

CLASS SETTLEMENT AGREEMENT

This CLASS SETTLEMENT AGREEMENT ("Class Settlement Agreement") is entered into this 7th day of August, 2013 between Plaintiff Markeletta Wilson ("Plaintiff" or "Ms. Wilson") individually and on behalf of a class of similarly situated individuals, and Defendants RentGrow, Inc. ("RentGrow") and Yardi Systems, Inc. ("Yardi" and together with RentGrow, the "Defendants"). The individuals and entities specifically referenced above sometimes herein are individually referred to as a "Party" and collectively the "Parties." For the purposes of this Class Settlement Agreement, the term "Prohibited Information" means a record of arrest, indictment, or conviction of an adult for a crime that, from the date of disposition, release, or parole, antedates the report by more than seven years.

I. RECITALS

1. Plaintiff Markeletta Wilson is a resident of King County Washington. On April 4, 2013, Ms. Wilson, on her own behalf and on behalf of a class of similarly situated individuals (the "Class"), filed an action in King County Superior Court, No. 13-2-15514-1 SEA (the "Litigation"). The complaint alleges that Defendant RentGrow and Defendant Yardi violated RCW 19.182 and RCW 19.86 by willfully reporting Prohibited Information in consumer reports.

2. Defendant RentGrow, Inc. is a Delaware corporation and wholly owned subsidiary of Yardi Systems, Inc. Defendant Yardi Systems, Inc. is a California corporation.

3. The class on whose behalf the settlement is entered into (the "Settlement Class") consists of all Washington consumers who were the subject of a consumer report including Prohibited Information and prepared by Defendants between April 3, 2011 and the date of this Class Settlement Agreement. The Settlement Class does not include persons who have opted out of the Class as of the exclusion deadline set by the Court.

4. Defendants have represented that 273 persons in Washington were the subjects of consumer reports that allegedly included Prohibited Information and were prepared by RentGrow between April 3, 2011 and the date of this Class Settlement Agreement. Plaintiff has relied upon that representation.

5. Defendants deny any liability or wrongdoing with respect to Plaintiff or the Class. Nevertheless, in order to avoid further expense and burdensome, protracted litigation, and to put to rest all claims that have been or could have been asserted by the Plaintiff or the Settlement Class arising out of or related to the reporting of Prohibited Information by RentGrow between April 3, 2011 and the date of this Class Settlement Agreement, Defendants consider it desirable that the Litigation and the claims alleged therein or that could have been alleged therein be settled upon the terms and conditions set forth in this Class Settlement Agreement.

6. Plaintiff desires to settle the claims against Defendants, having considered, with the assistance of her counsel, the risks, delay, and difficulties involved in establishing a right to recovery in excess of that offered by this Class Settlement Agreement and the likelihood that the Litigation will be protracted and expensive.

7. Counsel for Plaintiff have investigated the facts available to them, the law, and the potential prospect of recovering greater damages from Defendants.

8. Based on the foregoing, and upon an analysis of the benefits that this Class Settlement Agreement affords Plaintiff and the Settlement Class, counsel for Plaintiff consider it to be in the best interests of Plaintiff and the Class to enter into this Class Settlement Agreement.

9. In consideration of the foregoing, counsel for Plaintiff and counsel for Defendants agree that the claims of Plaintiff and the Settlement Class are hereby compromised and settled, subject to the approval of the Court, upon the following terms and conditions.

II. TERMS

1. **Programmatic Changes:** Defendants agree to implement changes to their policies and programs ("Programmatic Changes") designed to prevent the reporting of Prohibited Information. These Programmatic Changes are detailed in a Declaration from Patrick Hennessey, General Manager of Defendant RentGrow, attached to this Class Settlement Agreement as Exhibit A.

