Private Attorneys General Act Settlement Agreement

IT IS HEREBY AGREED by and among the undersigned Parties, subject to the approval of the Court, that the Action and Released Claims shall be settled and resolved pursuant to the following terms and conditions set forth in this Private Attorneys General Act Settlement Agreement ("Agreement"), entered by and between: Plaintiff Nicolas Alvarez Rodriguez ("Plaintiff") and Sun Hill Properties, Inc., Sun Hill Real Estate, LLC, and Hillcrest Real Estate, LLC, ("Defendants"). The Agreement refers to Plaintiff and Defendants collectively as "Parties" and individually as "Party."

This Agreement shall be effective upon the date the Court has entered an order approving of a joint stipulation of settlement or motion seeking approval of the Settlement (the "Effective Date").

I. DEFINITIONS

Unless otherwise defined herein, the following terms, when used in this Agreement, shall have the following meanings:

1. "Action" means the lawsuit alleging wage and hour violations against Defendants captioned *Nicolas Alvarez Rodriguez, et al. v. Sun Hill Properties, Inc., et al.*, Los Angeles Superior Court Case No.23STCV31611, originally filed on December 27, 2023, and pending in Superior Court of the State of California, County of Los Angeles, as well as all claims and allegations made in Plaintiff's LWDA Letter dated January 15, 2024.

2. "Administrator" means Phoenix Settlement Administrators, a neutral third-party administrator that the Parties have agreed to appoint to administer the settlement, subject to approval by the Court, in accordance with the terms of this Agreement.

3. "Administration Costs" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

4. "Aggrieved Employee" means all current and former persons employed by Defendants or Released Parties as non-exempt employees during the PAGA Period.

5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendants' possession including the Aggrieved Employee's name, last-known-mailing address, Social Security number, and number of Pay Periods.

6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

7. "Complaint" means the claims and allegations set forth in Plaintiff's First Amended Complaint in the Action.

8. "Court" or "Los Angeles Superior Court" means the Superior Court of California for the County of Los Angeles.

9. "Defense Counsel" means Joshua Carlon of Atkinson, Andelson, Loya, Ruud & Romo.

10. "Employee Payment" refers to the Aggrieved Employees' pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

11. "Gross Settlement Amount" is the sum of $485,000, which represents the total amount payable under this Agreement by Defendants, and will be used to pay the Employee Payments, LWDA PAGA Payment, Plaintiff's Counsel Fees Payment, Plaintiff's Counsel Litigation Expenses Payment, the Representative Service Payment, and the Administration Costs.

12. "Judgment" means the judgment entered by the Court based upon Final Approval.

13. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

14. "LWDA Letters" means the claims and allegations set forth in Plaintiff's correspondence to the LWDA dated January 15, 2024.

15. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

16. "Plaintiff's Counsel" means Arrash Fattahi and Arman Salehi of Wilshire Law Firm, the attorneys representing Plaintiff in the Action.

17. "Net Settlement Amount" is the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, Plaintiff's Counsel Litigation Expenses, Representative Service Payments, and Administration Costs. The remainder is to be paid: 25% to Aggrieved Employees as Employee Payments; and 75% to the LWDA as the LWDA PAGA Payment.

18. "PAGA" means the California Labor Code Private Attorneys General Act, California Labor Code §§ 2698, et seq.

19. "Plaintiff's Counsel Fees Payment" and "Plaintiff's Counsel Litigation Expenses Payment" mean the amounts allocated to Plaintiff's Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

20. "Pay Period" means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.

21. "PAGA Notice" means Plaintiff's January 15, 2024 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

22. "PAGA Period" means the time period from January 15, 2023, through October 8, 2025.

23. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.

24. "Plaintiff" means Nicolas Alvarez Rodriguez, the named plaintiff in the Action.

25. "Approval Order" means the proposed Court Order Granting Approval of Settlement.

26. "Released Claims" means any and all claims under the PAGA alleged in the Complaint or could have been alleged based on the facts pertaining to Plaintiff and the Aggrieved Employees. This includes, but is not limited to, PAGA claims predicated on alleged violations of the California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 1174, 1174.5, 1194, 1197, 1197.1, 1198, and 2802, and the applicable California Industrial Welfare Commission Wage Orders.

