

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement and Class Notice (this “Agreement”) is made by and between Plaintiff Nart Khatib (“Plaintiff”) and Defendants HMH Associates, Inc., RDM Management, Inc., and B2RE Corporation (together, “Defendants”). This Agreement refers to Plaintiff and Defendants collectively as the “Parties”, or individually as “Party”.

1. DEFINITIONS.

- 1.1 “Action” means Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Nart Khatib v. HMH Associates, Inc., et al.*, Los Angeles Superior Court, Case No. 25STCV12178, initiated on April 24, 2025, and pending in Los Angeles Superior Court.
- 1.2 “Administrator” means Apex Class Action Administration, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” 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 preliminary settlement approval.
- 1.4 “Aggrieved Employees” are all current and former California non-exempt employees of Defendant HMH Associates, Inc. who worked at any time between April 24, 2024 and March 5, 2026, as Resident Managers.
- 1.5 “Class” means all current and former California non-exempt hourly employees of Defendant HMH Associates, Inc. who worked at any time between April 24, 2021 through March 5, 2026, as Resident Managers.
- 1.6 “Class Counsel” or “Plaintiff’s Counsel” means Paul K. Haines, Fletcher W. Schmidt, and Matthew K. Moen of Haines Law Group, APC.
- 1.7 “Class Counsel Fees Payment” means the amount allocated to Class Counsel for reimbursement of reasonable attorneys’ fees not to exceed 35% of the Gross Settlement Amount.
- 1.8 “Class Counsel Litigation Expenses Payment” means the amount allocated to Class Counsel for reasonable verified litigation costs and expenses not to exceed \$20,000.00.
- 1.9 “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, phone number, Social Security number, and number of Individual Workweeks and PAGA Pay Periods.
- 1.10 “Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

- 1.11 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means, including, but not limited to, the National Change of Address database (“NCOA”), skip traces, and direct contact by the Administrator with Class Members.
- 1.12 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English only, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.13 “Class Period” means the time period of April 24, 2021 through March 5, 2026.
- 1.14 “Class Representative” means Nart Khatib, who is the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.15 “Class Representative Enhancement Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.16 “Court” means the Superior Court of California, County of Los Angeles.
- 1.17 “Defendants” means Defendants HMH Associates, Inc., RDM Management, Inc., and B2RE Corporation.
- 1.18 “Defense Counsel” means Monte Grix and Baker Gerwig of Hirschfeld Kraemer LLP.
- 1.19 “Effective Date” will be the later of the following: (i) the sixty-first (61) calendar day after Final Approval, provided no appeal has been initiated, whether by an absent Class Member who has timely intervened or moved to vacate the judgment or by a Party or Class Counsel [regarding limited appeals of attorney fee reductions]; or (ii) if such an appeal is timely initiated, the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement. The Releases of Claims detailed in Section 5 of this Settlement, *infra*, shall not be effective until all of the above conditions are met and Defendants have fully funded the Gross Settlement Amount.
- 1.20 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.21 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.22 “Gross Settlement Amount” means Two Hundred Ninety Thousand Dollars and No Cents (\$290,000.00), which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 8 below (Escalator Clause). The Gross Settlement Amount will include payments for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administrator Expenses Payment, settlement payments to Class Members who do not opt out of the Settlement, the PAGA Settlement Amount, and the Class Representative Enhancement Payment.
- 1.23 “Individual Class Payment” means the Participating Class Member’s share of the Net Settlement Amount calculated in accordance with Paragraph 3.2.4.

