

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the “Agreement”) is made and entered into by and between Randy Morrow (“Morrow” or “Plaintiff”) and Vacasa LLC (“Vacasa” or “Defendant”). Morrow and Vacasa shall sometimes be referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

A. Plaintiff was formerly employed by Defendant.

B. On or about October 8, 2020, Plaintiff transmitted a letter to the California Labor and Workforce Development Agency (“LWDA”) asserting that Defendant failed to comply with various provisions of the California *Labor Code* (the “PAGA Notice”). Plaintiff seeks penalties pursuant to the California Labor Code Private Attorneys General Act (“PAGA”) as set forth in California *Labor Code* §2698 *et. seq.*, on behalf of all current and former non-exempt employees of Vacasa in California who were employed by Defendant at any time from October 8, 2019, though the date of approval of this settlement (“PAGA Claim Employees”) for asserted violations of California *Labor Code* §§201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558(a), 558(c), 1174, 1174.5 1194, 1197, 1197.1, 1198, 2699(a), 2699(f), 2699.3, and 2699.5 and Industrial Welfare Commission Order No. 2001-5 (the “Representative PAGA Claims”). Plaintiff also seeks an award of reasonable attorneys’ fees and costs as permitted by the PAGA, Labor Code § 2699. On January 4, 2021, Plaintiff filed a Complaint for Civil Penalties (“Complaint”) in Ventura County Superior Court, titled, *RANDY MORROW, individually and on behalf of all other Aggrieved Employees, Plaintiff, v. VACASA, LLC, an Oregon Limited Liability Company, and DOES 1 through 50, inclusive, Defendants*, Case Number 56-2021-00549414-CU-OE-VTA. The PAGA Notice, and Complaint will hereinafter be referred to jointly as the “Action,” and are attached hereto as **Exhibit A**.

C. On January 20, 2022, the Parties attended a full day mediation session with experienced wage and hour mediator, David Phillips, Esq. of Signature Resolution. After extensive arms-length negotiations, the Parties reached a settlement of the Representative PAGA Claims and entered into a Memorandum of Understanding, attached hereto as **Exhibit B** and incorporated herein. The settlement is further detailed in this Agreement, which the Parties will seek approval of with the Ventura County Superior Court by means of a Motion for Approval of PAGA Settlement (the “Motion”).

D. The Parties acknowledge that there is a bona fide dispute as to the merits of Plaintiff’s claims. The Parties further desire to compromise, settle and release any and all PAGA claims predicated on the alleged Labor Code violations to Plaintiff individually and all allegedly aggrieved employees as set forth in the Action.

E. The Parties believe and agree that the PAGA Settlement herein provides for a fair, adequate, and reasonable resolution of the PAGA claims, and have arrived at the settlement in extensive, arms-length negotiations, taking into account all relevant factors, present and potential.

F. By this Agreement, the Parties have settled, fully and finally, all PAGA claims that Morrow has or might have against Vacasa, up to and including the date of approval of this agreement, including but not limited to those claims which could be asserted in any PAGA lawsuit, or any PAGA administrative, civil, or governmental proceeding and any claims that could be asserted by the PAGA Claim Employees related to the Representative PAGA Claims.

NOW, THEREFORE, in consideration of the terms, conditions, and promises set forth herein, the Parties agree as follows:

TERMS AND SETTLEMENT

1. **No Admission of Liability.** This Agreement memorializes the compromise of disputed claims. The Parties acknowledge that the execution of this Agreement and the payment of consideration or any other obligation hereunder are not and shall not be construed in any way as an admission of wrongdoing or liability on the part of Vacasa, or any other person or business entity. Vacasa denies all allegations of wrongdoing arising out of the employment relationship between the Parties including the PAGA Claim Employees. The Parties intend, by this Agreement, merely to avoid the expense, delay, uncertainty, and burden of continued litigation.