27. "Released Parties" means Defendants and their past, present, and future related entities, subsidiaries, parents, affiliates, predecessors, insurers, agents, employees, successors, assigns, owners, officers, officials, directors, attorneys, partners, members, personal representatives, executors, investors, and shareholders, including their respective pension, profit sharing, savings, health, and other employee benefits plans of any nature, the successors of such plans, and those plans' respective current or former trustees and administrators, agents, employees, and fiduciaries.

28. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

II. <u>RECITALS</u>

1. On January 15, 2024 in his LWDA Letter, Plaintiff provided written notice to the LWDA and Defendants asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 1174, 1174.5, 1194, 1197, 1197.1, 1198, and 2802, among others, and the applicable Industrial Welfare Commission Wage Orders.

2. Plaintiff filed his original Complaint against Defendants on December 27, 2023. Plaintiff's Complaint pursues individual and putative class action claims premised on the following causes of action: 1) Failure to Pay Minimum and Straight Time Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197); 2) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 1194 and 1198); 3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); 4) Failure to Authorize and Permit Rest Periods (Cal. Lab. Code §§ 226.7); 5) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); 6) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); 7) Failure to Indemnify Employees for Expenditures (Cal. Lab. Code § 2802); and 8) Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, et seq.).

3. On July 16, 2024, the Plaintiff's class action claims were dismissed without prejudice and he was permitted to file a First Amended Complaint adding PAGA claims to this matter.

4. On July 17, 2024, Plaintiff filed a First Amended Complaint in this matter, containing individual wage and hour claims and representative PAGA claims.

5. On October 1, 2024, the Parties participated in a mediation before mediator Monique Ngo-Bonnici after undertaking an investigation and exchange of information and documents pertaining to Plaintiff and the Aggrieved Employees. The mediation did not end in a resolution, however, Ms. Ngo-Bonnici issued a mediator's proposal for both Parties to consider, that was ultimately accepted by both sides. In agreeing to the proposal, the Parties agreed to fully and finally resolve the Action and the Released Claims as to Plaintiff, the State of California, and the Aggrieved Employees.

6. The Parties ultimately amended their agreement to expand the time period of the release in their agreement as anticipated by the mediator's proposal in exchange for additional monetary consideration.

7. The Parties, Plaintiff's Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

III. OPERATIVE TERMS OF THE AGREEMENT

The Parties agree as follows:

1. **Non-Admission**. Notwithstanding the foregoing, this Agreement may be used in any court proceeding that has as its purpose the interpretation, implementation, or enforcement of the settlement or any orders or judgments of the Court entered in connection therewith. The Parties have entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and risks. This Agreement, the Settlement, the Parties' willingness to settle the Action, and any related Court documents or orders are not and may not be cited or admitted as evidence of liability and will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement). The Parties agree that representative treatment is for purposes of settlement only.

2. **Gross Settlement Amount**. Defendants agree to pay $485,000 and no more as the Gross Settlement Amount. Defendants will not pay more than the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3. **Net Settlement Amount.** The Parties agree that the Net Settlement Amount shall be distributed to the LWDA and Aggrieved Employees as follows: PAGA Penalties in the amount of $277,583.33 (which is the Net Settlement Amount) to be paid from the Gross Settlement

Amount, with 75% ($208,187.50) allocated to the LWDA PAGA Payment and 25% ($69,395.83) allocated to the Employee Payments.

a. The Administrator will calculate each Employee Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties ($69,395.83) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Employee Payment.

b. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Employee Payments on IRS 1099 Forms.

4. **Attorneys' Fees Payment and Litigation Costs Payment**. Defendants will not oppose Plaintiff's request for an award of attorneys' fees in an amount up to $161,666.67 ("Plaintiff's Counsel Fees Payment") and litigation costs and expenses in the amount up to $30,000 incurred in prosecuting this Action ("Plaintiff's Counsel Litigation Expenses Payment"), to Plaintiff's Counsel, provided they do not exceed these amounts. In the event the Court approves a payment of less than $161,666.67 for Plaintiff's Counsel Fees Payment and/or less than $30,000 for Plaintiff's Counsel Litigation Expenses Payment, the difference will be a part of the Net Settlement Amount. If the Court approves Plaintiff's Counsel Fees Payment and/or Plaintiff's Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount.