- 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s share of 35% of the PAGA Settlement Amount calculated in accordance with Paragraph 3.2.5.1.
- 1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code § 2699, subd. (i).
- 1.27 “LWDA PAGA Payment” means the 65% portion of the PAGA Penalties (i.e, \$16,250.00) allocated and paid to the LWDA under Labor Code § 2699, subd. (i).
- 1.28 “Net Settlement Amount” means the Gross Settlement Amount less Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administrator Expenses Payment, the Class Representative Enhancement Payment, and the PAGA Settlement Amount. To the extent the Court does not approve the full requested attorneys’ fees, litigation costs, Class Representative Enhancement Payment, or settlement administration costs, the Net Settlement Amount will increase.
- 1.29 “Non-Participating Class Member” means any Class Member who opts-out of the class action portion of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30 “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.31 “PAGA Period” means the time period of April 24, 2024 through March 5, 2026.
- 1.32 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698, *et seq.*).
- 1.33 “PAGA Notice” means Plaintiff’s letter dated April 24, 2025, to Defendants and the LWDA providing notice pursuant to Labor Code § 2699.3, subd.(a).
- 1.34 “PAGA Settlement Amount” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (i.e., \$25,000.00), allocated 35% to the Aggrieved Employees (\$8,750.00) and 65% to LWDA (\$16,250.00) in settlement of PAGA claims.
- 1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the class action portion of the Settlement.
- 1.36 “Plaintiff” means Nart Khatib, the named plaintiff in the Action.
- 1.37 “Preliminary Approval Order” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38 “Released Class Claims” means the claims being released by Participating Class Members, as described in Paragraph 5.2 below.
- 1.39 “Released PAGA Claims” means the claims being released by the Aggrieved Employees, as described in Paragraph 5.3 below.

- 1.40 “Released Parties” means: Defendants and each of their respective and former parents, subsidiaries, and affiliated corporations, and each of their officers, directors, shareholders, employees, agents, attorneys, and successors-in-interest, if any.
- 1.41 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member and including the information specified in Paragraph 7.5.1.
- 1.42 “Response Deadline” means sixty (60) calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.
- 1.43 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.44 “Workweek” means the 7 day workweek used by Defendants for payroll purposes in which any Class Member worked for Defendants for any amount of time, during the Class Period.

2. RECITALS.

- 2.1 On April 24, 2025, Plaintiff filed a class action complaint against Defendants in Los Angeles County Superior Court titled *Nart Khatib v. HMM Associates, Inc., et al.*, Case No. 25STCV12178. On the same day, Plaintiff submitted a letter to the LWDA indicating his intent to pursue civil penalties pursuant to the PAGA. On June 30, 2025, after exhausting his administrative remedies with the LWDA, Plaintiff filed a First Amended Class and Representative Action Complaint to add a cause of action for civil penalties under the PAGA.
- 2.2 Pursuant to Labor Code § 2699.3, subd.(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.3 On December 5, 2025, the Parties participated in a full day mediation presided over by Jason Marsili, Esq., which led to this Agreement to settle the Action.
- 2.4 Prior to mediation, Plaintiff obtained, through informal discovery, a representative sampling of timekeeping records and all payroll records for the Class Members, and key policy documents from Defendants. Plaintiff’s investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.5 The Court has not granted class certification.
- 2.6 The Parties, Class 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.

3. **MONETARY TERMS.**

- 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below (Escalator Clause), Defendants promise to pay a total of \$290,000.00 as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
- 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
- 3.2.1 To Plaintiff: Class Representative Enhancement Payment to the Class Representative of not more than \$10,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendants will not oppose Plaintiff's request for a Class Representative Enhancement Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Enhancement Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Enhancement Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Enhancement Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Enhancement Payment.
- 3.2.2 To Class Counsel: The Class Counsel Fees Payment shall not exceed 35% of the Gross Settlement Amount and is currently estimated to be \$101,500.00, and the Class Counsel Litigation Expenses Payment shall not exceed \$20,000.00. Defendants will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment for less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of the Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment.
- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$3,890.00 except for a showing of good cause and as approved by the Court. To the extent the

Administrator Expenses Payment is less or the Court approves payment less than the above stated amount, the Administrator will retain the remainder in the Net Settlement Amount.

- 3.2.4 To Each Participating Class Member: The Individual Class Payment will be calculated as follows: (a) As reflected in their payroll and time records, Defendants will calculate the total number of weeks in which each individual Participating Class Member (“Individual Workweeks”) and all aggregate Participating Class Members (“Class Workweeks”) performed any work during the Class Period; (b) dividing each Participating Class Member’s Individual Workweeks by the Total Class Workweeks; and (c) multiplying the result by the Net Settlement Amount to determine each Estimated Individual Settlement Payment.

