PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release ("Agreement" or "Settlement Agreement") is made by and between Plaintiff VERNON BARNETT ("Plaintiff"), individually, and on behalf of all other aggrieved employees (the "Aggrieved Employees" or "PAGA Group" as described below), and as a private attorney general on behalf of the State of California pursuant to Labor Code § 2699, *et seq*., the California Private Attorneys General Act ("PAGA") on the one hand, and Defendant FIRST AMERICAN HOME WARRANTY CORPORATION ("Defendant"), on the other hand. Plaintiff and Defendant are collectively referred to herein as "the Parties."

This Agreement, and the settlement embodied herein, shall be binding on Plaintiff, the Aggrieved Employees they represent, and Defendant, subject to Court approval.

WHEREAS, on October 30, 2023, Plaintiff filed a PAGA complaint in the Superior Court of California for the County of San Diego (SDSC Case No. 37-2023-00046947-CU-OE-CTL) and with the Labor Workforce Development Agency (LWDA Case No. LWDA-CM-977062-23) alleging the following causes of action: (1) PAGA Claim for Failure to Pay State Minimum Wage/Regular Wages; (2) PAGA Claim for Failure to Pay State Overtime Wages; (3) PAGA Claim for Meal Labor Code Violations; (4) PAGA Claim for Rest Break Labor Code Violations; (5) PAGA Claim for Failure to Reimburse Business Expenses in Violation of Labor Code § 2802; (6) PAGA Claim for Inaccurate Wage Statements; (7) PAGA Claim for Failure to Make Payments Within the Required Time; (8) PAGA Claim for failure to provide and maintain records; and (9) Miscellaneous claims via PAGA (all of the foregoing is collectively referred to as Plaintiff's "PAGA Claims").

WHEREAS, concurrent with the filing of Plaintiff's PAGA action, Plaintiff also filed a demand for arbitration with the American Arbitration Association (AAA).

WHEREAS, on December 22, 2023, Defendant attempted to compel Plaintiff's non-individual PAGA case to arbitration.

WHEREAS, on April 23, 2024, Plaintiff via counsel filed a first amended PAGA complaint and dismissed his individual PAGA claims in Superior Court without prejudice and proceeded on a non-individual basis only.

WHEREAS, on May 24, 2024, after heavy briefing that included supplemental rounds of briefing and oral argument, the trial court denied Defendant's motion to compel arbitration.

WHEREAS, on June 21, 2024, the Defendant filed a notice of appeal.

WHEREAS, on August 19, 2025, the Court of Appeal, Division One of the Fourth Appellate District, affirmed the trial court's order denying Defendant's motion to compel arbitration of Plaintiff's PAGA claims.

WHEREAS, during the pendency of this litigation, the Parties conducted significant investigation of the facts and law and engaged in an informal discovery exchange before mediation. In response to PAGA Counsel's informal discovery requests, Defendant provided PAGA Counsel with information and documents pertaining to Plaintiff and the Aggrieved Employees, and the claims in this litigation, including time records, payroll data, policies, and training materials, among other things, to provide Plaintiff the opportunity to investigate the allegations and the PAGA Claims.

WHEREAS, on March 6, 2026, the Parties attended a full-day mediation with experienced wage-and-hour mediator Steven G. Mehta, Esq. As a result, the Parties agreed to settle Plaintiff's representative PAGA Claims, taking into account all known facts and circumstances, including the difficulty of proving some of Plaintiff's claims, potential defenses asserted by Defendant, the uncertainty associated with litigation, the risks of significant delay, and numerous potential appellate issues. At the conclusion of the mediation, the Parties accepted a mediator's proposal.

WHEREAS, the Parties understand, acknowledge, and agree this PAGA settlement constitutes a compromise of Plaintiff's PAGA Claims, and it is the desire and intention of the Parties to effect a final and complete resolution of the PAGA Claims that Plaintiff and the Aggrieved Employees have or may have against Defendant. The Parties further acknowledge this Agreement is a compromise of disputed claims and nothing in this Agreement shall be construed as an admission by Defendant or of any wrongdoing or liability. Specifically, Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Lawsuit and PAGA notice. Defendant, among other things, contends it has complied at all times with the California Labor Code and all applicable California laws.

