

**UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF NORTH CAROLINA
Please Read this Legal Notice—It May Affect Your Rights**

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

This notice is a summary only. For more information, go to www.IndianCreekClassAction.com or call 1-888-766-7538 (English/Español)

Este documento está disponible en español en: www.IndianCreekClassAction.com.

GENERAL INFORMATION

A federal court has taken the first step in approving a settlement of a class action that may affect your rights. The case involves the Indian Creek Overlook Mobile Home Park in Garner, North Carolina (“Indian Creek”).

The court in charge of this case is the United States District Court for the Eastern District of North Carolina (“Court”). The case is called *Irma Rodriguez and Ethel Dolores Lawson v. Riverstone Communities, LLC, et al.*, Civil Action No. 5:21-CV-486-D. The case is assigned to Judge James C. Dever III.

The case was filed as a class action by Irma Rodriguez and Ethel Dolores Lawson (“Plaintiffs”). The companies being sued are called Defendants. “Defendants” are Riverstone Communities, LLC, Indian Creek Parent, LLC, Indian Creek MHP, LLC, Indian Creek Dealer, LLC, and Indian Creek Association LLC.

What is this case about?

This case makes claims for people who signed an attachment to their lease at Indian Creek titled, “Contingent Option to Purchase Manufactured Home Addendum” (“Purchase Option”). The Purchase Option that you and your household signed provided an opportunity for your household to purchase the mobile home (but not the land on which it sits) (“Mobile Home”) under certain terms and conditions and in consideration for your household’s payment of an option fee (“Option Fee”). The amount of the Option Fee that you paid is stated in the first line of your Purchase Option, which is attached to your Indian Creek lease.

In this case, Plaintiffs claim that Defendants violated the law by:

- Failing to provide required information and consumer protections to Indian Creek residents who signed a Purchase Option;
- Failing to maintain and repair certain Mobile Homes in which residents who signed a Purchase Option resided;
- Filing eviction proceedings against certain residents who signed a Purchase Option; and
- Charging residents who signed a Purchase Option a fee called an “HOA” fee.

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You can read more about the claims here: www.IndianCreekClassAction.com. Defendants deny they did anything wrong. The Court has not made a decision either way.

What is a class action?

A class action is a type of lawsuit in which one or more people represent a group of people who have similar claims. The people who bring the case are called “class representatives” (in this case, Irma Rodriguez and Ethel Dolores Lawson are the “Class Representatives”). Each person in the group is called a “Class Member” and together they make up the “Class.”

In a class action, the court decides issues for all Class Members in a single case, unless someone decides that they do not want to be part of the Class and chooses to exclude themselves (by “opting out”) from the Class. Class actions can allow a large group of people to all get relief in one case without needing to hire their own personal attorneys and without having to go to court individually.

Why is there a settlement?

Both Plaintiffs and Defendants have agreed to the terms of a settlement. This means they have come to an agreement instead of continuing with more legal action. By doing this, they can avoid the risks, delays, and costs of more court proceedings, among other things. The attorneys who represent the class, called “Class Counsel,” think that the settlement is the best option for all of the Class Members. Even though the parties have agreed to a proposed settlement, Judge Dever will decide whether the settlement will be approved.

How do I know if I am part of the settlement?

The Court has preliminarily approved a Class for settlement (“Settlement Class”). The Settlement Class is made up of all persons who both:

- (1) signed a Purchase Option with one or more Defendants for a Mobile Home at Indian Creek; and
- (2) resided in that Mobile Home at Indian Creek any time on or after October 15, 2017.

If you received this Notice, you are part of the Settlement Class according to Defendants’ records.

The Court has also preliminarily approved a subclass. The subclass is called the “Unexercised Option Subclass” and it is made up of Settlement Class Members who both:

- (i) continue to reside at Indian Creek as of the “Effective Date” of the Settlement Agreement (which means the fifth business day after the Court gives final approval to the settlement and all deadlines for appeal and review have expired); and
- (ii) have not, as of the Effective Date, exercised his/her/their Purchase Option to purchase their Mobile Home by making all required payments provided in the Purchase Option.