- 3.2.4.1 Tax Allocation of Individual Class Payments. Individual Class Payments made to Participating Class Members will be attributed as twenty percent (20%) wages and eighty percent (80%) interest and penalties. Individual PAGA Payments will be allocated as 100% penalties. The amounts paid as wages shall be subject to all tax withholdings customarily made from the employee’s wages and all other authorized and required withholdings. The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees’ wages. The Settlement Administrator will be responsible for issuing to Participating Class Members a form W-2 for amounts deemed “wages” and an IRS Form 1099 for the amounts deemed penalties and interest. The Participating Class Members are responsible for their share of the payroll taxes, which will be deducted from their Individual Class Payments. Defendants are responsible for the employer share of payroll taxes, including the employer FICA, FUTA, and SDI contributions, separate and apart from the Gross Settlement Amount, and these taxes will not be deducted from the Gross Settlement Amount.

- 3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments for the class action portion of the Settlement. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members pursuant to the formula in Paragraph 3.2.4.

- 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$25,000.00 to be paid from the Gross Settlement Amount, with 65% (\$16,250.00) allocated to the LWDA PAGA Payment and 35% (\$8,750.00) allocated to the Individual PAGA Payments.

- 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees’ 35% share of PAGA Penalties (\$8,750.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the total number of PAGA Pay Periods worked by each Aggrieved Employee.

Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

- 3.2.5.2 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 Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1 Class Data. Not later than ten (10) business days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator (to the extent such information is available). To protect Class Members' privacy rights, the Administrator will maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement; the Administrator will be responsible for any breach of this Paragraph by its employees. Administrator may share sufficient data (excluding contact information) with Class Counsel to help resolve issues regarding the distribution of the Settlement and Class Members' questions, should they arise. Defendants have a continuing duty to promptly notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class 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 Class Data.
- 4.2 Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, along with all amounts necessary to fully pay Defendants' share of payroll taxes (which will be paid separate and apart from the Gross Settlement Amount), by transmitting the funds into a Qualified Settlement Fund ("QSF") established and maintained by the Administrator within thirty (30) days after the Effective Date or March 1, 2027, whichever occurs first. If any such payment date falls upon a weekend or holiday, the payment date shall be the first business day thereafter.
- 4.3 Payments from the Gross Settlement Amount. Within ten (10) business days after Defendants full funding of the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Enhancement Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Enhancement Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.3.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (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. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was

returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator will update the recipients' mailing addresses using the National Change of Address Database.

- 4.3.2 The Administrator will conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days after receiving a returned check the Administrator will re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.3.3 For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the State Controller Unclaimed Property Fund. After the void date, the Parties will submit a declaration from the Administrator attesting to the total amount that was actually paid to the Participating Class Members and Aggrieved Employees along with any interest accrued thereon. The Parties will concurrently submit an amended Judgment to direct the Administrator to disburse these amounts to the State Controller Unclaimed Property Fund in compliance with California Code of Civil Procedure § 384(b).
- 4.3.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. As of the Effective Date and Defendants' full funding of the Gross Settlement Amount, Plaintiff, Participating Class Members and Aggrieved Employees hereby fully and forever release and discharge all claims against all Released Parties as follows:

- 5.1 Plaintiff's Release. Upon entry of the final order and judgment and Defendants' full funding of the Gross Settlement Amount, Plaintiff and his successors, agents, heirs, administrators, and assigns waive, release, forever discharge, and will not pursue any manner of action, cause of action, claim, demand, right, suit, obligation, debt, contract, agreement, promise, liability, or remedy of any nature whatsoever (including without limitation any damages, charges, penalties, losses, costs, expenses, and attorneys' fees), whether in law or in equity, under contract, tort or any other subject area, or under any statute, rule, regulation, order, or law, whether federal, state, or local, on any grounds whatsoever, arising out of or relating to any acts, facts, omissions or obligations, whether known or unknown, whether foreseen or unforeseen, fixed or contingent, against Defendants, their respective and former parents, subsidiaries, and affiliated corporations,

and each of their officers, directors, shareholders, employees, agents, attorneys, and successors-in-interest, based on Plaintiff's employment with Defendants, or any of them. This release shall not apply to claims for workers' compensation benefits, unemployment insurance benefits, pension or retirement benefits, or any other claim or right that cannot be waived or released as a matter of law.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code § 1542. In addition, Plaintiff, and his successors, agents, heirs, administrators, and assigns, expressly waive and relinquish, to the fullest extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law, which provides:

