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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

JASON GOROSPE, as an aggrieved employee pursuant to the Private Attorneys General Act (“PAGA”), on behalf of the State of California and other non-party Aggrieved Employees,

Plaintiff,
v.

SAGE CLIENT 417B LLC, a Colorado limited liability company; SAGE CLIENT 417 LLC, a Colorado limited liability company; SAGE CLIENT 219, LLC, a Colorado limited liability company; SAGE CLIENT 221, LLC, a Colorado limited liability company; SAGE CLIENT 244, LLC, a Colorado limited liability company; SAGE CLIENT 349, LLC, a Colorado limited liability company; SAGE CLIENT 349B LLC, Colorado limited liability company; SAGE CLIENT 439, LLC, a Colorado limited liability company; SAGE CLIENT 563, LLC, a Colorado limited liability company; SAGE CLIENT 571, LLC, a Colorado limited liability company; SAGE CLIENT 572 LLC, a Colorado limited liability company; SAGE CLIENT 573, LLC, a Colorado limited liability company; SAGE CLIENT 577, LLC, a Colorado limited liability company; SAGE CLIENT 577 CONCESSIONS, LLC, a Colorado limited liability company; SAGE HOSPITALITY RESOURCES LLC, a Delaware limited liability company; SAGE INVESTMENT HOLDINGS, LLC, a Colorado limited liability company; SAGE INVESTMENT HOLDINGS III, L.L.C., a Delaware limited liability company; and DOES 1 through 10, inclusive,

Defendants.

Case No. 37-2023-00053524-CU-OE-CTL
PAGA SETTLEMENT AGREEMENT

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Sage Investment Holdings, LLC; and Sage Investment Holdings III, L.L.C.

10. “Settled Claims” means all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated by Released Parties in the Action during the Settlement Period.

11. “Settlement Period” means October 6, 2022 through October 13, 2025, or the date of entry of the Order and Judgment, whichever is earlier.

TERMS

12. Gross Settlement Amount. In consideration for Plaintiff’s promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendants will jointly and severally pay Two Hundred Thirty Thousand Dollars (\$230,000) (“Gross Settlement Amount”) to settle the Action. The Gross Settlement Amount includes Plaintiff’s attorneys’ fees, litigation costs and expenses, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendants.

13. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the Action with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees according to the following formula:

13(a) Defendants will calculate: (i) the total number of Pay Periods worked by each Aggrieved Employee during the Settlement Period, and (ii) the total number of Pay Periods worked by all Aggrieved Employees during the Settlement Period.

13(b) To determine each Aggrieved Employee’s payment from the PAGA Penalties Fund, Defendants will use the following formula: Settlement Payment = 25% of PAGA Penalties Fund × [Pay Periods Worked by Individual Aggrieved Employee During the Settlement Period ÷ Total Pay

Periods Worked by All Aggrieved Employees during the Settlement Period].

13(c) Defendants represent that as of August 12, 2025, Aggrieved Employees worked an aggregate total of approximately Seven Thousand Six Hundred (7,600) Pay Periods during the Settlement Period. If the actual aggregate total of Pay Periods worked during the Settlement Period is greater than Ten Percent (10%) of this estimate, then Defendants has the option to either: (a) increase the Gross Settlement Amount proportionately for each Pay Period above the Ten Percent (10%) allowance (e.g., if the total number of Pay Periods increases by 11%, the Gross Settlement Amount will increase by 1%); or (b) elect to the end date of the Settlement Period on an earlier date on which the total number of Pay Periods worked by Aggrieved Employees in aggregate during the Settlement Period reached Eight Thousand Three Hundred Sixty (8,360).

14. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application or motion by Plaintiff's Counsel for Attorneys' Fees and Costs of not more than Seventy-Six Thousand Six Hundred Sixty-Seven Dollars (\$76,667), plus the reimbursement of all out-of-pocket costs and expenses associated with Plaintiff's Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed Fifteen Thousand Dollars (\$15,000), both of which will be paid from the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund.