2. **Settlement Proceeds:** Defendants also agree to pay a total amount of \$150,000 (the "Settlement Proceeds") as part of this Class Settlement Agreement. Payment of this amount constitutes Defendants' total financial obligation under the settlement and is not subject to increase for any reason. The Settlement Proceeds include:

- a. A class fund of \$109,200 (the "Class Fund"), subject to Court approval. The Class Fund represents a minimum payment of \$400 to each of the 273 members of the Settlement Class. If a Class member is excluded from the Settlement Class, the portion of the Class Fund that was designated for that person shall be distributed on an equal basis to all members of the Settlement Class.
- b. A stipend to Plaintiff of \$1,500, subject to Court approval, for her service as Settlement Class representative. Plaintiff and counsel for Plaintiff will not request or petition the Court for a stipend amount greater than \$1,500. If the Court awards anything less than \$1,500 in relation to the stipend request, then the difference between \$1,500 and the amount received by Plaintiff shall be treated as residual funds and handled in accordance with Section II, Paragraph 12 of this Class Settlement Agreement.
- c. Attorneys' fees and costs of \$32,600, subject to Court approval. Plaintiff and counsel for Plaintiff will not request or petition the Court for additional fees or costs above \$32,600. Under no circumstances will the Defendants be required to pay any of the Plaintiff's attorneys' fees and costs exceeding \$32,600. If the Court awards anything less than \$32,600 in relation to attorneys' fees and costs, then the difference between \$32,600 and the amount received by

counsel for Plaintiff shall be treated as residual funds and handled in accordance with Section II, Paragraph 12 of this Class Settlement Agreement.

- d. Settlement administration expenses of \$6,700, subject to Court Approval. Plaintiff and counsel for Plaintiff will not request or petition the Court for additional settlement administration expenses. Under no circumstances will the Defendants be required to pay any settlement administration expenses exceeding \$6,700. If the Court awards anything less than \$6,700 in relation to the administration expenses request, then the difference between \$6,700 and the amount received by counsel for Plaintiff shall be treated as residual funds and handled in accordance with Section II, Paragraph 12 of this Class Settlement Agreement.

3. **Releases:** As of the Effective Date of this Class Settlement Agreement, defined in Paragraph 9 of Section II of this Class Settlement Agreement, Plaintiff and each member of the Settlement Class will be deemed to have released and discharged each Defendant and each Defendant's current and former officers, directors, successors, assigns, predecessors, shareholders, affiliated companies, subsidiary companies, employees, attorneys and agents ("Released Parties"), from all claims, controversies, actions, causes of action, demands, damages, costs and attorneys' fees, monies due on account, obligations, and/or liabilities of any kind whatsoever in law or equity arising out of or related to the reporting of Prohibited Information in Washington by Defendants since April 3, 2011, as described in the Complaint. As of the Effective Date of this Class Settlement Agreement, Plaintiff and each member of the Settlement Class will be deemed to have released and discharged the Released Parties from any and all claims and/or causes of action that were alleged in the Litigation, or that could have been alleged in the Litigation, whether known or unknown. This release, as applied to Defendants and any successor in interest, is conditioned upon Defendants' performance of their obligations as set forth in this Class Settlement Agreement. Further, this release has no application to potential future claims of wrongdoing by any Defendant alleged to have taken place after the date of this Class Settlement Agreement.

4. **Court Approval:** As soon as practical after the execution of this Class Settlement Agreement, Plaintiff shall apply to the Court for an order which:

- a. Preliminarily approves this Class Settlement Agreement.
- b. Schedules a hearing for final approval of this Class Settlement Agreement by the Court.
- c. Approves the form of notice to the proposed members of the Settlement Class.
- d. Finds that mailing of such Class notice is the only notice required and that such notice satisfies the requirements of due process and CR 23.

5. **Form of Notice:** The Parties agree to request approval of the form of notice attached hereto as Exhibit B. The fact that the Court may require changes in the form of notice

does not invalidate this Class Settlement Agreement if the changes do not materially affect the substance of the Class Settlement Agreement.