WHEREAS, counsel for the Plaintiff, the State of California as its designated proxy, and the Aggrieved Employees believe the settlement amount is in the best interests of the Aggrieved Employees and the State of California and that the settlement for each Aggrieved Employee is fair, reasonable, and adequate, given the inherent risk of litigation.

WHEREAS, counsel for the Plaintiff: (1) believes this Agreement provides for a fair, adequate, and reasonable resolution of the PAGA Claims, (2) has investigated the facts relevant to this settlement and this Agreement, and all matters pertaining thereto, and (3) has arrived at the settlement through extensive, arms-length negotiations, taking into account all relevant factors, present and potential.

Therefore, in consideration of the promises and agreements contained herein, and to avoid the uncertainty, risks, costs, and delays associated with further litigation, the Parties agree and covenant as follows:

1. **Effective Date**. The effective date ("Effective Date") of this Agreement shall mean the date upon which both of the following have occurred: (i) approval of the settlement is granted by the Court overseeing the *Barnett* PAGA enforcement action, or other court assuming jurisdiction of this matter, and (ii) the Court's judgment approving the settlement becomes Final.

2. **Aggrieved Employees.** "Aggrieved Employees" are all current and former exempt and non-exempt employees who worked for Defendant within the State of California at any time during the period of August 22, 2022 to May 5, 2026 ("PAGA Period"), but excluding Defendant's Directors, Vice Presidents, and Senior Vice Presidents.

3. **PAGA Counsel.** "PAGA Counsel" means the Law Office of Thomas D. Rutledge, Mashiri Law Firm, APC ("MLF"), and The Jami Law Firm P.C. ("JLF").

4. **Conditional Stipulation to Representative Action.** The Parties stipulate that solely for the purposes of settlement, the claims brought on behalf of the Aggrieved Employees may be resolved on a representative basis under the PAGA, and if there is no judicial approval of this Agreement, then the stipulation to a representative action will be void.

5. **Employee Data**. No later than forty-five (45) calendar days after the full execution of this Agreement, Defendant shall provide the Settlement

Administrator with the Employee Data. The Employee Data means information regarding the Aggrieved Employees that Defendant will in good faith compile from its records and provide to the Settlement Administrator. It shall be formatted in the manner requested by the Settlement Administrator and shall include sufficient information to effectuate this settlement, including but not limited to: each Aggrieved Employee's full name; last known address; Social Security Number; and the number of pay periods that each Aggrieved Employee worked during the PAGA Period.

6. **Gross Settlement Amount**. Defendant agrees to pay, in accordance with the terms set forth herein, the total sum of $445,000.00 as the non-reversionary gross settlement amount (the "Gross Settlement Amount") in full settlement of the *Barnett* PAGA enforcement action. The Gross Settlement Amount (GSA), which represents the total amount payable under this Settlement by Defendant (subject to the Escalator Clause described below), will be allocated as follows:

a. PAGA Counsel's attorneys' fees of up to 35% of the Gross Settlement Amount (i.e., $155,750.00) ("PAGA Counsel's Fees") and actual costs not to exceed $20,000. From the amount of PAGA Counsel's attorneys' fees awarded by the Court as follows: 50% of the proceeds are payable to Thomas D. Rutledge, 25% to MLF, and 25% to JLF. Defendant will not oppose this request. Attorneys' fees and costs shall be paid out of the GSA subject to the approval of the Court. PAGA Counsel may elect to have the Settlement Administrator, directly or indirectly, disburse all or part of their Court-approved attorneys' fees award paid to all of some of them in periodic payments, through a structured settlement and/or to an assignee. PAGA Counsel will bear any and all costs, fees, and expenses of administration for any periodic payments of such award and shall be fully responsible for any taxes, costs, liabilities, attorneys' fees, and/or penalties resulting from any issues, claims, and/or disputes arising out of, related to, or incurred in connection with any such periodic payments, including without limitation, any such issues, claims, and/or disputes brought by the state or federal government concerning the payment of taxes thereon. PAGA Counsel shall indemnify, defend, and hold Defendant and Defense Counsel harmless for all taxes, costs, liabilities, attorneys' fees, and/or penalties resulting from any issues, claims, and/or disputes arising out of, related to, or incurred in connection with any such periodic payments. To the extent the Court approves any award for attorneys' fees that does not equal at least 35% of the Total Settlement Amount, PAGA Counsel retains the right to appeal the Court's award. Should PAGA Counsel appeal the Court's award, the difference between the amount awarded and the amount disputed on appeal shall be retained by the Settlement Administrator pending PAGA Counsel's appeal. After resolution of any appeal, any funds not awarded to PAGA Counsel then in possession of the Settlement Administrator will be added to the Net Settlement Fund for distribution to Aggrieved Employees and the LWDA by the Settlement Administrator on a proportional basis relative to the size of their Settlement Shares, in accordance with other administration and distribution requirements hereunder, and PAGA Counsel shall pay any additional costs incurred by the Settlement Administrator for this purpose. The Parties agree the Court's approval of any request for attorneys' fees and costs is not a condition of this Settlement Agreement and that an award of less than the amounts requested would not give rise to a basis for Plaintiff or his counsel to abrogate this Settlement Agreement, but PAGA Counsel retains the right to appeal the Court's determination of fees and costs at the expense of PAGA Counsel.

b. **Allocations:** Defendant's employment records shall be determinative for purposes of calculating the number of pay periods that each Aggrieved Employee worked for Defendant and any payments under the settlement. If an employee worked any day during a weekly pay period, the employee shall be credited for the entire weekly pay period. Defendant will provide these calculations to the Settlement Administrator on a confidential basis.

c. **Taxes:** For tax purposes, the Parties agree the PAGA Payment allocated to the Aggrieved Employees shall be considered penalties, for which a Form 1099 will be issued to reflect these payments. Aggrieved Employees will be responsible for paying any taxes owed on the amounts they receive. Funds contained in the settlement checks that are returned as undeliverable and in settlement checks uncashed for more than 180 days after issuance will be tendered to the California State Controller's Office - Unclaimed Property Fund, to be held in the name of the Aggrieved Employee.

d. **Settlement Administrator's Expenses**: The Parties select Phoenix Class Action Administration Solutions as the third-party Settlement Administrator ("Settlement Administrator"), which will administer this settlement subject to approval by the Court. The Settlement Administrator shall use its own Taxpayer Identification Number to issue to Aggrieved Employees Form-1099s for all amounts paid under this settlement. The Settlement Administrator shall establish a Qualified Settlement Fund account pursuant to Section 468B(g) of the Internal Revenue Code for the purpose of administering the settlement, into which the GSA will be deposited and calculate all settlement checks required under law based on information that will be confidentially furnished by Defendant. Administration costs not to exceed $5,000 are to be paid to the Settlement Administrator ("Administration Costs"). If the actual administration fee is less than the Parties' estimated administration fees, the difference between the actual and estimated administration fees will revert to the PAGA Fund; and

e. **PAGA Fund**: The remainder of the Gross Settlement Amount (the "PAGA Fund") after deducting items (a) and (d) shall be designated as PAGA Penalties to be allocated between the LWDA and the Aggrieved Employees pursuant to Labor Code § 2699(i), with 75% paid to the LWDA (the "LWDA PAGA Portion") and 25% paid to the Aggrieved Employees (the "Aggrieved Employees' PAGA Portion") on a pro-rata basis as set forth in Paragraph 14 below.