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

5.2 Release by Participating Class Members: Upon entry of the final order and judgment and Defendants' full funding of the Gross Settlement Amount, Plaintiff and all Participating Class Members who do not validly and timely request to be excluded from the class action portion of the Settlement, and each of their respective successors, agents, heirs, administrators, and assigns release the Released Parties from all claims, rights, demands, liabilities, and causes of action that were alleged or reasonably could have been alleged based on the facts alleged in the operative First Amended Complaint in the Action, that accrued during the Class Period. The time period covered by this release mirrors the Class Period.

5.3 Release by Aggrieved Employees: Upon entry of the final order and judgment and Defendants' full funding of the Gross Settlement Amount, Plaintiff and all Aggrieved Employees shall on behalf of themselves and on behalf of the LWDA waive, release, and forever discharge the Released Parties from all claims for civil penalties under PAGA (the California Private Attorneys General Act, Labor Code section 2698, *et seq.*), that were alleged, or reasonably could have been alleged, based on the facts alleged in the operative First Amended Complaint in the Action and Plaintiff's PAGA Notice, that accrued during the PAGA Period. The time period covered by this release mirrors the PAGA Period.

6. **MOTION FOR PRELIMINARY APPROVAL.** Plaintiff will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals. Plaintiff will send notice of the settlement to the LWDA as required under PAGA.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code § 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its "not to

exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with the Parties, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code § 2699.3, subd. (a)), Operative Complaint (Labor Code § 2699, subd. (1)(1)), this Agreement (Labor Code § 2699, subd. (1)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, and the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.2 Representation as to Conflicts of Interest. The Parties and their respective counsel hereby confirm that they have no actual or potential financial conflicts of interest with the Administrator, Apex Class Action Administration.
- 6.3 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval. Class Counsel and Defense Counsel are jointly responsible for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator. Class Counsel agrees to provide copies of all moving papers (for preliminary and for final approval) 5 business days before filing.
- 6.4 Duty to Cooperate. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns. The Court’s decision to award less than the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Enhancement Payment, and/or Administrator Expenses Payment shall not constitute a material modification to this Agreement within the meaning of this Paragraph.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action Administration to serve as the Administrator and verified that, as a condition of appointment, Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of the Administration Expenses Payment. 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.
- 7.2 Employer Identification Number. The Administrator shall obtain and use its own Employer Identification Number for purposes of providing any necessary reports to state and federal tax

authorities.

- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation § 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 As expeditiously as possible after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, and Class Period Workweeks and PAGA Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and on or before ten (10) business days after receiving the Class Data from Defendants, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Class Period Workweeks / PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3 Not later than seven (7) days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS after being re-mailed a second time.
- 7.4.4 The deadlines for Class Members’ written objections, challenges to Class Period Workweeks and PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received a Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever is later.
- 7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the class action portion of the Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. Plaintiff agrees to not request exclusion from the Class Settlement.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of the validity and authenticity of Requests for Exclusion shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, is entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' releases under Paragraph 5 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.
- 7.6 Challenges to Calculation of Workweeks / Pay Periods. Each Class Member has sixty (60) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Period Workweeks / PAGA Pay Periods allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator will encourage the challenging Class Member to submit supporting documentation. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges to the number of Workweeks. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct if they are consistent with the Class Data. The Administrator's determination of allocations of Workweeks is final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide to Defense Counsel and Class Counsel, by employee number only and not by name, copies of all challenges to calculation of Workweeks and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

- 7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Representative Enhancement Payment, Class Counsel Fees Payment, and/or Class Counsel Litigation Expenses Payment.
- 7.7.2 Participating Class Members may send written objections to the Administrator by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so no later than sixty (60) calendar days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).
- 7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 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.