15. Settlement Administration Costs. The Parties will retain ILYM Group, Inc. as the third-party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's Counsel. The Settlement Administration Costs will be paid from the Gross Settlement Amount. Based on the estimate that there are approximately Two Hundred (200) Aggrieved Employees, Settlement Administration Costs are estimated at Four Thousand Dollars (\$4,000).

1 16. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties
2 will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the
3 Court issue an order and judgment approving and incorporating by reference the terms and conditions of
4 the Settlement Agreement (the “Order and Judgment”).

5 17. List of Aggrieved Employees. Within thirty (30) calendar days after entry of the Order
6 and Judgment, Defendants will provide the Settlement Administrator a complete list of all Aggrieved
7 Employees (“Aggrieved Employee List”). To protect Aggrieved Employee’ privacy rights, the
8 Settlement Administrator must maintain the Aggrieved Employee List in confidence, use the Aggrieved
9 Employee List only for purposes of this Settlement Agreement and for no other purpose, and restrict
10 access to the Aggrieved Employee List to Settlement Administrator employees who need access to the
11 Aggrieved Employee List to effect and perform under this Settlement Agreement. The Aggrieved
12 Employee List will be formatted in Microsoft Office Excel and will include each Aggrieved Employees
13 full name; most recent mailing address and telephone number; Social Security number; the respective
14 number of Pay Periods during which each Aggrieved Employee worked during the Settlement Period;
15 and any other relevant information needed to calculate settlement payments. The Aggrieved Employee
16 List is not to be shared by the Settlement Administrator with Plaintiff’s Counsel.

17 18. Funding of the Settlement. Within thirty (30) calendar days after entry of the Order and
18 Judgment, Defendants will jointly and severally deposit the Gross Settlement Amount into the QSF to be
19 established by the Settlement Administrator (“Funding Date”). Within fourteen (14) calendar days of the
20 funding of the Settlement, the Settlement Administrator will issue payments to: (a) Aggrieved
21 Employees; (b) the Labor and Workforce Development Agency; (c) Plaintiff’s Counsel; and (d) itself.
22 The Settlement Administrator, and not Defendants, will issue the appropriate tax forms for all payments
23 issued under this Settlement. The settlement payment for each individual Aggrieved Employee Payment
24 shall be allocated 100% as non-wage civil penalties. The Settlement Administrator will be responsible
25 for issuing to the Aggrieved Employees an IRS Form 1099 for their settlement payment. Accordingly,
26 none of the Gross Settlement Amount is taxable to Defendants.

27 19. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue
28 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an

1 explanatory letter, attached as Exhibit A. Prior to mailing, the Settlement Administrator will perform a
2 search based on the National Change of Address Database for information to update and correct for any
3 known or identifiable address changes. Any checks returned as non-deliverable on or before the check
4 cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address
5 affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt
6 to determine the correct address using a skip-trace, or other search using the name, address or Social
7 Security number of the Aggrieved Employee involved, and will then perform a single re-mailing.
8 Checks will remain negotiable for 180 days. Those funds represented by un-cashed checks which remain
9 outstanding 180 days after the mailing of the Settlement checks by the Settlement Administrator will be
10 tendered to The Justice Gap Fund maintained by The State Bar of California. All settlement payments to
11 Aggrieved Employees will be treated as miscellaneous income for which a 1099 will be issued.

12 20. Release of Settled Claims. Upon the Funding Date, Plaintiff, the LWDA, the State of
13 California, and all Aggrieved Employees on behalf of themselves and their respective former and present
14 representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Settled
15 Claims and will be forever barred from pursuing against Defendants and the Released Parties any and all
16 Settled Claims during the Settlement Period. Aggrieved Employees, other than Plaintiff, will not be
17 deemed to have released any individual wage and hour claims by virtue of this Settlement. As a result of
18 this release, the LWDA, the State of California, Plaintiff, and the Aggrieved Employees shall be
19 precluded from bringing claims against the Released Parties for the Settled Claims. The express purpose
20 of this conditional Settlement Agreement is to forever bar Plaintiff, the LWDA, the State of California,
21 and any Aggrieved Employee from acting on behalf of or purporting to act on behalf of the LWDA to
22 assert any of the Aggrieved Employees' Settled Claims against the Released Parties in any future
23 litigation.