Released Parties shall have no liability to Plaintiff's counsel or any other plaintiff's counsel arising from any claim to any portion of Plaintiff's Counsel Fee Payment and/or Plaintiff's Counsel Litigation Expenses Payment. The Administrator will pay the Plaintiff's Counsel Fees Payment and Plaintiff's Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Plaintiff's Counsel assumes full responsibility and liability for taxes owed on the Plaintiff's Counsel Fees Payment and the Plaintiff's Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

5. **Representative Service Payments**. Defendants will not oppose Plaintiff's request for Representative Service Payment to Plaintiff of not more than $10,000 (in addition to any Employee Payment Plaintiff is entitled to receive as an Aggrieved Employee). If the Court approves a Representative Service payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Representative Service Payments.

6. **Administration Costs.** Defendants will not oppose Plaintiff's request for payment in the amount up to (and not to exceed) $5,750.00 to the Administrator for administering the settlement. In the event the Court approves a payment of less than $5,750.00 for Administration Costs, the difference will be a part of the Net Settlement Amount. Administration Costs will be reported on an IRS Form 1099 issued to the Administrator.

7. **Released Claims.** Upon the Effective Date, Plaintiff, Aggrieved Employees, and the State of California will be forever barred from pursuing any and all Released Claims defined in Section I Subsection 26 herein. This release of claims only covers those civil penalties which are recoverable under PAGA, and does not otherwise cover individual, underlying claims or causes of action that Aggrieved Employees may have under the law against Released Parties for violations of the California Labor Code. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now know or believe to be true but agrees, nonetheless, that Plaintiff's Release shall be and remains effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

8. **Release by PAGA Counsel**. Plaintiff's Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Action and the PAGA Period facts stated in the Complaint, LWDA Letters and the PAGA Notices.

9. **Representations by Plaintiff.**

a. Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Agreement.

b. Plaintiff acknowledges that he has read this Agreement, that he fully understands his rights, privileges, and duties under the Agreement, and enters into this Agreement freely and voluntarily. Plaintiff further acknowledges that he has had the opportunity to consult with his attorneys to explain the terms of this Agreement and the consequences of signing this Agreement.

10. **Limited Disclosure and No Publicity.** Except as provided below, to the extent necessary to effectuate the settlement or as required by the PAGA, a court of law, or legal process, neither Plaintiff nor Plaintiff's Counsel will publicize the terms of this Agreement or issue a press release, hold a press conference, publish information about the settlement, or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court.

11. **Approval of Settlement**. Plaintiff's Counsel shall be responsible for preparing a Motion for Approval of the Settlement ("Approval Motion"). Plaintiff's Counsel will file the Approval Motion as soon as practicable. Plaintiff's Counsel will serve the Approval Motion on Defense Counsel and submit it to the LWDA. Pursuant to the PAGA, Plaintiff's Counsel shall undertake all required submissions and disclosures to the LWDA and the Court to obtain approval of the settlement.

12. **Dismissal**. The Administrator will provide the Parties with a declaration confirming that distribution of payments has been completed in accordance with the Agreement and the Court's orders. Within ten (10) calendar days of Defendants providing to the Administrator the Gross Settlement Amount, unless otherwise ordered by the Court, Plaintiff's Counsel will file the declaration with the Court and required dismissal papers (i.e., a Request for Dismissal of the Action with prejudice [all parties, all causes of action]).