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If you meet the above requirements, you are eligible to be a member of the Unexercised Option Subclass. If your household exercises its Purchase Option and purchases the Mobile Home before the Effective Date, you will still be part of the Settlement Class (unless you choose to opt out), but you will not be eligible for the additional benefits available to members of the Unexercised Option Subclass.

SETTLEMENT BENEFITS—WHAT YOU GET

What are the terms of the settlement?

If approved, the settlement provides the following benefits to Class Members:

- Defendants will pay \$1,020,000 into a settlement fund. That amount will be divided among the participating Settlement Class Members after deducting the amounts approved by Judge Dever to pay for attorneys' fees and expenses of Class Counsel, service awards for the two Class Representatives, and the costs and fees of managing the settlement. The amount of the settlement fund that will be distributed to participating Class Members is the "Settlement Fund Balance."

In addition, Class Members who still live at Indian Creek and have not yet purchased the Mobile Home (the "Unexercised Option Subclass") will receive the following benefits:

- Defendants will make repairs and perform maintenance that is required of landlords under North Carolina law, until such time as your household exercises its Purchase Option to purchase the Mobile Home.
- Defendants will provide disclosures about the Mobile Home. The information provided will include, among other things, the title owner, make, model, year, and VIN number of the Mobile Home; any liens on the Mobile Home known to Defendants; the amount of payments that may be credited towards the purchase price of the Mobile Home; and the amount your household must still pay to exercise the Purchase Option and purchase the Mobile Home.
- Defendants will give Unexercised Option Subclass Members the choice to cancel their Purchase Option and get a refund of the Option Fee, if all household members agree.
- Defendants will give all Unexercised Option Subclass Members who choose to stay at Indian Creek (whether or not they choose to cancel the Purchase Option) an opportunity to enter into a new lease at Indian Creek.

How will the Settlement Fund Balance be divided among participating Class Members?

If the settlement is approved, each Class Member will receive a check for his/her portion of the Settlement Fund Balance. The Settlement Fund Balance will be divided among Class Members on a *household* basis. A single Purchase Option may have been signed by more than one Class Member. All Class members who signed a single Purchase Option (and who were designated as a "tenant" on that form) will be considered collectively as a single "Household." The Settlement Fund Balance will be divided up as follows:

- a. Payment to All Class Members. Most of the Settlement Fund Balance will be distributed on a *pro rata* basis depending on how long your Household lived at Indian Creek since October 15, 2017. The longer your Household lived there, the higher your Household's allocated payment will be. Assuming full participation among all Class Members, the average amount allocated to a Household would be approximately \$6,000. If your Household lived at Indian Creek from October 2017 until now, your Household's allocated payment would be approximately \$10,000.
- b. Option Fee Reimbursement to Former Residents: Your Household will receive a refund of your Option Fee from the Settlement Fund if all members of your Household: 1) are former residents of Indian Creek (*i.e.*, you all no longer live at Indian Creek), and 2) signed the Purchase Option on or after October 15, 2017, and 3) did not exercise their Purchase Option. This amount ranges between approximately \$2,500 to approximately \$5,100, depending on your Household's particular Purchase Option.
- c. Payments for Class Members Who Had Eviction Papers Filed Against Them: If your Household had any eviction proceeding (also called a "summary ejection") filed against any of its members from October 15, 2017, to August 31, 2023, your Household will receive a payment in the amount of \$5,000.

Uncashed Checks. If checks cannot be delivered to some Class Members or Class Members do not cash their checks, then those funds will be distributed to Class Members who have cashed a prior distribution check, as long as the check amount is at least \$10. Any amounts remaining in the Settlement Fund Balance after this process may be distributed as directed by the Court for purposes that will benefit the public. The money will not go back to Defendants.

HOW YOU GET THE BENEFITS OF THE SETTLEMENT

Do I need to do anything to get a cash payment from the Settlement Fund Balance?

No. You do not need to do anything to remain in the Class. By remaining in the Class, you will get a payment automatically, assuming the Court approves the settlement.

When will I get my cash payment?

