY WAGES;
8. FAILURE TO INDEMNIFY;
9. MISCLASSIFICATION; and
10. UNFAIR COMPETITION.

On _____, Plaintiffs filed a First Amended Complaint in the Class Action adding Plaintiff Aguero’s claims in the Aguero Class Action to the Class Action for the purpose of settlement approval.

Defendants expressly deny any liability or wrongdoing of any kind associated with the claims alleged in the Class Action, dispute any wages, damages and penalties claimed by the Class Representative are owed, and further contend that, for any purpose other than settlement, the Class Action is not appropriate for class or representative action treatment. Defendants contend, among other things, that at all times it complied with the California Labor Code and the Industrial Welfare Commission Wage Orders.

On January 22, 2026, the Parties participated in a mediation presided over by Lynn Frank, Esq., an experienced mediator of wage and hour class and PAGA actions. The mediation concluded without a settlement, but Mediator Frank made a mediator’s proposal that was accepted by the Parties. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firm of BIBIYAN LAW GROUP, P.C. to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendants have agreed to pay an “all in” amount of Two Million Two Hundred Thousand Dollars and Zero Cents (\$2,200,000.00) (the “Gross Settlement Amount”) to fund the settlement. The Gross Settlement Amount includes the payment of all Individual Settlement Payments, Settlement Administration Costs, Class Counsel Award, Service Award, and the PAGA Payment.

After the Judgment becomes Final, Defendants will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed, and the Judgment is affirmed.

Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

- Settlement Administration Costs. Payment to the Settlement Administrator, estimated not to exceed [] for expenses, including expenses of sending this Notice, processing opt outs, and distributing settlement payments.
- Class Counsel Award. Payment to Class Counsel of an award of attorneys' fees of no more than 1/3 of the Gross Settlement Amount (currently \$733,333.33) and actually incurred litigation expenses of not more than \$50,000 for all expenses incurred as documented in Class Counsel's billing records, both subject to Court approval. Class Counsel have been prosecuting the Class Action and the Aguero Class Action on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.
- Service Award. A Service Award of up to Ten Thousand Dollars and Zero Cents (\$10,000.00) to Plaintiff Jauregui and Plaintiff Aguero, each, for a total of Twenty Thousand Dollars and Zero Cents (\$20,00.00) to Plaintiffs, or such lesser amount as may be approved by the Court, to compensate them for their services on behalf of the Class in initiating and prosecuting the Class Action and the Aguero Class Action.
- PAGA Payment. A payment of \$220,000 relating to Plaintiffs' claim under the Private Attorneys General Act ("PAGA"), \$55,000 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA") and the remaining \$165,000 will be distributed to Aggrieved Employees as part of the PAGA Payment.
- Calculation of Payments to Settlement Class Members. After all the above payments of the court-approved Class Counsel Award, the Service Award, the PAGA Payment, and the Settlement Administration Costs are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Settlement Class Members"). The Individual Settlement Payment for each Settlement Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Settlement Class Members that occurred during the Class Period and multiplying the result by each individual Settlement Class Member's workweeks that occurred during the Class Period. A "workweek" is defined as a normal seven-day week of work during the Class Period in which, according to Defendant's records, a member of the class worked at least one-day during any such workweek.
- Calculation of Aggrieved Employees Payments to Aggrieved Employees. The PAGA Payment shall be distributed to Aggrieved Employees irrespective of whether they exclude themselves or opt-out. The PAGA Payment will be divided by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective Aggrieved Employee during the PAGA Period. "Aggrieved Employee" means all persons who are or previously were employed by Defendants in California and classified as non-exempt employees at any time during the period between May 16, 2021 and [] ("PAGA Period")

If the Settlement is approved by the Court, you will automatically be mailed a check for your Individual Settlement Payment to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to ensure you receive your payment.

Tax Matters. Twenty percent (20%) of each Individual Settlement Payment is allocated to wages. Taxes are withheld from this amount, and each Settlement Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Forty percent (40%) of the amount distributed to each Class Member will be considered interest on the unpaid wages, and will be reported as such to each Class Member on an IRS Form 1099 and 40% of the amount distributed to each Class Member will be considered statutory penalties, and will be reported as such to each Participating Class Member on an IRS Form 1099 (collectively, "Penalties, Interest, and

Reimbursement Portion”). Each Settlement Class Member will be issued an Internal Revenue Service Form 1099 for the Penalties, Interest, and Reimbursement Portion of the Individual Settlement Payments. In addition, no taxes will be withheld from the PAGA Payment paid to Aggrieved Employees, and each Aggrieved Employee will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendant’s counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

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

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendant, Plaintiff and the Settlement Class Members shall release all Released Class Claims that occurred during the Class Period as to the Released Parties. Released Class Claims means all class claims alleged, or reasonably could have been alleged based on the facts alleged, in the Operative Complaint which occurred during the Class Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and class claims outside of the Class Period.