6. **Notice to Class.**

- a. **Settlement Administrator:** The Parties jointly request that Terrell Marshall Daudt & Willie PLLC be appointed by the Court to serve as the class action settlement administrator ("Administrator").
- b. **Settlement Class Information:** Within five days of an order granting preliminary approval of this Class Settlement Agreement, Defendants shall provide the Administrator with an electronic spreadsheet that includes the names, last known mailing addresses, and last known phone numbers of all potential members of the Settlement Class. Counsel for Plaintiff may also furnish the Administrator with any current mailing addresses of such potential members that are known to counsel. If a mailing address is not identified for any potential member of the Settlement Class, the Administrator shall conduct an address search for that person prior to the initial mailings of the notice forms. In performing this address search, the Administrator shall use a reliable address search service such as Accurant by LexisNexis. If the address search service does not identify a prospective Class member's mailing address based upon name, last known mailing address and last known phone number, Defendants will provide the Administrator with the first five digits of the potential Settlement Class member's social security number.
- c. **Initial Mailings:** The Administrator will mail a notice form to each potential member of the Settlement Class within 10 days of receipt of the Settlement Class information from Defendants (the "Initial Mailing Date"). All mailings by the Administrator will be by first class mail. The notice form shall be the form of notice approved by the Court pursuant to Paragraph 5 of Section II of the Class Settlement Agreement.
- d. **Undeliverable Mailings:** If a notice form is returned as undeliverable with a forwarding address provided by the United States Postal Service, the Administrator will promptly send a notice form to that forwarding address. If a notice form for any person is returned as undeliverable and without a forwarding address, the Administrator shall conduct one address search for that person using a reliable address search service such as Accurant by LexisNexis. If that search produces a more recent address for the person, the Administrator will send a notice form to that more recent address. The Administrator shall also mail a notice form to any potential Settlement Class Member who contacts the Administrator and requests information regarding this Class Settlement Agreement.
- e. **Exclusion Period:** The notice form sent to all potential members of the Settlement Class will inform those potential members of the right to be

excluded from the Settlement Class. Potential members will have 30 days from the Initial Mailing Date to request such exclusion. Exclusion requests must be made in writing and must include the full name, current mailing address, and current phone number of the person requesting exclusion along with the statement "I wish to be excluded from the settlement of the case entitled *Wilson v. RentGrow, Inc.*, King County Superior Court Case No. 13-2-15514-1 SEA." The written request must be signed by the person requesting exclusion, must be returned by mail to the Administrator at the address specified in the notice form, and must be postmarked on or before the deadline set forth in the notice form, which deadline shall be 30 days from the Initial Mailing Date. The date of the postmark on the return mailing envelope shall be the exclusive means used to determine whether a request for exclusion has been timely submitted. In the event of any dispute concerning whether a person has timely and properly opted out of the settlement, counsel for the Parties shall meet and confer in good faith to resolve such dispute.

- f. **Weekly Reports:** After the Initial Mailing Date, the Administrator shall provide a weekly report to counsel for Plaintiff and counsel for Defendants setting forth the following information: (i) The number of notice forms returned as undeliverable (with or without forwarding addresses); (ii) the number of notice forms sent to new addresses; and (iii) the number of exclusion requests received.

7. **Potential Objections by Class Members:** The notice form sent to potential members of the Settlement Class shall inform them of the right to object to the Class Action Settlement. If a potential member of the Settlement Class wishes to have the Court consider such an objection, that person (1) must not exclude himself or herself from the Settlement Class and (2) must file with the Court and mail to counsel for the Parties a written objection, along with any supporting documentation that the person wishes the Court to consider, by no later than 30 days from the Initial Mailing Date. If such an objection is submitted and overruled by the Court, the objecting member of the Settlement Class shall remain fully bound by the terms of this Class Settlement Agreement so long as it is granted final approval by the Court.

8. **Final Approval:** At the conclusion of, or as soon as practicable after the close of the fairness hearing for this Class Settlement Agreement, counsel for Plaintiff, and counsel for Defendants shall request that the Court enter a final order approving the terms of this Class Settlement Agreement as fair, reasonable and adequate; providing for the implementation of those terms and provisions; finding that the notice given to the Class satisfies the requirements of due process and CR 23; and dismissing the claims of Plaintiff and the Settlement Class with prejudice and without costs or other disbursements except as required by this Class Settlement Agreement. The fact that Court may require changes in the proposed order does not invalidate this Class Settlement Agreement if the changes do not materially affect the substance of the Class Settlement Agreement.