IV. ADMINISTRATION OF SETTLEMENT

1. **Administrator**. The Parties have mutually selected Phoenix Settlement Administrators to handle the administration of this settlement, subject to approval by the Court, and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Costs. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

a. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.

b. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

c. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

2. **Deposit and Distribution of Gross Settlement Amount.**

a. Aggrieved Employees. As of August 28, 2025, – the approximate date on which the parties engaged in negotiations regarding an expanded scope of release in this matter, Defendants estimated there were 499 potential Aggrieved Employees who worked a total of 23,258 Pay Periods.

b. Aggrieved Employee Data. Within five (5) calendar days from the Effective Date, Defendants will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Plaintiff's Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

c. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 20 calendar days after the Effective Date, for administration and distribution in accordance with this Settlement Agreement and the Court's orders.

d. Payments from the Gross Settlement Amount. Within 10 days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Employee Payments, the LWDA PAGA Payment, Service Payments, the Administration Costs, and the Plaintiff's Counsel Fees Payment and Plaintiff's Counsel Litigation Expenses Payment.

i. The Administrator will issue checks for the Employee Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid under the cover letter, substantially in the form attached hereto as "Exhibit A" ("Cover Letter"), to each of the Aggrieved Employees identified in the Aggrieved Employee Data. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Administrator must update the recipients' mailing addresses using the National Change of Address Database.

ii. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are retuned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost, misplaced, or requested by the Aggrieved Employee prior to the void date.

iii. For any Aggrieved Employee whose Employee Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

iv. The payment of Employee Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

V. MISCELLANEOUS PROVISIONS

1. **No Impact on Employee Benefit Plans**. Neither the Agreement nor any amounts paid to Plaintiff, any Aggrieved Employee, or the LWDA under the settlement will modify any previously credited hours or service under any employee benefit plan, policy, or bonus program sponsored by Defendants, if any. Such amounts will not form the basis for additional contributions to, benefits under, or any other monetary entitlement under Defendants' sponsored benefit plans, policies, or bonus programs, if any. The payments made under the terms of this Agreement shall not be applied retroactively, currently, or on a going-forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any Defendants benefit plan, policy, or bonus

program, if any. Defendants retain the right, if necessary, to modify the language of its benefit plans, policies, and bonus programs, if any, to effect this intent, and to make clear that any amounts paid pursuant to this Agreement are not for "hours worked," "hours paid," "hours of service," or any similar measuring term as defined by applicable plans, policies, and bonus programs, if any, for purposes of eligibility, vesting, benefit accrual, or any other purpose, and that additional contributions or benefits are not required by this Agreement. Nothing in this section constitutes or shall be construed as an admission or acknowledgment that any such plan(s), policy(s), and/or bonus program(s) exist and/or are offered by Defendants.

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

3. **Attorney Authorization**. Plaintiff's Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

4. **Cooperation**. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

5. **No Prior Assignments**. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

6. **Governing Law**. All terms and conditions of this Agreement and its exhibits shall be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.

7. **Entire Agreement**. Upon execution, this Agreement and any and all exhibits attached hereto, constitutes the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

8. **Judgment and Continued Jurisdiction**. The Parties agree that this Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6, and the Court, after entry of Judgment and to the fullest extent of the law, shall retain jurisdiction over this Action, the Parties, the Settlement and the Aggrieved Employees solely for purposes of

(i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters that are permitted by law.

a. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Plaintiff's Counsel Fees Payment and Plaintiff's Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

9. **Amendment or Modification**. This Agreement, and all parts of it, including any and all exhibits attached to same, may be amended or modified, changed, or waived only by an express written instrument, signed by all Parties or their representatives, subject to approval by the Court.

10. **Escalator Clause.** Defendants have represented that there were approximately 23,258 pay periods from January 15, 2023 through August 28, 2025. This is a material representation for Plaintiff to enter into this agreement. Should the actual number of pay periods during the PAGA Period increase beyond 5% of 23,258, Defendants shall either increase the Gross Settlement Amount by the percentage increase in the pay periods above 5% (e.g., if the number of pay periods increases by 6%, the Gross Settlement Amount will increase by 1%), or amend the end date of the PAGA Period to a date whereby the final pay period total in this matter is less than 105% of 23,258. Defendant must determine the final end date of the PAGA Period prior to the hearing on approval of this settlement.

11. **Authorization to Enter into Binding Agreement**. Defendants represent and warrant that the undersigned has the authority to act on behalf of Defendants and to bind Defendants to the terms of this Agreement. Plaintiff represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind him to the terms and conditions of this Agreement. Counsel for all Parties represent and warrant that they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties warrant that they understand and have full authority to enter into this settlement, and further intend that this Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any settlement and/or mediation privileges and/or confidentiality provisions that otherwise might apply under federal or state law.