Payments will not be made until after the Court grants final approval and all appellate and review deadlines have expired. The Court will hold a hearing on February 2, 2024, at 1:00 p.m. in Courtroom 1 at the United States Courthouse, 310 New Bern Avenue, Raleigh, N.C. 27601, to decide whether to finally approve the settlement. Even if the Court approves the settlement, there may be appeals. It is always uncertain whether there will be an appeal and if so, when it will be resolved. Resolving appeals can take time, often more than a year. Please be patient.

What should I do if I want to cancel my Purchase Option and get my Option Fee back?

If the Court approves the settlement, you will be given an opportunity at a later date to cancel your Purchase Option and get your Option Fee back. Only Class Members who still live in Indian Creek and have not yet exercised their Purchase Option will be provided with information about their home and about canceling their Purchase Options. They will also be

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provided with a Right-to-Cancel Form from the “Settlement Administrator,” with instructions on how you exercise your right to cancel and get back the Option Fee you paid when you signed the lease. The Settlement Administrator is American Legal Claims Services, LLC. If you choose to cancel the Purchase Option, you will have no further right to purchase the Mobile Home. You can only cancel your Purchase Option if all members of your Household agree.

What if more than one Class Member signed a Purchase Option?

As explained above, Class Members who signed a Purchase Option together for the same Mobile Home will be considered a single “Household.” The Settlement Fund Balance will be allocated on a *Household* basis. The amount that your Household will receive will be divided equally among all the Class Members in your Household.

If more than one person signed the Purchase Option as a “tenant,” each co-tenant will be considered a separate Class Member. However, individuals who are listed as mere “occupants” on a lease or Purchase Option with Defendants are not considered Class Members.

If multiple Class Members signed a single Purchase Option as co-tenants for one Mobile Home, then all of them need to agree to cancel the Purchase Option. If even one Class Member who signed as a co-tenant does not want to cancel the Purchase Option, the Purchase Option will not be cancelled.

What am I giving up to get my cash payment and the other Class benefits?

Class Members release or give up the right to sue, or be part of any other lawsuit against the Released Parties about the claims released in this settlement (which include all matters at issue in the case). It also means that all of the decisions by the Court will bind you. The “Released Parties” and “Released Claims” are defined in the Settlement Agreement and Release (“Settlement Agreement”). The Settlement Agreement is available at the following website: www.IndianCreekClassAction.com.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to be part of the settlement, you can take yourself out of the Class by “opting out.” To opt out of the settlement, you must send a letter by mail saying that you want to be excluded from *Irma Rodriguez, et al. v. Riverstone Communities, LLC, et al.*. That letter must include your name, address, telephone number, and your signature. To be effective, your opt-out request must be post-marked by no later than January 7, 2024, and be mailed to:

Rodriguez v. Riverstone
c/o Settlement Administrator
PO Box 23369
Jacksonville, FL 32241

You cannot opt out of the Class by telephone or e-mail. If you opt out of the Class, you will not receive any money or other benefits from the settlement, you cannot object to the

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settlement, and neither you nor Defendants will be legally bound by anything that happens in the case regarding you.

OBJECTING TO THE SETTLEMENT

Can I tell the Court if I do not like the settlement?

Yes, as long as you do not opt out of the Class. If you are a Class Member, you have the right to object to the settlement if you don't agree with any part of it. You should explain why you object and why you think the Court should not approve the settlement. The Court will take your views into consideration when deciding whether or not to approve the settlement. To object, you must file your objection with the Court and deliver written objections to Class Counsel and Defendants' counsel, postmarked no later than January 7, 2024. You must also state (1) your name, address, and telephone number, (2) the name of this case and the case number, (3) a clear statement of each objection; and (4) an explanation of specific reasons for each objection.

The address for Class Counsel, Defendants' counsel and the Court is:

<u>Class Counsel</u>	<u>Defendants' Counsel</u>	<u>Court</u>
Kate Woomer-Deters NORTH CAROLINA JUSTICE CENTER PO Box 28068 224 South Dawson Street Raleigh, NC 27611 (27601)	Scott Bayzle PARKER POE ADAMS & BERNSTEIN LLP PO Box 389 Raleigh, NC 27602	United States District Court for the Eastern District of North Carolina Clerk of Court PO Box 25670 310 New Bern Avenue Raleigh, NC 27611 (27601)

You may object only if you stay in the Class. Excluding yourself (*i.e.*, opting out) is telling the Court that you don't want to be part of the Class. If you exclude yourself, you have no reason to object because the case does not affect you.