7. <u>PAGA Released Claims/Effect of Judgment on Aggrieved Employees and LWDA</u>. In exchange for the Gross Settlement Amount, Plaintiff, the Aggrieved Employees, and the State of California will fully and finally release Defendant and any of their current or former parents, successors, predecessors, affiliates, subsidiaries or related entities, or any of their current or former officers, directors, members, shareholders, managers, human resources representatives, employees, agents, contractors, insurance carriers, representatives, or attorneys ("Released Parties"), from all claims, rights, demands, liabilities and causes of action, whether known or unknown, that were asserted or that could have been asserted based on the facts alleged in the operative complaint of the *Barnett* PAGA enforcement action during the PAGA Period, including but not limited to, California Labor Code §§ 96(k), 98.6, 201-203, 203.1, 203.5, 204, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, 210, 212, 213(d), 216, 218, 218.5, 218.6, 221-224, 225.5, 226, 226.2, 226.3, 226.6, 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, 231, 232(c), 232.5(c), 233, 234, 245-251, 256, 351, 353, 403, 404(b), 432, 432.2, 432.3, 432.5, 432.7, 435, 450, 510-513, 516, 515, 551, 552, 558, 558.1, 601-604, 750, 751.8, 800, 850, 851, 851.5, 852, 921-923, 970, 973, 976, 1021, 1021.5, 1024.5, 1025, 1026, 1101, 1102, 1102.5, 1153, 1174, 1182.12, 1194, 1194.2, 1195, 1197, 1197.1, 1197.5, 1198 via applicable Wage Order, 1198.3(b), 1198.5, 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, 1695, 1695.5(a), 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, 1700.47, 1735, 1775.5, 1811, 1815, 2441, 2651, 2673, 2673.1(a), 2695.2, 2751, 2800, 2801, 2802, 2806, 2810, 2810.5, 2929(b), 3073.6, 6310, 6311, 6399.7, 6400-6404, 6406-6407, 6409.6, 6432, California Labor Code §§ 2698, *et seq*., 1198, any applicable Wage Order of the California Industrial Welfare Commission, California Code of Regulations, tit. 8, §§ 3395, 11000, 11040, 11070(14) any applicable requirement to provide suitable seating and/or stools, and California Business and Professions Code §§ 17200-17508, and any remedies for any of the claims described herein, including, penalties, restitution, declaratory relief, equitable or injunctive relief, interest, and attorneys' fees and costs.

This settlement does not release any Aggrieved Employee's claim for wages or damages. Defendant agrees to enter into a separate individual settlement agreement with Plaintiff for general releases of his individual claims in consideration for general release payments ("General Release Payment"). The Gross Settlement Amount does not include the General Release Payment to Plaintiff.

8. **Notice to the LWDA**. Pursuant to California Labor Code § 2699(l)(2), the Plaintiff shall submit to the LWDA a copy of this Agreement when the Parties submit this Agreement to the Court for approval.

9. **No Right to Opt Out**. The Parties agree there is no statutory right for any Aggrieved Employee to opt out or otherwise exclude themselves from the Settlement.

10. **Fair, Adequate, and Reasonable Settlement.** The Parties agree the PAGA settlement is fair, adequate, and reasonable and will so represent to the Court. The Parties have thoroughly investigated the factual and legal issues relating to the Released Claims.

11. **Funding, Distribution of Payments.** Defendant shall fund the GSA no later than 30 calendar days after the Effective Date, provided the Settlement Administrator timely and promptly provides funding instructions to the Defendant. All payments due under this settlement shall be distributed within 15 calendar days after funding of the GSA by Defendant.

a. The term "Effective Date" refers to the date upon which both of the following have occurred: (i) approval of the settlement is granted by the Court overseeing the *Barnett* PAGA enforcement action, or other court assuming jurisdiction of this matter, and (ii) the Court's judgment approving the settlement becomes Final.

b. "Final" shall mean the latest of: (i) if there is an appeal of the Court's judgment, the date the judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for review to the California Supreme Court and/or a petition for writ of certiorari to the United States Supreme Court, or (ii) if a petition for review or writ of certiorari is filed, the date of denial of the petition for review or writ of certiorari, or the date the judgment is affirmed pursuant to such petition.

c. Mailing. Individual Aggrieved Employee Payments shall be mailed to the Aggrieved Employees' last known mailing address by regular First-Class U.S. Mail no later than fifteen (15) calendar days after the Funding Date. Upon receipt of the Employee Data, the Settlement Administrator will perform a search based on the National Change of Address Database to update and correct any known or identifiable address changes. The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

12. **Notice of Settlement.** When the Settlement Administrator issues settlement checks to the Aggrieved Employees, the check shall be accompanied by a Notice of Settlement that resembles the version attached hereto as **Exhibit 1**.