- 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the Motion for Final Approval, and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than seven (7) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing the first and last names of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the first and last names of Class Members who have submitted invalid Requests for Exclusion; and (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid), redacted to exclude personally identifying information other than their first and last names, as set forth in the Class Data.
- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to workweeks and/or pay periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.5 Final Report by Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least seven (7) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Defendants have represented that, as of the date of mediation (December 5, 2025), there are: (1) 37 Class Members who worked an aggregate total of approximately 5,048 workweeks during the Class Period; and (2) 25 Aggrieved Employees who worked an aggregate total of 862 PAGA Pay Periods during the PAGA Period. In the event that the actual number of workweeks worked by all Class Members during the Class Period increases by more than 10 percent (*i.e.*, if the actual number of workweeks is 5,553 or more), then, at Defendants' option, either (1) the Class Period and the PAGA Period shall end on the date that the total Class Workweeks equals 5,553, or (2) the Class Period and the PAGA Period shall remain unchanged, but Defendants shall pay a proportional increase above the Settlement Amount (e.g., Defendants would pay an additional one percent (1%) for additional workweeks that are one percent above 5,553 workweeks).

8.1 Escalator Workweek Declaration. On or before June 1, 2026, Defendants shall provide a signed declaration to Class Counsel attesting to the final aggregate number of workweeks during the Class Period, and representing whether the Escalator Clause has been triggered.

9. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code § 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval").

9.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later

than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

- 9.2 Defendants' Right to Withdraw. Defendants represent, as of the date of this Agreement, there are 37 Class Members. If six (6) or more Class Members submit valid Requests for Exclusion from the Settlement, Defendants may, but are not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, the Settlement shall be void *ab initio*, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendants will remain responsible for paying all Settlement Administration expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to the Parties; late elections will have no effect.
- 9.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in the Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, 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 an objector 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.
- 9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment. An appellate decision to vacate, reverse, or modify the Court's award of the payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this Paragraph, as long as the Gross Settlement Amount remains unchanged.
10. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure § 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.
11. ADDITIONAL PROVISIONS.
- 11.1 No Admission of Liability, Class Certification or Representative Manageability for Other

Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Action have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of the Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any reasons, and Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Action 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).

- 11.2 Confidentiality Prior to Preliminary Approval. This Agreement and the communications leading to its execution are intended by the Parties to remain confidential and non-public. The communications and discussions regarding this Agreement are further covered by mediation and settlement privileges. Neither Plaintiff nor his counsel shall engage in the release of any press releases or advertising relating to this settlement or Defendants, nor shall they initiate any publicity of any kind related to this settlement. The terms of this settlement (including but not limited to the amount of the Gross Settlement Amount) shall remain confidential and shall not be discussed or disclosed by Plaintiff (other than to his attorneys, spouse (if any), and/or financial advisors (if any)) or by Plaintiff's counsel, until the preliminary approval motion is filed in the court overseeing the Action.
- 11.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this Paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute 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.
- 11.5 Attorney Authorization. Class 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.
- 11.6 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 this 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 this Agreement

that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

- 11.7 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 the Settlement.
- 11.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 11.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation 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.
- 11.13 Continuing Confidentiality. To the extent permitted by law, all agreements made, and orders entered during the Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communications with the press about the facts, amount, or terms of the Settlement.
- 11.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to the 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 ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destruction, of Class Data.
- 11.15 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.

- 11.16 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days, unless otherwise noted. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 11.17 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: Fletcher W. Schmidt of Haines Law Group, APC
2155 Campus Drive, Suite 180, El Segundo, CA 90265
fschmidt@haineslawgroup.com
- To Defendants: Monte Grix and Baker Gerwig of Hirschfeld Kraemer LLP
1299 Ocean Avenue, Suite 750, Santa Monica, CA 90401
mgrix@hkemploymentlaw.com
bgerwig@hkemploymentlaw.com
- 11.18 Execution in Counterparts. This Agreement may be executed in counterparts which shall be deemed to be part of one original, and facsimile and electronic image copies of signatures (including by pdf, DocuSign, or any electronic signature complying with the U.S. federal ESIGN Act of 2000), or other transmission method shall be equivalent to original signatures.
- 11.19 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 CCP § 583.330 to extend the date to bring a case to trial under CCP § 583.310 for the entire period of this settlement process.
- 11.20 Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other party or parties to enforce the provisions of this agreement or to declare rights and/or obligations under this agreement, the successful party or parties will be entitled to recover from the unsuccessful party or parties’ reasonable attorneys’ fees and costs, including expert witness fees incurred in connection with any enforcement action.