2. **Consideration by Vacasa.** In exchange for a full and complete settlement and in release and discharge of the Released Claims with respect to Plaintiff's PAGA Claims and the PAGA Claim Employees, Vacasa will pay the gross amount of Three Hundred Sixty Nine Thousand Two Hundred Eighty Five Dollars and Zero Cents (\$369,285.00) (the "Gross Settlement Amount"). In no way will the amount Vacasa is to pay as part of this Agreement exceed the total sum of \$369,285.00. Defendant shall not be required to pay more than the Gross Settlement Amount to obtain the relief provided in this Agreement or to fully and finally settle and resolve the PAGA Claims; provided, however, after the Parties reached agreement on the above amount for Settlement of the PAGA Claims, the Parties separately negotiated, and Defendant has agreed, to pay additional amounts to Plaintiff for the settlement/release of his individual non-PAGA claims pursuant to the terms of a Confidential Settlement Agreement. Defendant shall provide the PAGA Gross Settlement Amount to the Settlement Administrator pursuant to the timing listed below in Section 3. Upon the Settlement Administrator's receipt of the funds, the Settlement Administrator will then disburse payment pursuant to the timing listed below in Section 3, and according to the terms of this Agreement as follows:

2.1 One check payable to Randy Morrow in the gross amount of Ten Thousand Dollars (\$10,000.00). The Parties intend this amount to represent compensation for Plaintiff as the PAGA representative on behalf of the PAGA Claim Employees and for any other PAGA claims Morrow has or may have against Defendant. The Settlement Administrator will issue an IRS form 1099 to Plaintiff regarding this payment. This is not a material term of this Agreement, and any denial or modification by a Court of this term will not invalidate the rest of this Agreement. Any reduced amounts will be added to the portion of the settlement to be paid to the LWDA and the PAGA Claim Employees under paragraph 2.4 of this Agreement.

2.2 Thirty Three Percent (33%) of the Gross Settlement Amount for attorneys' fees to Plaintiff's counsel, or One Hundred Twenty-One Thousand Eight Hundred Sixty-Four And Five Cents (\$121,864.05) and actual costs of Seven Thousand Three Hundred Eight

Dollars and No Cents (\$7,308.00) for Plaintiff's counsel's costs. The Settlement Administrator shall issue appropriate IRS form 1099s to Plaintiff's counsel. This is not a material term of this Agreement, and any denial or modification by a Court of this term will not invalidate the rest of this Agreement. Any reduced amounts will be added to the portion of the settlement to be paid to the LWDA and the PAGA Claim Employees under paragraph 2.4 of this Agreement.

2.3 Actual administration costs, currently estimated as Ten Thousand Dollars and No Cents (\$10,000.00) shall be paid to the Settlement Administrator, ILYM Group, Inc., from the Gross Settlement Amount, which will cover all costs of distribution, including: (a) reporting payment of the individual settlement payments to all required taxing and other authorities, take appropriate withholdings, and issue IRS Forms 1099; (b) translating, if necessary, any notices provided to the PAGA Claim Employees; (c) establishing a Qualified Settlement Fund ("QSF") for the purpose of administering the Settlement; and (d) all of the costs, fees, and expenses, incurred in performing the above listed functions and those contemplated in Section 3.

2.4 The remaining balance after deducting the amount being paid to Plaintiff, attorneys' fees and costs, and the Settlement Administrator's Fees is estimated to be no less than Two Hundred Twenty Thousand One Hundred and Twelve Dollars And Ninety Five Cents (\$220,112.95) (the "Net Settlement Amount"), which shall be distributed as follows:

a. Seventy Five Percent (75%) of the Net Settlement Amount, or no less than One Hundred Sixty Five Thousand and Eighty Four Dollars And Seventy One Cents (\$165,084.71) shall be paid to the California Labor and Workforce Development Agency ("LWDA") which represents civil penalties payable to the LWDA under the Labor Code Private Attorneys General Act ("PAGA"), Labor code section 2698, *et seq.*