13. **Allocation Adjustment**. The Parties agree that should the Court deny approval of the allocation of the Gross Settlement Amount and/or the Net Settlement Amount, the Parties agree to renegotiate the allocation of funds in good faith in an effort to obtain approval of the Settlement.

14. **Allocation and Calculation of the PAGA Penalties**. Each Aggrieved Employee shall receive a portion of the PAGA Penalties on a pro-rata basis. The Settlement Administrator will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the PAGA Period, and (ii) the total number of pay periods worked by all Aggrieved Employees during the PAGA Period. To determine each Aggrieved Employee's payment from the Aggrieved Employees' PAGA Portion, the Settlement Administrator will use the following formula: Settlement Payment = Aggrieved Employees' PAGA Portion × [Pay Periods Worked by Individual Aggrieved Employee during the PAGA Period ÷ Total Pay Periods Worked by All Aggrieved Employees during the PAGA Period].

15. **Escalator Clause & Warranties and Representations:** Defendant's best estimate for the number of pay periods at issue for the PAGA Group for the period of August 22, 2022 through May 5, 2026, is approximately 24,600 pay periods (15,400 pay periods for non-exempt employees and 9,200 pay periods for exempt employees). Should the number of pay periods during the PAGA Period increase by more than 10%, Defendant shall, at its sole discretion, have the option to either (1) increase the Gross Settlement Amount proportionately over the 10% margin (i.e., meaning if the number of pay periods is 11% greater than 24,600, then the Gross Settlement Amount will increase by 1%), or (2) end the PAGA Period on the latest date at which the number of pay periods does not exceed 24,600 plus the 10% margin.

16. **Tax Treatment of Settlement Amounts**. With regard to settlement payments to Aggrieved Employees, IRS Form 1099s will be issued by the Settlement Administrator, if applicable, given the Parties' agreement that the penalty payments at issue in this Settlement constitute miscellaneous income that is not considered wages. Nothing in this Settlement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Defendant, its counsel, and Plaintiff and the Aggrieved Employees' counsel are not responsible for any employee tax obligations regarding the allocation of the settlement payments. Payment of the portion allocated to PAGA Counsel's fees and costs will be reflected in a Form 1099 to PAGA Counsel, who shall assume full responsibility and liability for the payment of taxes due on such payments.

17. **Circular 230 Disclaimer**. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS OR ITS OWN, INDEPENDENT LEGAL AND TAX ADVISERS FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

18. **Settlement Administrator**. The Settlement Administrator shall be responsible for sending notices, calculating settlement payments, preparing all checks and mailings, and complying with all requirements set forth herein. As noted above, the costs of the Settlement Administrator shall be paid out of the Gross Settlement Amount, and the Parties agree to use Phoenix Class Action Administration Solutions as the Settlement Administrator.

19. **Undeliverable Aggrieved Employee Payments.** Any Individual Aggrieved Employee Payments returned to the Settlement Administrator as non-delivered on or before the check cashing expiration deadline shall be re-mailed to any forwarding address provided within seven (7) days of receiving the returned notice. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by lawful use of skip-tracing, or other search using the name, address and/or Social Security number of the Aggrieved Employee involved, and shall then perform a re-mailing, if the Settlement Administrator identifies another mailing address. In addition, if any Individual Aggrieved Employee Payment, which is addressed to any Aggrieved Employee who is currently employed by Defendant, is returned to the Settlement Administrator as non-delivered and no forwarding address is provided, the Settlement Administrator shall notify Defendant. Defendant will request that the currently employed Aggrieved Employee provide a corrected address and transmit to the Administrator any corrected address provided by the Aggrieved Employee. Aggrieved Employees who received a re-mailed Individual Aggrieved Employee Payment shall have their check expiration deadline extended fifteen (15) days from the original check expiration deadline.