24 21. Plaintiff's Waiver of Rights Under California Civil Code Section 1542: For purposes of
25 Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any,
26 of section 1542 of the California Civil Code, which reads:

27 **A general release does not extend to claims that the creditor or releasing party does not**
28 **know or suspect to exist in his or her favor at the time of executing the release, and that if**

1 **known by him or her would have materially affected his or her settlement with the debtor**
2 **or Released Party.**

3 22. Return of Aggrieved Employee Data Shared Prior to Mediation: Information provided
4 to Plaintiff's Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA
5 Data provided to PAGA Counsel by Defendants in connection with the mediation including but not
6 limited to any de-identified aggrieved employee list and de-identified pay statement data and timecard,
7 or in connection with the Settlement, may be used only with respect to this Settlement, and no other
8 purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule
9 of court.

10 23. No Right to Exclusion or Objections by Representative Action Members. Because this
11 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a
12 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no
13 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved
14 Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court,
15 regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties
16 also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

17 24. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced
18 herein will not be utilized to calculate any additional benefits under any benefit plans to which any
19 Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans,
20 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit
21 plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights,
22 contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.
23 The payments to Aggrieved Employees shall not obligate Defendants to confer any additional benefits or
24 make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses)
25 beyond those specified in this Settlement Agreement.

26 25. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
27 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
28 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of

1 action or right herein released and discharged.

2 26. Nullification of Settlement Agreement. In the event that: (a) the Court does not approve
3 the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then
4 this Settlement Agreement, and any documents generated to bring it into effect, will be null and void,
5 and the Parties will be returned to their original respective positions.

6 27. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court
7 will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement
8 of the terms of the Settlement, (b) settlement administration matters, and (c) such post-Judgment matters
9 as may be appropriate under court rules or as set forth in this Settlement.

10 28. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
11 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
12 on the Parties. This Agreement does not supersede the separate, individual Confidential Settlement
13 Agreement and Release of Claims.

14 29. Amendment or Modification. This Settlement Agreement may be amended or modified
15 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all
16 Parties, and approved by the Court.

17 30. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
18 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
19 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
20 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
21 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
22 other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to
23 reach agreement on the form or content of any document needed to implement the Settlement, or on any
24 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
25 may seek the assistance of the Court to resolve such disagreement.

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

28 32. California Law Governs. All terms of this Settlement Agreement will be governed by

1 and interpreted according to the laws of the State of California.

2 33. Execution and Counterparts. This Settlement Agreement is subject only to the execution
3 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
4 executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimiles, and
5 scanned copies of the signature pages, will be deemed to be one and the same instrument.

6 34. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
7 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
8 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that
9 they are each represented by competent counsel and that they have had an opportunity to consult with
10 their counsel regarding the fairness and reasonableness of this Settlement.

11 35. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
12 Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from
13 the Court, and either party may appeal any court order that materially alters the Settlement's terms.

14 36. Tax Advice. Neither Plaintiff, Plaintiff's Counsel, Defendants, nor Defendants' Counsel
15 are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
16 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
17 amended) or otherwise

18 37. Invalidity of Any Provision. Before declaring any provision of this Settlement
19 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
20 possible consistent with applicable precedents so as to render all provisions of this Settlement Agreement
21 valid and enforceable.

22 38. Captions. The captions and section numbers in this Settlement Agreement are inserted
23 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
24 provisions of this Settlement Agreement.

25 39. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement
26 or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or
27 constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

28 40. Enforcement Action. In the event that one or more of the Parties institutes any legal

1 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
2 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
3 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
4 expert witness fees incurred in connection with any enforcement actions.

5 41. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
6 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
7 more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for
8 one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties,
9 all Parties have contributed to the preparation of this Settlement Agreement.

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

14 43. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
15 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this
16 Settlement Agreement. In the event the Parties are unable to agree upon the form or content of any
17 document necessary to implement the Settlement Agreement, or on any modification of the Settlement
18 Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance
19 of a mediator and/or the Court for resolution.

20 44. Binding Agreement. The Parties warrant that they understand and have full authority to
21 enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and
22 binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to
23 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
24 under federal or state law.