9. **Effective Date:** The effective date of this Class Settlement Agreement (the "Effective Date") shall be the later of either (1) the expiration of the time for filing an appeal from the Court's entry of a final order approving this Class Settlement Agreement or (2) if a timely appeal is made, the date of the final resolution of that appeal, including any subsequent appeals, resulting in final judicial approval of this Class Settlement Agreement. Unless specifically stated otherwise, all time periods set forth in this Class Settlement Agreement shall commence as of the Effective Date.

10. **Release and Disbursement of Settlement Proceeds:** Within ten (10) business days after the Effective Date, Defendants shall disburse the Settlement Proceeds to counsel for Plaintiff. The Settlement Proceeds shall be used to make all necessary payments under the Class Settlement Agreement. The Settlement Proceeds shall be disbursed by the Administrator within 40 days after the Effective Date. Disbursement shall be in the amounts described in Paragraphs 2 and 12 of Section II of this Class Settlement Agreement.

11. **Uncashed Checks:** Each check issued pursuant to this Agreement shall be void if not negotiated within 120 days after its date of issue and shall contain a legend to such effect. Checks that are not negotiated within 120 days after their date of issue shall not be reissued and will be cancelled by the Administrator.

12. **Residual Funds:** The Parties agree that a residual fund will be created with the value of checks that are not negotiated, are returned, or remain undeliverable after 120 days following the mailing of the checks to Class Members. The Parties agree that, subject to Court approval, 25 percent of all residual funds shall be distributed to the Legal Foundation of Washington, consistent with CR 23(f), and that the remaining 75 percent of all residual funds shall be distributed in equal amounts to the Tenants Union of Washington and Solid Ground for the purpose of educating Washington residents with respect to tenant screening and issues related to the Washington Fair Credit Reporting Act. Within 180 days of the date checks are mailed to Settlement Class Members under paragraph 10 of this Agreement, the Administrator shall distribute any all residual funds in accordance with this Paragraph with notice to Defendants' counsel. Any residual funds will be paid in the name of RentGrow, Inc.

13. **Potential Non-Approval by Court – Effect:** If this Class Settlement Agreement is not approved by the Court, or for any reason does not become effective, then this Class Settlement Agreement shall be deemed null and void and shall be without prejudice to the rights of the Parties hereto and shall not be used in any subsequent proceedings in this or any other litigation, or arbitration, or in any manner or proceeding whatsoever.

14. **Jurisdiction:** The Parties hereto submit to the jurisdiction of the King County Superior Court for the purpose of implementing and enforcing this Class Settlement Agreement. The Parties also consent to the jurisdiction of the King County Superior Court for any disputes that may arise or actions that may be taken in connection with this Class Settlement Agreement after the Effective Date.

15. **No Admission of Liability:** This Class Settlement Agreement is a compromise of disputed claims. Whether or not the Class Settlement Agreement and the settlement

contemplated hereunder are consummated, the Class Settlement Agreement and the proceedings in connection herewith shall in no event be construed as, or be deemed to be, evidence of an admission or concession on the part of Defendants of any liability or wrongdoing whatsoever, and Defendants expressly deny any wrongdoing or liability on their part.

16. **Full and Final Support:** The Parties agree that the Action is being voluntarily settled after consultation with experienced legal counsel and that the terms of the Class Settlement Agreement were negotiated at arm's length and in good faith. The Parties and their attorneys agree to cooperate fully with one another in seeking Court approval of this Class Settlement Agreement, and to use their best efforts to effect the consummation of this Class Settlement Agreement and the settlement provided for herein.

17. **Entire Agreement:** The foregoing constitutes the entire agreement between the Parties with regard to the subject matter hereof and may not be modified or amended except in writing signed by all Parties hereto.