DATED: April 27, 2026

HMH Associates, Inc., RDM Management, Inc., and
B2RE Corporation

By: 
Name: Ryan Morehead
Title: President

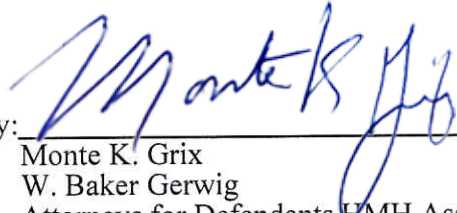
DATED: Apr 21, 2026

Plaintiff Nart Khatib

By: *nart khatib*
Plaintiff and Settlement Class Representative

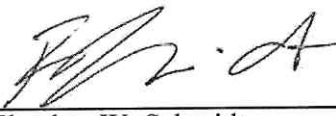
DATED: April 27, 2026

HIRSCHFELD KRAEMER LLP

By: 
Monte K. Grix
W. Baker Gerwig
Attorneys for Defendants HMH Associates, Inc., RDM
Management, Inc., and B2RE Corporation

DATED: April 21, 2026

HAINES LAW GROUP, APC

By: 
Fletcher W. Schmidt
Matthew K. Moen
Attorneys for Plaintiff, Nart Khatib

COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Nart Khatib v. HMH Associates, Inc., et al.
Los Angeles Superior Court, Case No. 25STCV12178

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You may be eligible to receive money from an employee class action lawsuit (“Action”) against HMH Associates, Inc., RDM Management, Inc., and B2RE Corporation (collectively, “Defendants”) for alleged wage and hour violations. The Action was filed by former employee of Defendants, Nart Khatib (“Plaintiff”), and seeks payment of alleged unpaid minimum and overtime wages, meal and rest period premium wages, unreimbursed business expenses, wage statement penalties, and waiting time penalties for Class Members. These claims are brought on behalf of Class Members (defined as all current and former California non-exempt hourly employees of HMH Associates, Inc. who worked at any time between April 24, 2021 and March 5, 2026 (the “Class Period”) as Resident Managers); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all Aggrieved Employees (defined as all current and former California non-exempt hourly employees of HMH Associates, Inc. who worked at any time between April 24, 2024 and March 5, 2026 (the “PAGA Period”) as Resident Managers).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendants’ records and the Administrator’s current calculations, **your Individual Class Payment is estimated to be \$<<CLASS PAYMENT>> and your Individual PAGA Payment is estimated to be \$<<PAGA PAYMENT>>.** The actual amount you may receive likely will be different and will depend on a number of factors.

The above estimates are based on Defendants’ records showing that **you worked <<WORKWEEKS>> workweeks and <<PAY PERIODS>> pay periods** during the Class/PAGA Periods. If you believe that you worked more workweeks and/or pay periods than shown, you can submit a challenge by the deadline date. See Section 4.3 (Workweek / Pay Period Challenges) of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys. The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

Defendants will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

Do Nothing and Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the claims against Defendants that are covered by this Settlement (Released Claims).
Opt-out of the Class Settlement	If you don't want to fully participate in the Class Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 (HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?) of this Notice.
The Opt-out Deadline is <<RESPONSE DEADLINE>>	You cannot opt-out of the PAGA portion of the Settlement. Defendants will pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Object to the Class Settlement Written Objections Must be Submitted by <<RESPONSE DEADLINE>>	All Class Members who do not opt-out (" <u>Participating Class Members</u> ") can object to any aspect of the Class Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel, but every dollar paid to Class Counsel reduces the overall amount paid to Participating Class Members. You can object to the terms of the Settlement if you think they are unreasonable. See Section 7 (HOW DO I OBJECT TO THE SETTLEMENT?) of this Notice.
Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on <<FINAL APPROVAL HEARING DATE>> . You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 (CAN I ATTEND THE FINAL APPROVAL HEARING?) of this Notice.

Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by <<RESPONSE DEADLINE>>	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks / pay periods you worked for any amount of time during the Class/PAGA Periods. The number of workweeks and pay periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with this figure, you must challenge it by <<RESPONSE DEADLINE>>. See Section 4.3 (Workweek / Pay Period Challenges) of this Notice.
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1. WHAT IS THE LAWSUIT ABOUT?