b. Twenty Five Percent (25%) of the Net Settlement Amount, or no less than Fifty Five Thousand and Twenty Eight Dollars And Twenty Four Cents (\$55,028.24) (the "PAGA Claim Employee Amount") shall be paid to the PAGA Claim Employees which represents civil penalties payable to the PAGA Claim Employees as compensation for disputed civil penalties that are allegedly owed on the Representative PAGA Claims for the period from October 8, 2019 to the date of approval of this Agreement by the Court as to all alleged PAGA Claim Employees described in the Lawsuit, which amounts shall be distributed by a Settlement Administrator agreed upon by the Parties pursuant to the formula set out in paragraph 2.5 below.

2.5 The formula for distribution of the amount described in Section 2.4(b) is as follows: Each PAGA Claim Employee shall be allocated a proportionate share of the PAGA Claim Employee Amount based on the Defendant's data regarding the number of Qualifying Wage Statements he/she received while employed as an PAGA Claim Employee during the relevant time period set forth in Section 2.4(b). To perform this function, "Qualifying Wage Statements" are to be identified and tabulated by assigning a value of "1 wage statement" to each wage statement during which the individual was

employed by Defendant in a non-exempt position in California from October 8, 2019 to the date of approval of this Agreement (the "Settlement Period"). After calculating the Qualifying Wage Statements for each individual PAGA Claim Employee, the Settlement Administrator shall then compute the sum total of all Qualifying Wage Statements combined to arrive at an "aggregate total of all Qualifying Wage Statements worked by all PAGA Claim Employees." After calculating the "aggregate total of all Qualifying Wage Statements worked by all PAGA Claim Employees," the amount payable per-wage statement will then be calculated by dividing the amount specified in Section 2.4(b) by the "aggregate total of all Qualifying Wage Statements issued to all PAGA Claim Employees." The amount payable per-wage statement will then be multiplied by the number of Qualifying Wage Statements worked by the individual PAGA Claim Employee. This figure will be known as the "PAGA Claim Employee Settlement Award" (defined herein as "the amount of money allocated to each PAGA Claim Employee").

3. **PAGA Settlement Administration.** The Parties have agreed to selecting ILYM Group, Inc. as the Settlement Administrator to administer the Settlement. All the Settlement Administrator's costs and fees shall be paid from the Gross Settlement Amount.

3.2 Within fifteen (15) business days after the Effective Date (*i.e.*, at least 61 days from entry of judgment, Defendant shall provide to the Settlement Administrator a spreadsheet, in a searchable electronic format, which contains the following for each individual falling within the definition of PAGA Claim Employee for the entire Settlement Period: (i) each PAGA Claim Employee's name, (ii) last known address, (iii) last known telephone number (if available), (iv) social security number, and (v) the number of Wage Statements during the Settlement Period (the "PAGA Claim Employee List"). The PAGA Claim Employee List shall be held as private and confidential information and shall not be shared with Plaintiff's counsel or any third party by the Settlement Administrator without the express written consent of Defendant's counsel of record and/or court order. The Settlement Administrator shall conduct one National Change of Address ("NCOA") search for all PAGA Claim Employees identified on the PAGA Claim Employees List.

3.3 Within fifteen (15) business days after the Effective Date (*i.e.*, at least 61 days from entry of judgment) Defendant shall transfer the Gross Settlement Amount to the Settlement Administrator to affect disbursement of the Gross Settlement Amount.

3.4 Within fourteen (14) calendar days of transfer of the Gross Settlement Amount, the Settlement Administrator shall distribute such funds under the allocation plan set forth in Sections 2.1- 2.5 above. All Settlement checks sent to the PAGA Claim Employees shall be accompanied with a Notice, attached hereto as **Exhibit C**, which shall provide a brief description of the Complaint and this Settlement.