THE LAWYERS REPRESENTING YOU

Do you have a lawyer in this case?

Yes. The Court has approved the following attorneys to represent you and the other Class Members:

Katharine Woomer-Deters, Carlene McNulty, and Jason Pikler of the North Carolina Justice Center in Raleigh, NC; and

Stuart Rossman of the National Consumer Law Center in Boston, MA.

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These lawyers are called Class Counsel. You will not be charged individually for these lawyers. If you want to be represented by your own lawyer, you may hire a lawyer at your own expense.

How will class counsel be paid?

Class Counsel will ask the Court for attorneys' fees of thirty percent (30%) of the settlement amounts paid by Defendants. The maximum amount they will ask for as attorneys' fees is \$300,000. The attorneys will only receive this amount if the Court approves their request. In addition to attorneys' fees, Class Counsel will also request reimbursement of expenses they have incurred while litigating this case on behalf of the Class.

The fees that Class Counsel is asking for would cover the work they have done in this case. This includes investigating the facts, litigating the case, negotiating the settlement, filing legal papers with the Court, and oversight of future implementation of the settlement, including fielding inquiries from Class Members. The Court could award less than the amount requested by Class Counsel.

Will the Class Representatives receive an award to compensate them for their efforts?

Class Counsel will ask the Court to approve special awards of \$7,000 each for Irma Rodriguez and Ethel Dolores Lawson, who are the Class Representatives in this case. These awards would be compensation for the time and effort they have dedicated to this case over the past two years. It is important to recognize that without their hard work, this case would not have been filed, and no one would have received any of the cash payments and other benefits that will result from the settlement.

THE COURT'S FAIRNESS HEARING

When and where will the Court decide to approve the settlement?

The Court will hold a hearing (called the "Final Approval Hearing") to decide whether to approve the settlement. During this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will take them into account. Additionally, the Court will also decide the request for attorneys' fees for Class Counsel and service awards for the Class Representatives.

You may attend the Final Approval Hearing and you may ask permission to speak, but you don't have to. If you wish to speak at the hearing, you or your personal lawyer (if you have one) must send a letter stating that it is your "Notice of Intention to Appear in *Irma Rodriguez, et al. v. Riverstone Communities, LLC*, Civil Action No. 5:21-CV-486-D." Your Notice of Intention to Appear must be filed or mailed so as to be postmarked no later than **January 7, 2024**, and be sent to the Clerk of Court, P.O. Box 25670, 310 New Bern Avenue, Raleigh, NC 27611 (27601) and to the Settlement Administrator at Rodriguez v. Riverstone, c/o Settlement Administrator, PO Box 23369, Jacksonville, FL 32241. You cannot speak at the hearing if you do not file the "Notice of Intention" or if you have opted out of the settlement.

The Final Approval Hearing will be held before Judge Dever at the following time and place:

February 2, 2024, 1:00 p.m.
United States Courthouse
Courtroom 1
310 New Bern Avenue,
Raleigh, NC 27601

GETTING MORE INFORMATION

This notice provides a summary of the proposed settlement. For more detailed information, you can obtain a copy of the Settlement Agreement by visiting the website **www.IndianCreekClassAction.com** or by calling toll free **1- 888-766-7538**. The website will be updated regularly.

Please do not call the Judge or Clerk of Court; they cannot give you advice about this case.

IF YOUR ADDRESS HAS CHANGED FROM THE ADDRESS SHOWN ON THE ENVELOPE, OR IF YOUR ADDRESS CHANGES BEFORE YOU RECEIVE A CHECK IN THE MAIL, YOU MUST NOTIFY THE SETTLEMENT ADMINISTRATOR. YOU CAN CONTACT THE SETTLEMENT ADMINISTRATOR BY E-MAIL OR IN WRITING, AT THE ADDRESS PROVIDED BELOW:

Rodriguez v. Riverstone Address Change
c/o Settlement Administrator
PO Box 23369
Jacksonville, FL 32241
E-Mail: info@IndianCreekClassAction.com

Questions? Call 1-888-766-7538, or visit www.IndianCreekClassAction.com