In the Action, Plaintiff alleges that Defendants violated California labor laws, including failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods, failure to provide compliant rest periods, failure to reimburse all necessary business expenses, failure to timely pay due wages at termination, failure to issue accurate wage statements, and unfair competition. Based on the same claims, Plaintiff also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, *et seq.*). Plaintiff is represented by attorneys in the Action: Paul K. Haines, Fletcher W. Schmidt, and Matthew K. Moen of Haines Law Group, APC ("Class Counsel").

Defendants deny Plaintiff's claims and contend that they have complied with all applicable laws. Defendants entered into the Settlement solely for purposes of avoiding the risk and uncertainty of litigation.

This Settlement is the result of good-faith, arms-length negotiations between the Parties, through their respective attorneys, with the assistance of a neutral mediator. The Parties agree that in light of the risks and expense associated with continued litigation, this Settlement is fair, adequate, and reasonable, and that it is in the best interest of the Class and Aggrieved Employees.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court has made no determination whether Defendants or Plaintiff are correct. Plaintiff and Defendants reached a settlement by mediating the case with a neutral third party for the sole purpose of resolving the matter and with no admission or finding of liability or wrongdoing by Defendants.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- A. Defendants Will Pay \$290,000.00 as the Gross Settlement Amount (Gross Settlement). Subject to Court Approval, Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Counsel's attorney's fees and expenses, the Class Representative Enhancement Payment, the Administrator's expenses, and penalties to be paid to the LWDA). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement within thirty (30) days after the Effective Date or March 1, 2027, whichever occurs first.

- B. Therefore, it is imperative that you notify the Administrator (whose contact information is included in this notice) of any changes to your address that take place prior to the disbursement in order to avoid any delays in receiving your payment.
- C. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
- i. Up to 35% of the Gross Settlement (currently estimated at \$101,500.00) to Class Counsel for attorneys' fees and up to \$20,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - ii. Up to \$3,890.00 to the Administrator for services administering the Settlement.
 - iii. Up to \$10,000.00 for the named Plaintiff, Nart Khatib, as the Class Representative Enhancement Payment.
 - iv. Up to \$25,000.00 for PAGA Penalties, allocated 65% to the LWDA PAGA Payment (\$16,250.00) and 35% to Individual PAGA Payments (\$8,750.00) paid on a proportional basis to the Aggrieved Employees based on the number of pay periods they worked during the PAGA Period.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

- D. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on the proportional share of Workweeks worked during the the Class Period.
- E. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking the Court to approve the following tax allocation for Individual Class Payments: 80% as penalties and interest and 20% as wages. Class Members are responsible for their share of the payroll taxes, which will be deducted from their Individual Class Payments. Defendants are responsible to pay the employer share of payroll taxes, separate and apart from the Gross Settlement Amount, and these taxes will not be deducted from the Gross Settlement Amount. The Administrator will report all wage payments on an IRS Form W2 and all non-wage payments on an IRS Form 1099.

The Individual PAGA Payments are treated as 100% civil penalties, not wages, for tax purposes for which an IRS Form 1099 shall be provided. You should consult your tax advisor concerning the tax consequences of the payment(s) you receive under the Settlement.

- F. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). **If you do not cash it by the void date, your check will be automatically cancelled, and the monies will be disbursed to the State Controller Unclaimed Property Fund.**
- G. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than <<RESPONSE DEADLINE>>, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by <<RESPONSE DEADLINE>>. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not be eligible to receive an Individual Class Payment or object to the terms of the Settlement. You will not be bound by the non-PAGA terms of the Settlement, and may pursue any individual claims you may have, at your own expense, against Defendants. If you are a PAGA Member, you will still receive an Individual PAGA Payment regardless of whether you submit a Request for Exclusion.
- H. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void. If the Settlement becomes void, Defendants will not pay any money and Class Members will not release any claims against Defendants.
- I. Administrator. The Court has appointed a neutral company, Apex Class Action Administration (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also aid in determining the validity and authenticity of Requests for Exclusion, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 (HOW CAN I GET MORE INFORMATION?) of this Notice.
- J. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Gross Settlement, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

Upon entry of the final order and judgment and Defendants' full funding of the Gross Settlement Amount, Plaintiff and all Participating Class Members who do not

validly and timely request to be excluded from the class action portion of the Settlement, and each of their respective successors, agents, heirs, administrators, and assigns release the Defendants and each of their respective and former parents, subsidiaries, and affiliated corporations, and each of their officers, directors, shareholders, employees, agents, attorneys, and successors-in-interest, if any (“Released Parties”), from all claims, rights, demands, liabilities, and causes of action that were alleged or reasonably could have been alleged based on the facts alleged in the operative First Amended Complaint in the Action, that accrued during the Class Period. The time period covered by this release mirrors the Class Period.