3.5 As the Representative PAGA Claims is not a class action, the Parties agree that California Code of Civil Procedure section 384 shall not be applicable. Any checks uncashed after 6 months will escheat to the LWDA. The Settlement Administrator shall be responsible for administration of all unclaimed funds, including any and all reporting requirements proscribed by California law.

3.6 Within Twenty (20) calendar days of distributing the Gross Settlement Amount and the Settlement Balance, the Settlement Administrator shall provide to the Parties, for filing with the Court by Plaintiff, a declaration verifying, under oath, that the Settlement Administrator has affected disbursement of the Gross Settlement Amount pursuant to the terms of this Agreement.

3.7 All notices, requests, demands and other communications required or permitted to be given pursuant to this Settlement shall be in writing and shall be delivered personally or mailed, postage prepaid, by first-class mail, to counsel of record at their respective addresses.

4. **Court Approval, Dismissal, and Judgment.** Plaintiff's Counsel shall file a motion with the Court to enter the Order Approving Settlement and entering Judgment thereon. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents reasonably necessary to be prepared or filed in order to obtain approval of this Agreement. The Court's approval of this Agreement shall be embodied in a written Order. The Parties shall also jointly request and reserve the Court's continuing jurisdiction over the construction, interpretation, implementation, and enforcement of this Settlement in accordance with its terms, and over the administration and distribution of the settlement proceeds pursuant to California Code of Civil Procedure section 664.6.

4.1 If the Court should for any reason fail to approve this Agreement, then (a) this Agreement shall be considered null and void, (b) neither this Agreement nor any of the related negotiations or proceedings shall be of any force or effect, and (c) all Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had been neither entered into nor filed with the Court.

4.2 Invalidation of any material portion of this Agreement shall invalidate this Agreement in its entirety unless the Parties shall subsequently agree in writing that the remaining provisions shall remain in full force and effect. Material terms of this Agreement include: the definition of PAGA Claim Employees (Recital B); the definition of Effective Date (Section 8); the definition of Settlement Period (Section 2.5); the definition of Released Claims (Section 6); the definition of Released Parties (Section 6); the definition of Gross Settlement Sum (Section 2); the requirement for entry of an order by the Court approving this Agreement and entering PAGA Judgment as contemplated in Section 4. The following terms are not material to this Agreement, meaning the Court can modify the amounts allocated in this Agreement: the allocation of fees and costs to Plaintiff's counsel under Section 2.2; the amount of the Settlement Administration fee (Section 2.3); the amount paid to Plaintiff for his service under section 2.1 .

5. **Taxes.** Morrow understands and acknowledges that Vacasa will not deduct any taxes or other withholdings from the Consideration described in Section 2.1 above and that he is fully responsible for all taxes, if any, to the Internal Revenue Service, California Franchise Tax Board, or other taxing authorities, pertaining to any payments that he received under this Agreement. Morrow will receive an IRS Form 1099 for said sums. Plaintiff and each PAGA Claim Employee bear full responsibility for the payment of any taxes or withholdings arising from the PAGA Claim Employee Settlement Awards or enhancement payments paid to them. Neither Plaintiff's Counsel nor counsel for Defendant intend anything contained herein to constitute advice regarding the taxability of any amount paid hereunder, nor shall it be relied upon as such. The

tax issues for each PAGA Claim Employee are unique, and each PAGA Claim Employee is advised to obtain tax advice from his or her own advisor with respect to any payments resulting from this Settlement.