25 45. Denial of Liability. The Parties expressly recognize that the making of this agreement
26 does not in any way constitute an admission or concession of wrongdoing on the part of Defendants or
27 Released Parties. Nothing in this Settlement, nor any action taken in implementation thereof, nor any
28 statements, discussions or communications, nor any materials prepared, exchanged, issued or used

1 during the pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute,
2 be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative,
3 investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law,
4 statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.
5 Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its
6 purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments
7 of the Court entered into in connection therewith.

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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 10/2/2025

DocuSigned by:
JASON GOROSPE
035FDBA9CDA448...

Jason Gorospe

DEFENDANT

Dated: _____

[Name of Authorized Signatory]
Sage Client 417B LLC

DEFENDANT

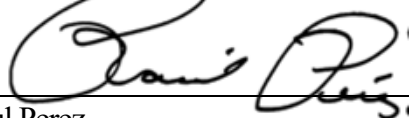
Dated: _____

[Name of Authorized Signatory]
Sage Client 417 LLC

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: 10/2/2025



Raul Perez
Attorneys for Plaintiff Jason Gorospe

FISHER & PHILLIPS LLP

Dated: _____

Brandon Kahoush
Attorneys for Defendants Sage Client 417B LLC; and
Sage Client 417 LLC

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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: _____
Jason Gorospe

DEFENDANT

Dated: Oct 31, 2025
Thelma Rockhold

[Name of Authorized Signatory]
Sage Client 417B LLC

DEFENDANT

Dated: _____

[Name of Authorized Signatory]
Sage Client 417 LLC

APPROVED AS TO FORM
CAPSTONE LAW APC

Dated: _____

Raul Perez
Attorneys for Plaintiff Jason Gorospe

FISHER & PHILLIPS LLP

Dated: October 31, 2025
Brandon K. Kahoush

Brandon Kahoush
Attorneys for Defendants Sage Client 417B LLC; and
Sage Client 417 LLC

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READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: _____
Jason Gorospe

DEFENDANT

Dated: Nov 6, 2025
Thelma Rockhold

[Name of Authorized Signatory]
Sage Client 417B LLC

DEFENDANT

Dated: Nov 6, 2025
Thelma Rockhold

[Name of Authorized Signatory]
Sage Client 417 LLC

APPROVED AS TO FORM
CAPSTONE LAW APC

Dated: _____
Raul Perez
Attorneys for Plaintiff Jason Gorospe

FISHER & PHILLIPS LLP

Dated: November 6, 2025
Brandon K. Kahoush

Brandon Kahoush
Attorneys for Defendants Sage Client 417B LLC; and
Sage Client 417 LLC

Exhibit A

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

**Re: Payment from *Gorospe vs Sage Client 417B LLC, et al.*
No. 37-2023-00053524-CU-OE-CTL (San Diego County Superior Court)**

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Gorospe vs Sage Client 417B LLC*, No. 37-2023-00053524-CU-OE-CTL (San Diego County Superior Court) (the “Action”).

The Action was filed against Defendants Sage Client 417B LLC and Sage Client 417 LLC (“Defendants”) pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called “PAGA”). The Action was brought by Plaintiff Jason Gorospe (“Plaintiff”) on behalf of the State of California and all allegedly “aggrieved employees” of Defendants. You have been identified as one of the employees on whose behalf the case was brought.

The Plaintiff in the Action claimed that Defendants owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders. Defendants deny that they violated the Labor Code or California Wage Orders. Moreover, in agreeing to this settlement, Defendants do not admit that they are liable in any way for any penalties.

The Court has not ruled on the merits of the Action but it has approved the settlement of PAGA civil penalties, of which 75% will be paid to the California Labor and Workforce Development Agency, and the remaining 25% will be paid to aggrieved employees. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

Aggrieved employees, other than Plaintiff, will not be deemed to have released any individual wage and hour claims based on alleged violations of the Labor Code or of a California Wage Order, for which they have a private right of action, by virtue of the Settlement.

You are not a party to this lawsuit, but you and the government will be bound by the settlement in this matter as to civil penalties. If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very Truly Yours,

[Administrator]