20. Duties of the Parties Related to Approval. Promptly upon execution of this Agreement, Plaintiff shall file a motion for the approval of the proposed Settlement and for the entry of an order approving this Settlement as required by Labor Code § 2699(*l*) in the *Barnett* matter, SDSC Case No. 37-2023-00046947-CU-OE-CTL. The approval motion will request Court approval of the following: (1) the terms of this Agreement, (2) PAGA Counsel's fees and costs, (3) payments to Aggrieved Employees and the LWDA, (4) payment to the Settlement Administrator, and (5) Final Judgment.

21. Interim Stay of Proceedings. The Parties agree to refrain from further litigation of these matters, except such proceedings necessary to implement and obtain Final Judgment and/or dismissals as applicable.

22. Invalid without Court Approval. In the event this Agreement is not approved by the Court, it shall be deemed null and void, of no force and effect, and of no probative or evidentiary value, and the Parties hereto represent, warrant, and covenant that it will not be used or referred to for any purpose whatsoever. In the event the Agreement does not become final for any reason, this Agreement shall be null and void and any order entered by the Court in furtherance thereof shall be treated as void *ab initio*. In such a case, the Parties shall return to the status quo as if they had not entered into this Agreement.

23. **Non-Admission of Wrongdoing**. The Parties agree this Agreement does not constitute an admission by Defendant or any Released Party, of any of the matters alleged in the *Barnett* PAGA enforcement action or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing by Plaintiff, Defendant or the Released Parties.

24. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. Notwithstanding the foregoing, the Parties may, via counsel, make minor modifications without written consent signed by all of the Parties. A waiver or amendment of any provision of this Agreement will not constitute a waiver of any other provision.

25. **Covenants and Representations.** Plaintiff represents and warrants he has not assigned or transferred or purported to assign or transfer, to any person or entity, any claim, right, liability, demand, obligation, expense, action, or causes, or portion thereof, or interest therein, which is or may be subject to this Settlement. Plaintiff acknowledges that he has read this Settlement, fully understands his rights, privileges, and duties under the Settlement, and enters into this Settlement freely and voluntarily, and without duress. Plaintiff further acknowledges he had the opportunity to consult with his attorney to explain the terms of this Settlement and the consequences of signing this Settlement.

26. **Enforcement.** The Parties agree that following entry of the Final Judgment, this Agreement shall be enforceable by the Court and the Court shall retain exclusive and continuing jurisdiction of this litigation over all Parties and the Aggrieved Employees to interpret and enforce the terms, conditions, and obligations of the Agreement pursuant to pursuant to California Code of Civil Procedure § 664.6. In the event that one or more of the Parties to this Settlement institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorney's fees and costs, including expert witness fees incurred in connection with any enforcement actions.

27. **Costs and Fees**. The Parties shall each bear their own costs, attorneys' fees, expert fees, mediator fees, and other fees incurred in connection with this Settlement, except as otherwise set forth specifically herein.

28. **Entire Agreement**. This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts and writings before the date hereof relating to the subject matters hereof. Any representation, promise or agreement not specifically included in this Agreement shall not be binding upon or enforceable against either Party. This is a fully integrated agreement. No other promises or agreements shall be binding or shall modify this Agreement unless in writing and signed by the Parties.

29. **Severability**. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provisions or application, and to this end, the provisions of this Agreement are declared to be severable. Notwithstanding the foregoing, no portion of any release contained herein may be deemed severed or deleted from this Agreement, except upon waiver in writing by the applicable Released Party.

30. **No Construction Against the Drafter**. Each Party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any Party on the basis that the Party was the drafter.

31. **Choice of Law**. This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the Parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of California without regard to principles of conflict of laws.

32. **Counterparts**. This Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

33. **Cooperation**. Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

34. **Electronic Signature.** Each Party specifically agrees that an electronic signature shall have the same force and effect as a signed original of the Agreement, and the Parties may use DocuSign, an electronic signature technology, to expedite the execution of this Agreement pursuant to California Civil Code § 1633.7.