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

13. **Use and Return of Aggrieved Employee Data**. Information provided to Plaintiff's Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all settlement funds, Plaintiff's and Plaintiff's counsel shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the Administrator's payment of all settlement funds, Defendants make a written request to Plaintiff's Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

14. **Binding on Successors and Assigns**. This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of each of the Parties.

15. **Headings**. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

16. **Calendar Days**. Unless otherwise noted, all references to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal or state legal holiday, such date or deadline shall be on the first business day thereafter.

17. **Notice**. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Arrash T. Fattahi
arrash.fattahi@wilshirelawfirm.com
Arman A. Salehi
arman.salehi@wilshirelawfirm.com
WILSHIRE LAW FIRM
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988

To Defendants:

Joshua Carlon
joshua.carlon@aalrr.com
Robert R. Walker
robert.walker@aalrr.com
ATKINSON ANDELSON LOYA RUUD ROMO
251 S. Lake Ave., Suite 360

Pasadena, CA 91101
Telephone: (626) 583-8600

18. **Execution and Counterparts**. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts, and each of them, will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement

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

20. **Severability**. If any term or provision of this Agreement is held to be invalid or unenforceable, provided that the essential terms and conditions of this Agreement for each Party remain valid, binding and enforceable, the remaining portions of this Agreement will continue to be valid, and will be performed, construed, and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

21. **No Waiver**. No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right, or remedy.

22. **Cooperation and Execution of Necessary Documents**. The Parties have cooperated in the drafting and preparing of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to implement the settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

23. **Stay of Litigation**. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to California Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

IN WITNESS THEREOF, the Parties each acknowledge that he/it has read the foregoing Agreement, accepts and agrees to the provisions contained in this Agreement, and hereby executes it voluntarily and with full understanding of its consequences.

PLAINTIFF NICOLAS ALVAREZ RODRIGUEZ:

Dated: 1/14/2026

DocuSigned by:
0A8CD203610948E...
PLAINTIFF RODRIGUEZ

DEFENDANTS:

DEFENDANTS

Dated: 16/01/2026

mark davis (Jan 16, 2026 14:54:25 PST)
By: Mark Davis
Its: President & CEO, Sun Hill Properties, Inc.

APPROVED AS TO FORM:

WILSHIRE LAW FIRM, PLC

Arrash T. Fattahi
Arman A. Salehi

DATE: 1/15/2026

Counsel for Plaintiff

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Joshua Carlon

DATE: 01/20/26

Counsel for Defendant

EXHIBIT “A”

Nicolas Alvarez Rodriguez, et al. v. Sun Hill Properties, Inc. et al.
Superior Court of the State of California for the County of Los Angeles
Case No. 23STCV31611

[INSERT DATE OF MAILING]

[INSERT FIRST & LAST NAME]
[INSERT ADDRESS – LINE 1]
[INSERT ADDRESS – LINE 2]

Dear [INSERT FIRST & LAST NAME],

Pursuant to the Order of Honorable Theresa M. Traber of the Superior Court of the State of California for the County of Los Angeles dated [INSERT DATE OF SETTLEMENT APPROVAL], enclosed is your payment from the settlement of the California Private Attorneys General Act of 2004 ("PAGA") claims in the lawsuit entitled *Nicolas Alvarez Rodriguez, et al. v. Sun Hill Properties, Inc., et al.,* Superior Court of the State of California for the County of Los Angeles, Case No. 23STCV31611 (the "Action").

The Action alleges a claim for penalties under the PAGA against Defendants Sun Hill Properties, Inc., Sun Hill Real Estate, LLC, and Hillcrest Real Estate, LLC ("Defendants"), for failure to pay for all hours worked, including minimum, straight time, and overtime wages; failure to provide meal periods; failure to authorize and permit rest periods; failure to pay all earned wages twice per month; failure to maintain accurate records of hours worked and meal periods; failure time to timely pay all wages at termination; failure to furnish accurate itemized wage statements; and failure to reimburse business expenses

Plaintiff Nicolas Alvarez Rodriguez "Plaintiff") seeks civil penalties on behalf of the California Labor and Workforce Development Agency ("LWDA") and all current and former non-exempt employees who worked for Defendants in California during the PAGA Period from January 15, 2023 through October 8, 2025 ("Aggrieved Employees"). You have been identified as an eligible Aggrieved Employee in this time period.