18. **Counterparts:** This Class Settlement Agreement may be executed in counterparts, in which case the various counterparts shall constitute one instrument for all purposes. The several signature pages may be collected and annexed to one or more documents to form a complete counterpart. Photocopies of executed copies of the Class Settlement Agreement may be treated as originals.

19. **Binding Agreement:** Each and every term of this Class Settlement Agreement shall be binding upon and inure to the benefit of Plaintiff, the members of the Settlement Class, and any of their successors and personal representatives, and shall bind and shall inure to the benefit of Defendants and the Released Parties, all of which persons and entities are intended to be beneficiaries of this Class Settlement Agreement.

20. **Press Release:** Any press release issued by the parties shall not identify the Defendants by name or state or suggest that Defendants admit to any wrongdoing.

21. **Choice of Law:** This Class Settlement Agreement and the exhibits annexed hereto shall be governed by and interpreted in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF the Parties hereto, acting by and through their counsel of record, have so agreed, on August 14, 2013.

PLAINTIFF

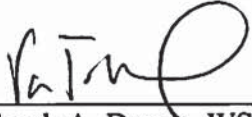
DEFENDANTS:

Markeletta Wilson

RentGrow, Inc.
by Anant Yardi, President

Toby J. Marshall, WSBA #32726
Terrell Marshall Daudt & Willie PLLC

Yardi, Systems, Inc.
by Anant Yardi, President



Sarah A. Dunne, WSBA #34869
Vanessa Hernandez, WSBA #42770
ACLU of Washington Foundation
Attorneys for Plaintiff

Arnold Brier, CSBA # 119555
Attorney for Defendants

21. **Choice of Law:** This Class Settlement Agreement and the exhibits annexed hereto shall be governed by and interpreted in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF the Parties hereto, acting by and through their counsel of record, have so agreed, on August 8, 2013.

PLAINTIFF


Markeletta Wilson

Toby J. Marshall, WSBA #32726
Terrell Marshall Daudt & Willie PLLC

Sarah A. Dunne, WSBA #34869
Vanessa Hernandez, WSBA #42770
ACLU of Washington Foundation
Attorneys for Plaintiff

DEFENDANTS:

RentGrow, Inc.
by Anant Yardi, President

Yardi, Systems, Inc.
by Anant Yardi, President

Arnold Brier, CSBA # 119555
Attorney for Defendants

21. **Choice of Law:** This Class Settlement Agreement and the exhibits annexed hereto shall be governed by and interpreted in accordance with the laws of the State of Washington.


IN WITNESS WHEREOF the Parties hereto, acting by and through their counsel of record, have so agreed, on August 14, 2013.

PLAINTIFF

DEFENDANTS:

Markeletta Wilson

RentGrow, Inc.
by Anant Yardi, President


Toby J. Marshall, WSBA #32726
Terrell Marshall Daudt & Willie PLLC

Yardi, Systems, Inc.
by Anant Yardi, President

Sarah A. Dunne, WSBA #34869
Vanessa Hernandez, WSBA #42770
ACLU of Washington Foundation
Attorneys for Plaintiff

Arnold Brier, CSBA # 119555
Attorney for Defendants

21. **Choice of Law:** This Class Settlement Agreement and the exhibits annexed hereto shall be governed by and interpreted in accordance with the laws of the State of Washington.

IN WITNESS WHEREOF the Parties hereto, acting by and through their counsel of record, have so agreed, on August 14, 2013.

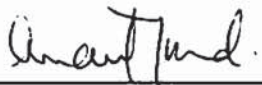
PLAINTIFF

Markeletta Wilson

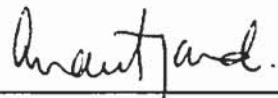
Toby J. Marshall, WSBA #32726
Terrell Marshall Daudt & Willie PLLC

Sarah A. Dunne, WSBA #34869
Vanessa Hernandez, WSBA #42770
ACLU of Washington Foundation
Attorneys for Plaintiff


DEFENDANTS:



RentGrow, Inc.
by Anant Yardi, President



Yardi, Systems, Inc.
by Anant Yardi, President



Arnold Brier, CSBA #119555
Attorney for Defendants