35. **Continuing Jurisdiction**. The Court shall retain continuing jurisdiction over this case to ensure the continuing implementation of the provisions of this settlement.

36. **Confidentiality**. Except as provided above, as required by court or legal process, or as necessary to effectuate this Settlement, the Parties will keep the terms of this Settlement Agreement confidential. Neither Party shall issue a press release, hold a press conference, publish information about the settlement on any website or through any social media, or otherwise publicize the settlement or communicate its terms in public or in private, unless ordered by the Court.

IT IS SO AGREED.

Dated: 6/3/2026

DocuSigned by:
Vernon Barnett
B9E967AB28114D5...

Plaintiff Vernon Barnett

Dated: 6/4/2026

Signed by:
Shelley Orcutt
075C50257AA14A1...

Defendant First American Home Warranty Corporation

By: Shelley Orcutt

Its: Senior Employment Law Counsel

Exhibit 1

Exhibit 1

Cover Letter

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

Re: ***Barnett, et al. v. First American Home Warranty Corp., et al.***
Sup. Court of Cal., San Diego County Case No.: 37-2023-00046947-CU-OE-CTL
LWDA Case No. LWDA-CM-977062-23

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> ("Individual Settlement Check") payable to you. This check is your payment from the settlement of a lawsuit entitled *Barnett v. First American Home Warranty Corp.* Sup. Court of Cal., San Diego County Case No.: 37-2023-00046947-CU-OE-CTL ("Lawsuit"), pending in the Superior Court of California for the County of San Diego ("Court").

The lawsuit was filed by Vernon Barnett ("Plaintiff") against First American Home Warranty Corporation (the "Company"), on behalf of the State of California with respect to himself and other alleged aggrieved employees, to seek civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* ("PAGA"). Plaintiff alleged that the Company violated multiple provisions of the California Labor Code and Industrial Welfare Commission Wage Orders in connection with wage and hour compliance. The Company denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and the Company, on behalf of Plaintiff, the State of California, and the following aggrieved employees:

> **All current and former exempt and non-exempt employees who worked for The Company in the State of California at any time during the period of August 22, 2022 to May 5, 2026, but excluding the Company's Directors, Vice**

Presidents, and Senior Vice Presidents ("Aggrieved Employees").

The settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the Aggrieved Employees. You are receiving a portion of the settlement (the enclosed Individual Settlement Check) because you have been identified as an Aggrieved Employee. Your Individual Settlement Check is based on the total number of pay periods in which you performed at least one day of work for the Company during the period from August 22, 2022 to May 5, 2026. Records reflect that you worked during <<#>> pay periods in that time. The Individual Settlement Check is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying all taxes that may be due because of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you are deemed to have fully released and forever discharged the Released Parties from the Released Claims. The "Released Parties" means the Company and its past, present and future officers, directors, shareholders, partners, customers, affiliates, managers, employees, agents, attorneys, trustees, investors, principals, heirs, representatives, accountants, auditors, consultants, insurers, reinsurers, and assigns, all of their past, present and future parent, and subsidiary entities successors and predecessors in interest and assigns, subsidiaries, corporations, divisions, affiliates, parents and attorneys, if any, and all past, present and future officers, directors, shareholders, partners, managers, employees, agents, and assigns of such parent and subsidiary successors and predecessors in interest and assigns, subsidiaries, corporations, divisions, affiliates, parents and attorneys, if any. The "Released Claims" means any and all known and unknown claims, losses, damages, interest, liabilities, causes of action, civil complaints, arbitration demands or suits for civil penalties under the PAGA, California Labor Code Section 2698, *et seq.*, that are based upon or arise from the factual allegations in the Operative Complaint and/or Notice to the LWDA, arising during and/or with respect to the period from August 22, 2022 to May 5, 2026 for violations of the California Labor Code, and all claims for attorneys' fees and costs and statutory interest in connection therewith.

Your Individual Settlement Check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual Settlement Check will be cancelled and the funds will be transmitted to the California Unclaimed Property Fund at the State of California's Controller's Office. https://www.sco.ca.gov/search_upd.html.

Do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the following:

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