Defendants deny Plaintiff's claims in their entirety and believe that their wage and hour policies and practices fully comply with California law. However, in an effort to avoid the expense and business disruption associated with protracted litigation, Defendants agreed to resolve the Action. The Court has not made any determination about Plaintiff's allegations. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claims.

Honorable Theresa M. Traber of the Superior Court of the State of California for the County of Los Angeles approved the settlement on [INSERT DATE OF SETTLEMENT APPROVAL]. Pursuant to the PAGA, 75% of PAGA penalties are paid to the State of California, and the remaining 25% of the PAGA penalties are paid directly to the Aggrieved Employees who worked during the PAGA Period from January 15, 2023 through October 8, 2025. Each Individual PAGA Payment was calculated on a pro rata basis (i.e., proportional) based on the number of pay periods worked by each Aggrieved Employee. To determine an Aggrieved Employee's pro rata share of the Settlement, the settlement administrator will divide the amount of the Aggrieved Employees' 25% share of the Net Settlement Amount by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period and multiply the resulting amount by the number of pay periods worked by that Aggrieved Employee. You worked [INSERT PAY PERIODS WORKED] pay periods during the PAGA Period from January 15, 2023 through October 8, 2025 ("PAGA Period").

The enclosed check is your portion of the PAGA settlement. Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct all unclaimed funds to the California State Controller's Unclaimed Property Fund in the name of the Aggrieved Employee whose checks were not delivered or cashed. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

You will receive an IRS 1099 Form for the check for this payment amount. You should seek the advice of a tax professional for any tax issues or questions related to this payment. Defendants will not retaliate against, or take any other negative action against, any employee who cashes the settlement check.

In exchange for the Individual PAGA Payments, Plaintiffs and all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, Defendants and their past, present, and future related entities, subsidiaries, parents, affiliates, predecessors, insurers, agents, employees, successors, assigns, owners, officers, officials, directors, attorneys, partners, members, personal representatives, executors, investors, and shareholders, including their respective pension, profit sharing, savings, health, and other employee benefits plans of any nature, the successors of such plans, and those plans' respective current or former trustees and administrators, agents, employees, and fiduciaries (the "Released Parties") all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notices, including PAGA claims predicated on alleged violations of the California Labor Code sections 201-204, 210, 226, 226.3, 226.7, 510, 1174, 1174.5, 1194, 1197, 1197.1, 1198, and 2802, and the applicable California Industrial Welfare Commission Wage Orders ("Released Claims"). The settlement does not resolve any claims for unpaid or underpaid wages or otherwise preclude you from bringing an action for wages against the Defendants or other Released Parties.

The pleadings and other records in this litigation, including the Settlement Agreement, may be examined online for a fee through the Superior Court of the State of California for the County of Los Angeles Court Docket website, http://www.lacourt.org/casesummary/ui/index.aspx and entering the Case Number for the Action, Case No. 23STCV31611. You may also contact [INSERT NAME OF ADMINISTRATOR] toll free at [INSERT ADMINISTRATOR PHONE NUMBER] or you may contact the attorneys listed below with any questions:

Counsel for Plaintiffs:	Counsel for Defendant:
Arrash T. Fattahi arrash.fattahi@wilshirelawfirm.com Arman A. Salehi arman.salehi@wilshirelawfirm.com **WILSHIRE LAW FIRM** 660 S. Figueroa Street, Sky Lobby	Joshua Carlon joshua.carlon@aalrr.com Robert R. Walker robert.walker@aalrr.com **ATKINSON ANDELSON LOYA RUUD ROMO**

Los Angeles, California 90017 Telephone: (213) 784-3830	251 S. Lake Ave., Suite 360 Pasadena, CA 91101 Telephone: (626) 583-8600

PLEASE DO NOT CONTACT THE COURT OR THE JUDGE WITH ANY QUESTIONS ABOUT THE ACTION OR THE SETTLEMENT.