As of the Effective Date and upon funding of the Gross Settlement Amount by Defendant, all Aggrieved Employees shall release all Released PAGA Claims, irrespective of whether they opted-out of the class settlement and will be bound by this PAGA Release (the “PAGA Release”). “Released PAGA Claims” means all PAGA claims based on the facts alleged in the Operative Complaint which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, and PAGA claims outside of the PAGA Period.

This means that, if you do not timely and formally exclude yourself from the settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues resolved by this Settlement. It also means that all of the Court’s orders in this Class Action will apply to you and legally bind you.

5. How much will my payment be?

Defendant’s records reflect that you have <<____>> Workweeks worked during the Class Period (May 16, 2018 through []).

Based on this information, your estimated Individual Settlement Payment is <<____>>.

Defendant’s records reflect that you have <<____>> pay periods worked during the PAGA Period (May 16, 2021, through []).

Based on this information, your estimated Aggrieved Employee Payment is <<____>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____ [forty-five (45) days after the Notice or fifteen (15) days after the re-mailed Notice].

6. How can I get a payment?

To get money from the settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: [].

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at <https://apexclassaction.com/>

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the PAGA Payment.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is 18 Technology Drive, Suite 164, Irvine, CA 92618; Tel: (800) 355-0700. The request for exclusion must state in substance that the Class Member has read the Class Notice and that he or she wishes to be excluded from the settlement of the class action lawsuit entitled *Blanca Jauregui v. Sage Apartment Communities, Inc, et al., Orange County Superior Court, Case 30-2022-01259919-CU-OE-CXC* or *Carlos Aguero v. Sage Apartment Communities et al., case no. 30-2024-01420186-CU-OE-CXC*. The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which is ***Blanca Jauregui v. Sage Apartment Communities, Inc, et al., Orange County Superior Court, Case 30-2022-01259919-CU-OE-CXC*** or ***Carlos Aguero v. Sage Apartment Communities et al., case no. 30-2024-01420186-CU-OE-CXC***. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than [REDACTED]. The address for the Settlement Administrator is 18 Technology Drive, Suite 164, Irvine, CA 92618; Tel: (800) 355-0700.

The addresses for the Parties' counsel are as follows:

Class Counsel:

BIBIYAN LAW GROUP, P.C.
Vedang J. Patel (SBN 328647)
vedang@tomorrowlaw.com
Brandon M. Chang (SBN 316197)
brandon@tomorrowlaw.com
1460 Westwood Boulevard, Suite 100
Los Angeles, California 90024
Telephone: (310) 438-5555;
Facsimile: (310) 300-1705

Counsel for Defendants:

Stacie Turner, Esq.
Jasmina Aragon, Esq.
Ian McClain-Sewer, Esq.
Cruser, Mitchell, Novitz, Sanchez,
Gaston & Zimet LLP
800 Wilshire Boulevard, 15th Floor
Los Angeles, CA 90017
T: 213-689-8500
sturner@cmlawfirm.com
jaragon@cmlawfirm.com
imcclainsewer@cmlawfirm.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at 00:00 AM/PM on [REDACTED], at the Orange County Superior Court, Department CX101, located at 751 W. Santa Ana Blvd, Santa Ana, CA 92701 before Judge William Claster. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at 1-800-355-0700 or write to *Blanca Jauregui v. Sage Apartment*

Communities, Inc, et al., Orange County Superior Court, Case 30-2022-01259919-CU-OE-CXC or Carlos Aguero v. Sage Apartment Communities et al., case no. 30-2024-01420186-CU-OE-CXC, Settlement Administrator, 18 Technology Drive, Suite 164, Irvine, CA 92618 c/o _____.

This notice summarizes the proposed settlement. More details are in the Settlement Agreement. You may receive a copy of the Settlement Agreement, the Final Judgment or other Settlement documents by writing to [] or by visiting the administrator's website at []

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks to the Community Law Project, a non-profit organization, in accordance with CCP 386. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.