6. **Release by Plaintiff on Behalf of the LWDA.** Upon the approval by the Court of this Agreement, Plaintiff, individually and as the representative acting as a proxy or agent of the LWDA, a State of California Executive Branch Agency, in this Action, agrees to release Defendant, its parent, subsidiary, and affiliated companies, owners, members, partners, officers, directors, predecessors, successors, assigns, agents, shareholders, investors, insurers and legal representatives (“Released Parties”) for penalties under the California Labor Code Private Attorneys’ General Act (“PAGA”) predicated on the violation of Labor Code §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 558(a), 558(c), 1174, 1174.5 1194, 1197, 1197.1, 1198, 2699(a), 2699(f), 2699.3, and 2699.5 and Industrial Welfare Commission Order No. 2001-5 based on the facts as alleged in the Complaint that accrued at any time between October 8, 2019 through the date of approval of this Agreement (“Released Claims”). (The claims waived against unknown future successors and assigns of Defendants consist of the PAGA claims that are waived against Defendants). The express purpose of this Agreement and the Judgment to be entered by the Court following approval of this settlement is to forever bar Plaintiff, the LWDA, and any other individual or entity acting on behalf of or purporting to act on behalf of the LWDA (including all PAGA Claim Employees) from asserting any of the Released Claims in any future litigation. It is the intent of the Parties that, to the greatest extent provided by law, including under the holding of *Arias v. Superior Court*, 46 Cal. 4th 969, 986 (2009), the ability of Plaintiff, the State of California or any PAGA Claim Employee to bring a PAGA claim on behalf of the LWDA based on the Released Claims is completely and forever foreclosed. Any Party to this Agreement may use the Agreement to assert that this settlement and the judgment to be entered by the Court following approval by this settlement bars any later-filed action asserting any of the Released Claims against any of the Released Parties at any time between October 8, 2019 to the date of approval of this Agreement.

The PAGA Claim Employees waive any rights provided by California Civil Code Section 1542 as to the PAGA Released Claims only, which states:

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.

7. **Morrow’s Individual Release of Unknown Claims.** For the purpose of implementing a full and complete release and discharge of PAGA claims, Morrow expressly acknowledges that the releases given in the Agreement are intended to include in their effect, without limitation, that with respect to the Released Claims, all PAGA claims that he did not know or suspect at the time of execution hereof, regardless of whether the knowledge of such claims, or the facts upon which they might be based, would materially have affected the settlement of this matter, and that the consideration given under this Agreement is also for the release of those PAGA claims and contemplates the extinguishment of any such claims. In furtherance of this Agreement, Morrow waives any rights provided by California Civil Code Section 1542, which states:

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.

8. **Effective Date.** The “Effective Date” of this Agreement is the date this Agreement is approved as provided herein and the Court’s order granting Settlement Approval and entry of Final Judgment becomes final and is no longer appealable. For purposes of this Agreement, “becomes final and is no longer appealable” shall mean the later of: (a) the day after the last date by which a notice of appeal to the applicable Court of Appeal of the order and judgment approving this Agreement may be timely filed and none is filed (*i.e.*, 61 days from notice of entry of judgment); (b) if an appeal is filed, and the appeal is finally disposed of by ruling, dismissal, denial, or in a any other manner that confirms the validity of the order and judgment, the day after the last date for filing a request for further review of the order and judgment approving this Agreement passes, and no further review is requested; or (c) if an appeal is filed and the order approving this Agreement is affirmed and further review of the order is requested, the day after the review is finally resolved and the order and judgment approving this Agreement is affirmed.

9. **LWDA Notice.** Pursuant to California Labor Code section 2699(l), Plaintiff will provide a copy of this Agreement to the LWDA concurrently with the filing of the motion for settlement approval. Plaintiff will also file a declaration in support of their Motion for Settlement Approval confirming that they have submitted the Agreement to the LWDA in compliance with Labor Code section 2699(l). In addition, Plaintiff shall submit to the LWDA a copy of the Court’s judgment and order approving the Agreement within ten (10) days after entry of the judgment or Order.

10. **Successors.** This Agreement shall be binding upon, and inure to the benefit of, the Parties, and their heirs, representatives, executors, administrators, successors, insurers, and assigns, and shall inure to the benefit of each and all of the Releasees, and to their heirs, representatives, executors, administrators, successors, and assignees.