- K. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final and Defendants have paid the Gross Settlement, all Aggrieved Employees, including Plaintiff, will be barred from asserting the PAGA claims against Defendants that are released through this Settlement, whether or not they exclude themselves from the class action portion of the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees will be bound by the following release:

Upon entry of the final order and judgment and Defendants’ full funding of the Gross Settlement Amount, Plaintiff and all Aggrieved Employees shall on behalf of themselves and on behalf of the LWDA waive, release, and forever discharge the Released Parties from all claims for civil penalties under PAGA (the California Private Attorneys General Act, Labor Code section 2698, *et seq.*), that were alleged, or reasonably could have been alleged, based on the facts alleged in the operative First Amended Complaint in the Action and Plaintiff’s PAGA Notice, that accrued during the PAGA Period. The time period covered by this release mirrors the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- A. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
- B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the 35% share of PAGA Penalties (\$8,750.00) by the total number of Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of Pay Periods worked by each individual Aggrieved Employee.
- C. Workweek / Pay Period Challenges. The number of Workweeks / Pay Periods you worked during the Class/PAGA Periods, as recorded in Defendants’ records, are stated in the first page of this Notice. You have until <<RESPONSE DEADLINE>> to challenge the number

credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 (HOW CAN I GET MORE INFORMATION?) of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept the calculation of pay periods based on Defendants' records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. Determination of Class Member Challenges over Workweeks / Pay Periods shall be made by Class Counsel and Defendants. Should a consensus not be reached, the Court will make the final determination. You cannot appeal or otherwise challenge the final decision.

5. HOW WILL I GET PAID?

- A. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
- B. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 (HOW CAN I GET MORE INFORMATION?) of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Nart Khatib v. HMM Associates, Inc., et al.*, Los Angeles Superior Court, Case No. 25STCV12178, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by <<RESPONSE DEADLINE>>, or it will be invalid.** Section 9 (HOW CAN I GET MORE INFORMATION?) of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to approve. At least sixteen (16) court days before <<FINAL APPROVAL HEARING DATE>> (the Final Approval Hearing), Class Counsel and/or Plaintiff will file in Court a Motion for

Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, as well as a request for Fees and Litigation Expenses stating the amount Class Counsel is requesting for attorneys' fees and litigation expenses, and requesting a Class Representative Enhancement Payment for Plaintiff. Upon reasonable request, Class Counsel (whose contact information is in Section 9 (HOW CAN I GET MORE INFORMATION?) of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website

<<ADMIN URL FOR CASE>>

or the Court's website (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action (25STCV12178).

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees and Litigation Expenses may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel are too high or too low. **The deadline for sending written objections to the Administrator is <<RESPONSE DEADLINE>>**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action (*Nart Khatib v. HMM Associates, Inc., et al.*, Los Angeles Superior Court, Case No. 25STCV12178) and include your name, current address, telephone number, and approximate dates of employment for Defendants and sign the objection. Section 9 (HOW CAN I GET MORE INFORMATION?) of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 (CAN I ATTEND THE FINAL APPROVAL HEARING?) of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on <<FINAL APPROVAL HEARING DATE>> at <<FINAL APPROVAL HEARING TIME>> in Department 11 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before deciding. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://my.lacourt.org/laccwelcome>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website <<ADMIN URL FOR CASE>> beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The easiest way to access the Settlement Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website <<ADMIN URL FOR CASE>>. You can also contact the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 25STCV12178. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

Administrator:

<<ADMIN INFO>>

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. **Please make sure you contact the Administrator before the void date otherwise your check will be voided and distributed to the State Controller Unclaimed Property Fund.**

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.