11. **Breach by Parties.** In addition to any other rights the Parties have or may have under this Agreement, in the event of a breach by either party of any of the terms of this Agreement, the non-breaching Party shall be entitled, if it shall so elect, to institute legal proceedings to obtain damages for any such breach, or to enforce the specific performance of this Agreement by either party and to enjoin the other party from any further violation of this Agreement and to exercise such remedies cumulatively or in conjunction with all other rights and remedies provided by law. The Parties acknowledge, however, that the remedies at law for any breach by either party may be inadequate and that the non-breaching party shall be entitled to injunctive relief against the breaching party in the event of any breach. If the non-breaching party prevails in a proceeding for damages or injunctive relief, the breaching party agrees that the non-breaching party, in addition to other relief, shall be entitled to reasonable attorney fees, costs, and the expenses of litigation incurred by the non-breaching party in securing the relief granted by the Court.

12. **No Attorneys' Fees and Costs.** Except as otherwise set forth in this Agreement, the Parties agree that they shall bear their own respective costs and fees, including attorneys' fees, in connection with the negotiation and execution of this Agreement.

13. **Agreement is Voluntary.** Morrow understands and agrees that he: Has had a reasonable amount of time within which to consider the settlement terms memorialized in this Agreement before agreeing to them;

13.2 Has carefully read and fully understands all of the provisions of this Agreement;

13.3 Is, through this Agreement, releasing any and all PAGA claims he may have against any Releasees;

13.4 Knowingly and voluntarily agrees to all of the terms set forth in this Agreement;

13.5 Knowingly and voluntarily intends to be legally bound by the same; and

13.6 Was represented by and consulted an attorney prior to agreeing to the terms of this Agreement.

14. **No Representations.** The Parties acknowledge that, except as expressly set forth herein, no representation of any kind or character has been made to induce the execution of this Agreement.

15. **Ownership of Claims.** The Parties represent that they have not transferred or assigned, or purported to transfer or assign, to any person or entity, any claim described in this Agreement. The Parties further agree to indemnify and hold harmless one another, and all of their present partners, officers, directors, employees against any and all claims based upon, arising out of, or in any way connected with any such actual transfer or assignment.

16. **Severability.** Should any provision in this Agreement be declared or determined to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby, and the illegal or invalid part, term, or provision shall be deemed not to be part of this Agreement, and all remaining provisions shall remain valid and enforceable.

17. **Integration.** This Agreement sets forth the entire agreement between the Parties and fully supersedes any and all prior agreements and understandings between the Parties pertaining to the subject matter of this Agreement. Any modifications in this Agreement must be in writing and signed by the Parties.

18. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Furthermore, signatures delivered via facsimile or electronic transmission shall have the same force, validity and effect as the originals thereof.

19. **Interpretation.** This Agreement, and any ambiguities or uncertainties herein, shall be equally and fairly interpreted, and construed, without reference to the identity of the Party drafting this document, upon the express understanding and agreement that the Parties participated equally in the negotiation and preparation of this Agreement, or have had equal

opportunity to do so. Accordingly, the Parties, and each of them, expressly waive the benefits of California Civil Code section 1654, and any successor or amended statute.

20. **Governing Law and Venue.** This Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the State of California, regardless of the conflicts of laws rules of any individual state. In addition, any action brought to enforce the provisions of this Agreement shall be commenced, prosecuted, and defended exclusively in the Superior Court of the State of California, County of Ventura .

21. **Captions And Headings.** The section headings, captions, and titles used in this Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES THE RELEASE OF ALL KNOWN AND UNKNOWN PAGA CLAIMS.

Dated: 3-25-2022



Randy Morrow

Vacasa LLC

Dated: 30-Mar-2022

DocuSigned by:

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By: Lisa Jurinka
Its: Chief Legal Officer

4884-7800-2186.3 / 082185-1035

eSignature Details

Signer ID:	XoFwhwH1A5y7kKC6uuVkS94x
Signed by:	Randy Morrow
Sent to email:	randymorrow87@gmail.com
IP Address:	174.195.137.75
Signed at:	Mar 25 2022, 9:56 am PDT